CallMiner
Eureka

How Interaction Analytics Reduces Costs, Optimizes Engagements and Provides Rapid **ROI**

Introduction

Analytics is one of the more versatile and powerful innovations that has become available to contact centers. Today interaction analytics is being used to reduce call times and raise agent productivity and increase revenues from sales and collections operations. It is also used to improve adherence to best practices, improve documentation and compliance with TCPA (Telephone Consumer Protection Act), FDCPA (Fair Debt Collection Practices Act) and other regulations, optimize the customer journey across all contact channels and touchpoints, and provide a more efficient, satisfying, targeted and optimized customer experience.

> " *Speech analytics is a high-value application with great potential to deliver quantifiable strategic and tactical benefits to many departments within enterprises, including the contact center, when it is used properly. There's a very good reason why the speech analytics market has grown from 24 customers in 2003 to over 3.5 million licenses in 2015.* "
>
> **DMG Consulting**
> *2015-2016 Speech and Text Analytics Product and Market Report*

Besides being versatile, interaction analytics is extremely cost effective. Users of this impactful technology are often times finding multiple opportunities within their environments to quickly gain a full return on investment (ROI) through a combination of improving productivity, reducing operational costs and increasing revenue. This white paper explains how interaction analytics creates value and rapid RO) with examples from real-world deployments, including:

- ✔ **A home services company that improved its telephone sales closing rate by 5 percent and raised its Net Promoter Score (NPS) by 18 percent after using analytics to identify and enforce best practices;**

- ✔ **A consumer products manufacturer that cut its average customer service call handle time by 82 seconds;**

- ✔ **A debt recovery firm that increased its collections 9.6 percent by improving its agent training and coaching**

- ✔ **A utility that improved its first-call resolution (FCR) rate by 1.5 percent, its customer satisfaction score by 84 percent and its multi-product conversion rate by 30 percent;**

- ✔ **A services company that reduced the time needed to coach agents by 40 percent by using analytics to identify each agent's specific strengths and weaknesses;**

✔ **An accounts receivable management and collections agency that reduced regulatory complaints by 32 percent after using interaction analytics to identify and mitigate the factors that lead to escalation calls;**

✔ **A law firm that reduced its contact center operating costs by more than $200,000 annually by automating functions that quality assurance agents had previously done manually.**

Analytics allows contact center operators to go beyond the limited, incremental benefits that come from evolutionary technology upgrades and raise their operations to new levels of efficiency, innovation and responsiveness.

Interaction Analytics Primer

Contact center interaction analytics automates the process of taking unstructured information that is trapped in customer phone calls, texts, emails and social media streams and turns it into structured information that can be searched and analyzed. When combined with other metadata, such as which agent handled the call or customer details from a CRM system, interaction analytics can deliver tremendous value and insight. This omni-channel analytics process commonly occurs across a wide body of recorded phone calls and other contacts. It does an excellent job at trend discovery and root cause analysis, and helps create a consistent customer experience across channels.

Automated real-time monitoring, also commonly referred to as real-time speech analytics, enables decision support that occurs while a call is still live. This provides decision support to either agents or supervisors. Agents can receive next-best-action guidance reminders, script adherence notifications or other assistance, all based on what is happening on the live call. Similarly, supervisors can get an overview of every ongoing call for a group of agents and automatically be notified of escalations or calls that require immediate action or course correction. Real-time monitoring helps prevent excessive silent periods on calls, which can drive up call times and are often an indicator the agent needs help. One of the greatest benefits of real-time monitoring is helping companies to optimize customer engagements through de-escalation and saving calls that might otherwise result in dissatisfied customers or complaints.

The white paper Getting Started with Real-Time Speech Analytics provides additional information about how the technology works and how it is being applied for sales, customer service, compliance monitoring and other common use cases.

Analytics technology is helping contact center operators in the immediate term – while agents are engaged with customers – and in the longer term. Call recordings or text-based customer interactions are searchable and can be queried to identify trends or test different hypotheses about the most effective way to handle specific situations. The technology makes it very practical to monitor, analyze and grade every contact in its entirety. That is a dramatic departure from the random call monitoring that is standard in most contact center operations. Applying automated analytics allows more comprehensive analysis, by including every call and non-call contact, and provides objective scoring and analysis that is more consistent, timely and thorough than managers can produce by themselves.

