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10 Ways to Measure IVR Effectiveness

Ten metrics that will reveal whether you're getting your IVR experience right

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Introduction

INTRODUCTION

THE IMPORTANCE OF AN EFFECTIVE IVR

IVR IS A KEY CUSTOMER CONTACT CHANNEL, BUT ONE THAT'S OFTEN OVERLOOKED BY CX STRATEGISTS.

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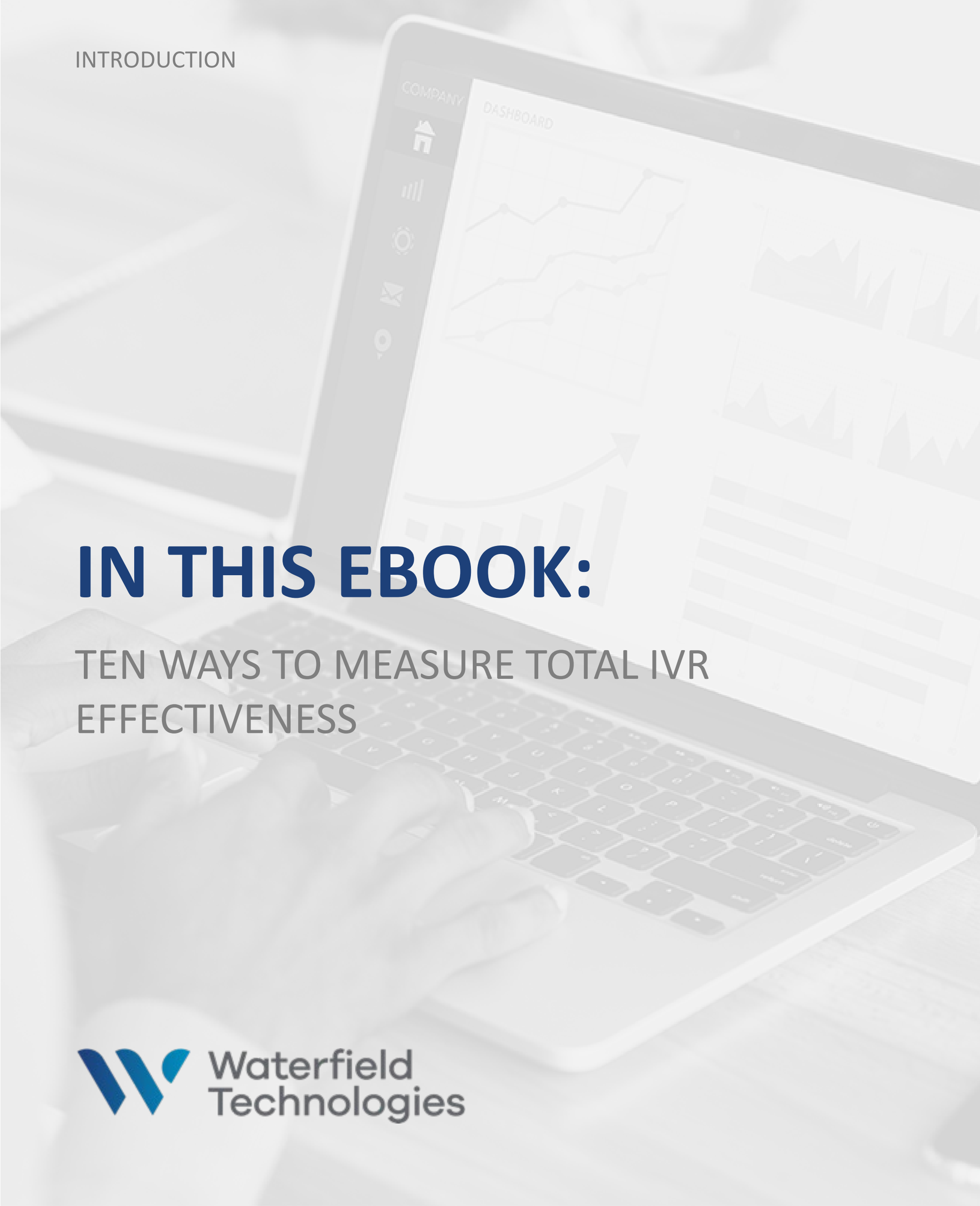
That's a mistake, because an effective IVR can vastly improve the performance of your business. The right balance between IVR self-service and agent handled calls can significantly improve customer satisfaction, loyalty and brand advocacy, as well as reducing customer service costs.

