

Virtual Agents to Enhance Customer Service, Reduce Operational Costs

By Doug Winslow

In today's on-demand world, a growing number of financial service institutions have realized that customer service representatives and legacy touchtone systems alone simply can't meet their customers' demands for anytime/anywhere access to services.

As a result – and thanks to significant improvements in quality and functionality and the emergence of hosted systems – the presence of next generation speech technologies that allow customers to “converse” with virtual agents without pushing buttons or waiting on hold for the next available representative is expanding throughout the financial services industries.

According to Datamonitor, many banks are expanding the use of speech technology from triage to include services such as account access, fund transfers, bill paying and more. That's possible because today's virtual agents not only can translate human utterances into transactions, but also can “mine” accounts for information specific to each caller.

Because they are convenient and allow customers to interact directly with the system at their own pace, virtual agents increase customer satisfaction and enhance long-term customer loyalty. Plus, speech technology addresses the 15 percent of the population still using rotary telephones.

And while customer satisfaction is a primary driver of the growing popularity of virtual agents in the banking and finance industry, users are also realizing another significant benefit – reduced operational costs.

According to a recent Purdue University study, the average cost of a call handled by a virtual agent is just 45 cents, compared with \$4 for a live agent. Additional savings are realized through shorter calls to toll-free numbers because virtual agents significantly reduce the call times from those required by the complex menus of traditional automated systems. Also, callers to a virtual agent are less likely to get frustrated and “zero out” to reach a live representative – an act that negates any productivity or cost benefits derived from an automated system.

What’s more, because they can’t be affected by moods or divert from their script, virtual agents are uniquely “qualified” to generate revenue from customer service calls by consistently performing up- and cross-sells, such as credit card insurance at the time a card is activated or setting up automatic payments when following up on a new loan.

In fact, when used for customer service-oriented transactions, advanced speech technology systems have improved up- and cross-sell capabilities by as much as 25 percent, and can handle outbound activities that provide a real-person contact rate of more than 70 percent and a call-to-conversion rate of more than 10 percent.

The impact of next generation speech technology can be felt far beyond customer service, however. Advanced technology means today’s virtual agents can be used for a wide range of in- and outbound functions, including payment acceptance, information updates, promise to pay reminders, collection notice follow-ups and customer satisfaction and other surveys. They are guaranteed to deliver the right message every time and be fully compliant – particularly important for credit and collections calls.

Today's systems also eliminate many of the problems that plagued legacy systems, such as "dead air" upon connection; dropped calls and limited functionality.

Their "skills" include:

- Right Party Contact
- Multi-channel messaging
- Advanced Voice Recognition
- Seamless, secure credit card and check collections
- Ability to hold for intended party
- Ability to schedule and facilitate call backs

Best of all, with the emergence of hosted systems, virtual agents can be quickly and seamlessly integrated into the cost of a hosted system, which is typically based on a per-minute rate that is no higher, and in some cases lower, than the rates charged for the less advanced legacy systems.

With today's customers demanding more and better service anytime and anywhere, and operational costs under intense scrutiny, virtual agents are a quick, affordable and effective addition to any customer service department.

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