These capabilities enable organizations that use interaction analytics to optimize their path for customer interactions and improve the quality for each and all interactions, creating multiple benefits that are described in the following sections.

Reduce Operating Costs

Contact centers can reduce operating costs by using analytics to optimize how contacts are handled. By analyzing the volume, content and outcomes of all contacts across all channels (calls, emails, messaging chats, etc.), organizations can redirect flow more efficiently, maintain contact center staffing at optimal levels, enhance the customer journey across channels and resolve individual engagements more effectively. For example, interaction analytics can identify the leading causes of repeat contacts, contacts that are misdirected, the sources that lead to the most frequent contacts, and calls and other contacts that generate complaints.

Typical cost reduction results include:

✔ **Higher first-call resolution**   ✔ **Fewer deflections and repeat calls**   ✔ **Lower average handle times**

Fitness equipment maker Nautilus significantly reduced its average call time after using interaction analytics to analyze the content of 100 percent of its calls. The analysis found the verification process typically took 30 to 60 seconds per call and that 20 percent of calls were transferred because the initial agent wasn't able to assist the customer. This insight led to process and training changes that reduced average call times by 82 seconds after just three weeks. Nautilus calculated its interaction analytics investment produced full ROI in just six weeks. See the complete case study for more details and documentation of the benefits.

With comprehensive, objective data about what drives contact volume organizations can develop appropriate resources and channels for customer engagement. For example:

✔ **IVR prompts may be changed to reduce misdirected calls, or new options could be added to address common issues that lead customers to call.**

✔ **Organizations can create FAQs, email notifications and newsletters to proactively provide information that customers commonly seek.**

Another way analytics helps reduce costs is by giving organizations the insight to reduce repeat call volume. Root cause analysis with interaction analytics can reduce repeat calls by 3 to 5 percent. Reducing repeat calls not only reduces overall call volume, it also leads to greater customer satisfaction.. These improvements reduce the average cost per contact, while also improving customer satisfaction. One company did a "test drive" of interaction analytics to get baseline metrics about its 200-agent contact center. The company learned that approximately 9 percent of the people that called its contact center were repeat callers. It estimated that analytics could be applied to reduce repeat callers by 5 percent, which would be enough to eliminate one full-time equivalent (FTE) position. The company documented the value of repeat call reduction using the following worksheet.

Efficiency & Cost Savings from Repeat Call Reduction	
Estimated volume of repeat callers as percentage of total callers	9%
Estimated amount of repeat calls preventable through analytics-driven root cause analysis	5%
Corresponding reduction in total calls/year	0.5%
Number of FTEs saved (0.5% x 200 agents)	1.0
Estimated annual cost of agent FTE	$25,000
Estimated Annual Savings	$25,000

Another customer, British Gas, improved its FCR by 1.5 percent and saw its Net Promoter Score rating for customer satisfaction jump from 10.0 to 18.4 (an 84 percent improvement) after using interaction analytics to analyze its customer contacts and improve agent coaching. Optimizing customer contacts also helped British Gas improve its conversion rate for multi-product sales by 30 percent.

Silence Isn't Golden, It's Costly

Research and experience tell us that silence is not good on customer service and sales calls. Excessive silence drives up the total call time and is often an indicator that the agent does not know how to answer a question or complete a task efficiently.

Contact analytics can identify silence in calls and what causes it. That insight can be used to improve training or make other changes so calls can be handled more effectively. One company calculated that a 10 percent reduction in call silence would equate to a 1 percent reduction in call volume. Such an improvement would effectively increase call handling efficiency by 1 percent without adding any incremental labor costs.

Another company that has 800 agents estimated that reducing silence by just 5 percent on its calls would produce $331,250 in annual savings, as shown in the calculation below.