But before you can maximize the effectiveness of your IVR, you must decide where it fits within your overall customer service strategy, and clearly define what you want it to do for your business. To ensure it's delivering on those goals, you then need to measure its performance and optimize any areas that are underperforming. To do that, it's critical to know six things:

- What you want to measure - and why
- Which metrics are most appropriate for what you want to measure
- How to implement and track them
- How to gather, correlate, analyze and present the data
- How to complement the data with qualitative research
- How to act on the results of your findings



IN THIS EBOOK:

TEN WAYS TO MEASURE TOTAL IVR EFFECTIVENESS

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This eBook is about getting that measurement right. In the following pages, we outline 10 metrics you can use to monitor the effectiveness of your IVR strategy - both in terms of its financial contribution to your business, and in terms of the experience it provides to your callers.

The information in this eBook is based on Waterfield Tech’s work with large, consumer facing companies to develop IVR strategies that meet customers’ needs while helping the company to achieve its financial goals. If you’re interested in discussing how to get more value from your IVR, we’d be delighted to help. You can find our contact details at http://www.waterfieldtech.com/contact-us.

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Financial Metrics

IVR HAS HISTORICALLY BEEN SEEN AS A COST-SAVING TOOL; REDUCING THE NEED FOR EXPENSIVE CONTACT CENTER AGENTS.

In the past, that's led to an obsession with measuring "containment" - the number of calls that start and finish in the IVR without the caller talking to an agent.

But "containment" seen in those terms isn't necessarily a positive thing. Just because a call started and finished in the IVR, it doesn't mean the caller's query was resolved or that they had a positive experience. It could be that the caller got stuck in the IVR, gave up, and took their business elsewhere. Or perhaps they had to hang up to answer the doorbell or attend to a child. In both scenarios, the call was technically "contained" in the IVR - but it doesn't mean there was a benefit to the business.

A well-designed IVR *can* have a powerful impact on financial goals like cost efficiencies, bottom-line profit, and even top-line revenue. But understanding that contribution - and optimizing it - requires more sophisticated metrics than simple "containment".

It means looking in detail at how the IVR is really performing, and how it works with the contact center to ensure every call is resolved efficiently and effectively. That can't be done with broad-brush customer service metrics: it requires a carefully-selected blend of IVR-specific and wider contact center metrics to understand how each portion of the customer journey is working. Over the next few pages, we'll look at the kind of metrics we're talking about.

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IVR METRICS

SELF-SERVICE ENGAGEMENT: This is the percentage of callers who actively engage with the self-service aspects of the IVR, rather than hanging up or “zeroing out” before attempting to complete their task in the IVR.

How to measure it: You can usually find out the levels of self-service engagement using the business intelligence features of your IVR application. (If you lack this kind of reporting capability, consider talking to a consultancy that can help you beef up your IVR analytics - it’s worth it to find out where your IVR could be working much harder. We’d be happy to help.)

What to do with the data: Several factors could be contributing to a low engagement figure. Your self-service options may be unclear, or they might not map to the types of task your callers want to complete. Alternatively, callers may have to wait too long to hear something that’s relevant to what they want to do.

As with all the metrics in this eBook, the next - and essential - step is to conduct qualitative research to understand why you’re seeing the results you are. That research could be done with focus groups, user surveys, questionnaires or usability evaluations. In the case of self-service engagement, you would want to uncover why callers are hanging up or zeroing out before they engage with the self-service options. You would then use the insight to make appropriate adjustments to the IVR before measuring again.

TASK COMPLETION: This is the percentage of callers who manage to complete their desired task in IVR self-service without hanging up or zeroing out. It’s sometimes useful to separate this metric into “task complete” - i.e., the whole task was completed satisfactorily, and “flow complete” - i.e., the caller got to the end of the process but something external to the IVR (like their card being declined) prevented them from finishing the task they set out to do.

How to measure it: Again, task completion ought to be something your in-built IVR analytics can measure - but if not, it pays to get this functionality added to your IVR reporting.