Reducing AHT by Reducing Silence on Calls	
Estimated current hours per day (800 agents x 4 hours/day)	**3,200 hours**
Estimated Current Hours of Silence (33.2% x 3,200 hours)	**1,062 hours**
Number hours saved per day by a 5% reduction of silence and corresponding average handle time reduction	**53 hours**
Number of agent FTEs saved per day (106 hours / 4 hours/agent/day of call recordings)	**13.25 FTE**
Estimated annual cost of agent FTE	**$25,000**
Estimated Annual Savings	**$331,250**

Improve Productivity

Shorter call times clearly translate to increased productivity for agents. Interaction analytics also improves productivity by helping reduce training time and making training more effective, enabling organizations to maintain higher agent-to-supervisor ratios.

The ability to automatically record, analyze and score every call helps reduce the training period and time-to-value for new employees. Trainers and managers can use daily scorecards and real-time feedback to customize instruction and coaching. This not only helps new hires become productive faster, it also reduces their confusion and improves confidence, which in turn reduces dissatisfaction and attrition. Customized coaching also helps produce sustainable, continuous quality and productivity improvement.

The ability to monitor 100 percent of contacts, flag potential problems in real time and automatically produce objective scorecards enhances supervisor productivity. Supervisors can spend significantly less time randomly sampling contacts and subjectively assessing agent performance. This allows organizations to operate with higher agent-supervisor ratios, which reduces labor costs.

Sokolove Law was able to consolidate the work of five quality assurance analysts overseeing its 33 agents into one QA position by automating the processes for scoring and evaluating customer contacts. The conversion reduced contact center operating costs by more than $200,000 annually. Details are presented in this webinar.

> " *I am significantly more confident about what is and isn't being said on the call floor without spending all day listening to calls.* "

> **Director of Compliance**
> *Credit Card Collection Agency*

State Collection Service implemented interaction analytics primarily so it could improve quality by monitoring to identify deviations from its best practices across its four call centers. Additionally, 100 percent automated call monitoring and scoring enabled it to reduce the amount of employees assigned to quality assurance. The company estimated it recovered more than 4,000 employee hours annually by automating the performance feedback process (see the full case study here).

Automated monitoring is also highly scalable, which lessens or eliminates the need to schedule extra supervisors for peak periods. Managers can also coach agents more effectively and spend less time debating performance results because scorecards are based on 100 percent of the agent's contacts, not a random sampling. The comprehensive, objective scoring helps reduce disputes and agent appeals and eliminates the need for resource and time intensive calibration processes, which also saves time for supervisors.

Afni, a Business Process Outsourcer (BPO), which provides a variety of customer engagement and other services for companies, reduced the time its supervisors spent preparing to coach call center agents by 40 percent by using contextual data from its interaction analytics solution to pinpoint where each agent needed help. Afni then documented a 4 percent improvement in overall agent performance and a 2.8 percent increase in its FCR rate.

Increase Revenue

Companies lose untold revenues because many do not have the analytics they need to develop best practices and agents do not consistently follow developed scripts . High conversion rates result from high consistency in the sales approach. Comprehensive monitoring and analysis through analytics helps produce the consistency that increases conversions.

Analytics makes it easier to identify successful selling techniques and identify customer objections. Organizations can then use the insight to target their offer, sales presentation and agent training to better address leading objections. Interaction analytics also helps organizations to understand where missed opportunities happen. For example, one company polled its sales reps regarding whether they were performing the upsell that was being promoted. Ninety percent of the agents said they were promoting the upsell, but analysis by interaction analytics found only 50 percent were actually doing so. Interaction analytics is also a very useful and powerful tool for testing marketing campaigns to determine what messaging and activity will produce the best results.

Qology, a direct-to-consumer marketing services provider, uses interaction analytics to improve sales performance. The company loaded several brand names into the interaction analytics system which helped categorize calls based on the most popular device makes and models which guided its marketing campaigns and creation of specific landing pages to attract specialized technicians. Interaction analytics also enabled Qology to discover that customers were more likely to pay for an annual support plan for new smartphones or tablets than they were for less expensive MP3 players. This knowledge was used by the marketing team to fine tune its advertising strategies.

Analysis doesn't need to be performed retroactively, but can be conducted while contacts are live to trigger a reminder message or supervisor intervention. That is another way interaction analytics can reduce unrealized revenue by using real-time contact monitoring to ensure best practices are followed and to guide agents with next best action recommendations, particularly in complex sales scenarios.

There are numerous examples of how companies have applied interaction analytics to improve conversion rates and increase revenues from product, service and warranty sales and collections operations. Here are a few examples:

Defender Direct, which provides HVAC and home security services, applied interaction analytics to its historical records and found closing rates were 20 percent higher when agent language and behavior that were identified as "essential" were followed on a call. Defender Direct trained all of its agents on the best practices identified and began using interaction analytics to score agents on their compliance. The company-wide sales closing rate increased by 5 percent.

✔ Debt collection firm CBE reported a 9.6 percent increase in collection revenues after using interaction analytics to grade every interaction and coach agents on how to be more effective.

✔ State Collection Service experienced a $2,000 improvement in average revenue per agent per month after using analytics to evaluate its sales practices.

✔ British Gas used interaction analytics to analyze 127 different pieces of metadata for each contact. Analytics revealed to British Gas there was a correlation between those agents who mentioned and promoted services to customers most often and agents that were in the top 20 percent for sales conversion. Top performers also had lower average handle times. British Gas used the insight to encourage agents to promote more and train them on which customers made the best prospects. Sales of a specific service increased by more than 30 percent and British Gas reported full ROI in six months.

Southwest Credit reduced its escalation calls by 66 percent and regulatory complaints by 32 percent after using analytics to identify what leads to escalations.

Several of these programs are detailed in case studies, webinars and other materials in the Learning Center section of CallMiner's website.

Improve Quality, Consistency & Compliance

Many of the tangible revenue improvement, cost reduction and productivity gains interaction analytics users have reported resulted from more consistency in operations and better adherence to best practices. There are undeniable benefits to improving consistency and quality, however the benefits are often hard to measure. For example, companies carefully craft policies and procedures to ensure compliance with the Telephone Consumer Protection Act (TCPA) and other regulations. Every time agents deviate from proscribed language and procedures they raise the risk of non-compliance. Each violation can result in a $500 fine, or a $1,500 fine if the violation was considered willful. At those rates, any consistent errors or omissions made by agents creates significant risk exposure, even at operations with a relatively low contact volume.

" *You can get a lot more information when you monitor all calls versus just five a month. We have so much more data now. And it's not anecdotal, it's all factual.* "

Tracy Dudek, VP of Operations
State Collection Service

There is no cap on TCPA damages. In 2014 Capital One received a record $75.5 million fine for TCPA violations, and numerous other organizations of various sizes and industries have also been fined. For many organizations, the cost avoidance for noncompliance fines would have more than offset the investment in a interaction analytics solution.

It is intuitive that consistency and quality contribute to compliance. However, that understanding does not show companies specifically how they can improve, nor the role that interaction analytics can play. To do so it is useful to look at some of the specific capabilities and metrics interaction analytics can provide.

Southwest Credit provides a good illustration of how interaction analytics creates value by supporting higher compliance. The company provides accounts receivable management and collections services to clients in industries with different regulatory requirements and norms for customer engagement, including communications, utilities, education and financial services. Southwest Credit began using interaction analytics to track escalation language on collection calls.

First it defined several words and phrases that represented escalation, then tracked escalations over time. By setting the escalation parameters, Southwest Credit learned most of its escalations came from calls in a specific disposition category, and even learned what specific language was most frequently associated with escalations on such calls.

Based on the insight Southwest Credit modified its new employee training and provided additional training to current employees. Within six months escalations decreased by 66 percent, and overall regulatory complaints declined by 32 percent.

Southwest Credit formerly audited each agent seven times per month, which produced data on less than 5 percent of its call volume. The company now automatically audits 100 percent of its calls using interaction analytics. Despite the much greater data volume, it takes less time for the company to prepare for Consumer Finance Protection Bureau (CFPB) audits because detailed data is readily available. See the complete Southwest Credit case study here.

Analytics not only helps companies improve quality, but enables them to measure and report quality in meaningful ways. The ability to monitor, grade and record every contact makes a tremendous amount of data available for quality analysis and reporting. The documentation is extremely useful for defending against complaints and preparing for audits. Some contact center management companies and other service providers use the advanced data collection and reporting capabilities that analytics provides as a strategic differentiator to help win clients.