Before you can measure task completion, it's important to clearly define and categorize the tasks you want to measure. To understand how well the IVR is serving your customers, make sure you're defining tasks the caller wants to complete, rather than things the business wants to achieve. What to do with the data: A low task completion rate suggests callers are having difficulty following the self-service process to the end. Perhaps the prompts are unclear, leading them to hang up in frustration, or perhaps callers are asked for information they don't have to hand (like a customer account number) and not given an alternative if they don't have the correct information. At one customer we worked with, a natural-language IVR just didn't understand the words that callers were using to describe what they wanted to do.

Once you have the data, qualitative research can pinpoint the sticking points and bottlenecks - so you can tweak them and measure again.

"POSITIVE" CONTAINMENT: Taken together, engagement and task completion rates provide good insight into the levels of "positive" containment you're achieving with your IVR.

What you're looking for is the percentage of people who both engage with self-service and complete their intended task there. This is the percentage of calls that are truly being resolved without the help of an agent. The more calls you can contain in this way, the more cost-efficient your IVR becomes. What to do with the data: If you want IVR self-service levels to increase, this is the metric you should focus on. By looking at positive containment, you'll know how many tasks are being satisfactorily completed in the IVR, rather than simply how many calls started and ended in the IVR.

You can also correlate your positive containment levels with some of the customer experience metrics we'll look at in section 2, to see how well your IVR self-service is contributing to customer satisfaction. If lots of callers use your self-service IVR, and find it quick and easy to do so, that can drive both customer loyalty and customer advocacy - which both boost top-line revenue. Now, the IVR doesn't just reduce costs - it increases sales, too.

CONTACT CENTER METRICS

It'll never be possible to contain all calls within the IVR. There will always be callers with complex, sensitive or non-standard queries, and those callers will always need to talk to an agent to get their query resolved.

For most firms, the goal is to resolve as many simple queries as possible in the IVR self-service, freeing up agents to spend more time handling complex or sensitive queries. Here are some contact center metrics you can apply in order to understand how well that balance is working.

CALL VOLUME: The first thing to understand is your overall call volume, which is the total of all calls that customers make to your business--whether they're contained in the IVR or served by agents.

How to measure it: Call volume should be a standard report in your contact center analytics.

What to do with the data: This is the baseline metric you'll use to fine-tune the balance between calls handled in IVR self-service and calls handled by agents.

CALL ROUTING: This measures the percentage of calls that are routed to an appropriate agent when the caller needs to speak to someone. Any time a call reaches the wrong agent and must be transferred, it racks up telecom's costs, wastes agent time, and degrades the customer experience - all of which have a bearing on financial performance. This metric will also look at the volume of calls that circumvent the IVR (perhaps because the caller hasn't been able to identify a suitable option in the IVR and has hung up and looked for another number to call), and then must be routed to the right person to handle the query.

How to measure it: Call transfer rates should be a standard report in your contact center analytics. Keep in mind that some transfers are inevitable – perhaps because a call needs to be escalated to a specialized agent, or because the caller has more than one task to complete – so you should try to distinguish between good transfers and unnecessary transfers that are the result of the caller ending up in the wrong place to start with.

What to do with the data: It's unrealistic to expect every call to reach the right agent first time, but you should still have an idea of the level of right-first-time routing you want to see. If you're missing this target, you'll want to use qualitative research techniques to understand why. Then it's a case of adjusting your IVR design so you can more accurately capture what the caller needs help with, and route them to an appropriate agent.

AVERAGE HANDLING TIME (AHT): This is a standard contact center metric, but it isn't always applied in a smart way. Old-school contact centers see a high AHT as a bad thing, while customer centric firms treat it as a sign that agents are spending quality time resolving customer queries.

If your goal is to resolve basic queries in the IVR and have agents focus on more complex calls, you'll actively want to see your AHT increase. In that case, the key is not to measure it in isolation, but to correlate AHT with the volume of calls handled by agents. If you're getting the balance right, you'll see the call volume decreasing and AHT increasing.

How to measure it: AHT should be a standard report in your contact center analytics.

What to do with the data: AHT is a good indicator of whether your IVR self-service strategy is working. If AHT seems low, but the volumes of calls handled by agents are higher than expected, it could be that callers are failing to complete basic tasks in the IVR. (You can use the self-service engagement and task completion metrics outlined above to verify this.)

It may also indicate that there are basic tasks that are not currently available in IVR self-service, but which could be added to it. A follow-up action could be to listen in to agent calls to understand which types of call are being resolved quickly and see if there are any tasks that could be automated in the IVR.

AGENT VALUE: A higher AHT doesn't automatically mean your agents are having valuable conversations with callers. To ensure your strategy is working, you'll ideally want to measure the business value of those conversations, so you can track the impact over time on key business metrics like customer churn, sales volumes, customer lifetime value and brand advocacy.

How to measure it: To measure the business value of your agent conversations, you need to combine several inputs. As we've discussed, transfer rates and AHT can be easily sourced from your contact center analytics. But to truly understand the value of the calls, you'll also need to track the types of call that agents are handling, and whether those calls were a positive, negative or neutral experience for the caller. That may be information that agents input into the system, or you may want to listen in to calls and conduct your own assessment. You can also use revenue metrics to provide an objective measure of a positive call. For example, you could measure the average number and size of sales or up-sells per call.

What to do with the data: Naturally, you'll want to minimize the number of negative calls, which means analyzing what makes calls negative, and taking steps to prevent those things happening. That may mean agent training, and it may also highlight areas for improvement elsewhere. Perhaps a broken process on the website has forced a customer to call the IVR, and their bad online experience has made them angry. Correlating rates of positive calls with some of the customer experience metrics from the next section can start to give you a good picture of the business value of your agent conversations.

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Customer Experience Metrics

IF YOU WANT TO MAXIMIZE THE EFFECTIVENESS OF YOUR IVR, YOU NEED TO MEASURE MORE THAN JUST ITS IMPACT ON INTERNAL FINANCIAL METRICS.

You'll also want to understand its impact on factors like customer satisfaction, loyalty and brand perception, all of which affect future business performance.

That means evaluating the IVR in terms of the customer experience. How callers experience the IVR will have a bearing on all kinds of critical outcomes, like whether they use it again, whether they stay loyal, and what they say about your brand in conversation and on social media.

Our last three metrics focus on the CX performance of your IVR.

TRANSACTIONAL NPS: This is one of two variants of Net Promoter Score and measures the extent to which the caller would recommend the company to others based on the interaction they just had with a particular touchpoint or channel.

How to measure it: Transactional NPS consists of one question that should be asked immediately after the interaction, either as part of the IVR experience, by the agent who handles the call, or in an outbound SMS, email or follow-up call.

HOW TO MEASURE NET PROMOTER SCORE

NPS ASKS A SINGLE QUESTION: HOW LIKELY IS IT THAT YOU WOULD RECOMMEND [BRAND] TO A FRIEND OR COLLEAGUE?

Callers answer on a 0-10 scale, and the score is calculated as depicted in the following illustration:

Not at all likely				Neutral					Extremely likely
1	2	3	4	5	6	7	8	9	10
Detractor						Passive		Promoter	

% PROMOTERS - % DETRACTORS = NPS (NET PROMOTER SCORE)

Example Net Promoter Score question from www.netpromoter.com/know/

What to do with the data: Transactional NPS can be an indicator of the quality of the IVR experience the caller just had, but it's of limited use because it doesn't break down the key factors that are important for IVR interactions. Additionally, just because someone says they would recommend the company based on their experience of that interaction; it doesn't mean they will.

If you're seeing a low NPS score, it can be a sign that your IVR needs some work, but as it doesn't provide any information about why a caller is happy or unhappy it's best to correlate it with other CX metrics before jumping to any conclusions.

CUSTOMER EFFORT: This is a measure of how easy it was for the caller to get their query resolved using the IVR. Importantly, this is not the same thing as how long it took - callers often don't mind spending longer in the IVR if they feel their query is progressing satisfactorily.

How to measure it: The caller is asked to rate how easy the company made it to get their query resolved. It's important to ask this question in the right place and in the right way: if the call involves the IVR and an agent, for example, you'll want to be very clear about which element you're asking the caller to rate.

HOW TO MEASURE CUSTOMER EFFORT

YOU CAN USE THIS TYPE OF QUESTION TO ASSESS THE CUSTOMER EFFORT REQUIRED TO USE YOUR IVR:

To what extent do you agree or disagree with the following statement:

THE AUTOMATED PHONE SYSTEM MADE IT EASY FOR ME TO RESOLVE MY ISSUE:

○	○	○	○	○	○
Strongly disagree	**Disagree**	**Somewhat disagree**	**Neither agree Or disagree**	**Agree**	**Strongly Agree**

What to do with the data: Your aim is to reduce the amount of effort required from the customer to complete a task - as reduced effort has a positive impact on the customer experience. Callers' responses to the question will only give you a broad indication of how easy it was to complete the task: you'll need to combine it with task completion and flow completion metrics from your analytics package to understand where any difficulties are arising.