Provide a Better Customer Experience

Southwest Credit's analysis of what led to escalations illustrates how interaction analytics can produce new insight that can help organizations better understand and serve their customers.

Southwest Credit is not only getting the benefit of improved compliance, its 32 percent reduction in complaints is a clear indication of improved customer satisfaction. There are many other ways to use insights from interaction analytics to improve the customer experience. Examples include using contact analytics insights to modify IVR options to provide customers a shorter and smoother path, managing flow more efficiently across multiple channels, introducing new service options, creating social media campaigns or other customer outreach to proactively provide frequently requested information, and even developing new products and services.

Of course, the fundamental and well-proven benefits of shortening calls, reducing escalations and improving first-call resolution also contribute directly to higher customer satisfaction. Satisfied customers are more likely to become repeat customers. Bluegreen Vacations documented a 26 percent improvement in customer satisfaction after implementing an interaction analytics program, and a 20 percent increase in upsells.

Various studies have attempted to calculate a value for customer satisfaction, which varies considerably by industry and organization. The exact dollar value of customer satisfaction is often murky, but one thing is clear: customer churn is expensive. Reducing churn is another way customer contact analytics creates value.

A top-10 US cable provider (by subscribers) used its interaction analytics data to build a model that predicts which customers are most likely to churn. The predictive analytics helps guide customer retention and customer acquisition strategies. Another company calculated it could improve its retention rate by 2 percent, which would produce $246,000 in incremental revenue annually, as shown in the table below.

Improving Retention / Upsell Rates		
	Before	**After**
Estimated monthly call volume	**200,000**	**200,000**
Estimated opportunities for retention based on analytics test drive	**82,000**	**82,000**
Additional successful retention rate	**1%**	**3%**
Additional customers retained	**820**	**2,460**
Annual incremental revenue from retention improvement	**$82,000**	**$246,000**

Advanced interaction analytics can go beyond reporting what was said and done to provide additional insight that reveals sentiment. These solutions combine acoustic characteristics such as stress in the voice or rate of speech with the context of the conversation to measure sentiment within a call, a group of calls or group of agents.

Maintaining high customer satisfaction is essential in an era where customers are often only one click away from your competitors. Interaction analytics can provide the insight to better understand customer behavior, while saving time during customer interactions and helping make them more effective.

Conclusion

Interaction analytics produces return on investment by providing the insight to improve agent productivity and performance, avoid costs from compliance violations, and increase revenues by enabling more effective and consistent customer interactions. By analyzing numerous data points from 100 percent of contacts, analytics produces insight that is more detailed and comprehensive than what is possible from random sampling and other traditional contact center management methods.
Interaction analytics produces value in many different ways, including:

✔ **Raising quality and consistency in customer contacts**

✔ **Improving agent and supervisor efficiency;**

✔ **Reducing risk of compliance violations;**

✔ **Increasing revenue through higher close rates, greater customer retention and more effective sales management;**

✔ **Improving customer service and satisfaction throughout the customer journey.**

Each organization values these benefits differently, so when considering the potential ROI an interaction analytics solution could provide it is important to account for all the documentable and soft benefits that are important to the organization.

CallMiner can help companies see how interaction analytics can improve their operations and profitability. CallMiner offers free test drives of its interaction analytics platform that analyzes contact data to show companies potential areas for improvement.

CallMiner believes that resolution is the fundamental driver of positive customer experiences. When contact center agents and others responsible for customer engagement are enabled by insight and feedback in real-time, they can dramatically improve the rate and speed of positive outcomes. With the tagline "Listen to Your Customers, Improve Your Business" our goal is to help companies automate the overwhelming process of extracting insight from phone calls, chats, emails and social media to dramatically improve customer service and sales, reduce the cost of service delivery, mitigate risk, and identify areas for process and product improvement. Highlighted by multiple customer achievement awards, CallMiner has consistently ranked highest in customer satisfaction, including surveys conducted by DMG Consulting and Ovum. For more information, please contact CallMiner at (781) 547-5666, or visit www.callminer.com.

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