It's also worth looking at the time to complete tasks. This isn't directly linked to customers' perceived effort - callers don't always mind taking a while to do things, if they feel like they're making progress - but you don't want them spending longer than necessary completing a task.

Once you've understood there's a problem and dug into the analytics to see where tasks aren't completing, or where long messages and irrelevant prompts are making tasks unnecessarily long, you can take steps to update the IVR to make the process easier.

CUSTOMER SATISFACTION: This is a measure of how satisfied the customer was with the experience of having their enquiry handled by the IVR. It's more useful than NPS, because it focuses on the specifics of the customer's experience that are important for IVR interaction, rather than simply their inclination to recommend the brand based on their experience. A CSAT survey can also ask multiple questions rather than just one. The same CSAT metric can also be applied across touchpoints to understand which channels are delivering a good experience and which ones need attention.

How to measure it: CSAT is usually measured by means of a post call survey, asking the caller to rate on a scale of 1-5 things like the ease of use of the IVR, the perceived length of the call, the ease of navigation through the menu options, etc. Ideally the survey is conducted as part of the call, but it can also be done as an outbound email, call or SMS - no later than 30 minutes after the call finishes, to ensure the experience is fresh in their mind.

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HOW TO MEASURE CUSTOMER SATISFACTION

YOU CAN USE THESE TYPES OF QUESTIONS IN A POST-CALL CUSTOMER SATISFACTION SURVEY. FOR A FULL LIST OF POSSIBLE QUESTIONS:

GET IN TOUCH

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
Overall, the system was easy to use.					
The choices presented to me by the system were what I expected to complete the tasks.					
Personally, I would use this system again					
Overall, I was satisfied with my experience using the system to accomplish my tasks.					

What to do with the data: If you're seeing a low CSAT score in the IVR compared to other channels, it could be a sign that it's been neglected in your wider CX efforts and may be undermining the overall brand experience. You can use the IVR metrics from section 1 to identify why callers are unhappy with the IVR, then do some user testing or focus group work to understand where to make improvements.

A final word of caution on applying CX metrics to your IVR. Measuring the customer experience of the IVR can be a minefield - not least because it's often only one stop on a longer customer journey that may (for example) start on the web and end up with an agent. And because it's often just a small part of a customer's overall interaction with the brand, a good experience in the IVR may not mean the customer is happy overall.

For these reasons, when applying CX metrics it's essential to know what you want to measure and why, and to choose the right metrics for the job - as the wrong ones may lead you to draw misleading conclusions. For more on this topic, read our blog: C-SAT vs. NPS - Which Customer Experience Measure Should You Use?

Conclusion: Bringing it All Together

In this eBook we've looked at 10 metrics you can use to measure and improve the overall effectiveness of your IVR strategy, both as a standalone contact channel and as part of your wider multi-channel experience.

ON ITS OWN, EACH METRIC HAS LIMITED VALUE, BUT COMBINING THEM APPROPRIATELY, YOU CAN START TO GET POWERFUL INSIGHT INTO WHERE AND HOW YOUR IVR STRATEGY - AND OVERALL CX STRATEGY – COULD BE IMPROVED.

Getting all this right takes experience and expertise, and it often helps to enlist someone with deep experience of applying IVR metrics.

That’s where Waterfield Tech can help. Since 2000 we’ve been working with large, consumer facing organizations on both sides of the Atlantic to define and implement successful IVR strategies.

If you’d like to talk about how, you can use metrics to up your own IVR game, we’d be very happy to help. Visit us at www.waterfieldtech.com.

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Get Started with a Free IVR Assessment

We'll put the IVR through its paces and report back to you on:

- Your IVR "persona": does it accurately reflect your brand?
- Your IVR dialog design: does it get callers what they need, fast?
- Your on-hold experience: is it helpful, or excruciating?
- Cross-channel integrations: can callers complete inquiries in other channels?
- Areas that require immediate and longer-term attention

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