NUANCE

Proactive Notifications:
The Next Movement in Customer Care

The customer care operation plays a pivotal role in both top-line growth and bottom-line business management. Proactive notifications offer a new opportunity to improve efficiency, increase customer retention and loyalty, increase revenues and expand business – both within the base as well as through the addition of new customers. Being reactive is no longer enough in today's highly competitive and cost-conscious business environment. Winning organizations are realizing strategic business value through a comprehensive customer contact approach, which combines informed proactive contact with the more traditional reactive customer care.

"Consumers today are overwhelmingly interested in proactive customer notifications across a variety of industries. For each of the five industries included in the survey, consumer interest in receiving some form of proactive notification was very strong, ranging from 80% (for cable television operators and telephone companies) to 93% (for travel-related companies)."

Source: *Driving Consumer Engagement With Automated Telephone Customer Service,* a commissioned study conducted by Forrester Consulting on behalf of Nuance Communications, October 2009

Why Proactive Notifications….Why Now?

Outbound calling is not new to the contact center. What is new is how contact centers are approaching it, and the term "proactive notifications" embodies this. Traditionally outbound calling has been directly associated with predictive dialing technology, whereby an outbound call was timed with agent availability resulting in a live interaction between agent and customer. These calls were typically telemarketing-oriented and not necessarily tied to information about which a customer would have interest. In today's world of successful proactive notifications, companies leverage customer specific account information and business rules to trigger the contact to ensure that notifications are relevant and meaningful to the customer. Proactive notifications are also about automating the delivery of information and enabling action either via a self-serve system or via an agent where appropriate.

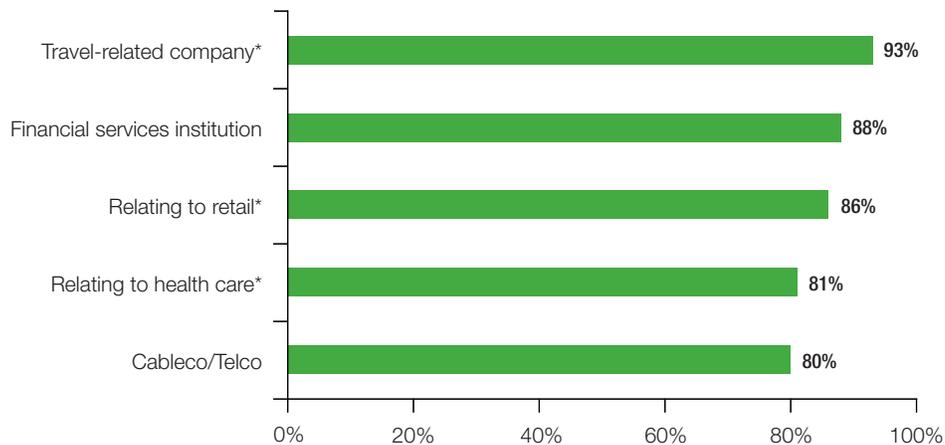## What are the categories of Proactive Notifications?

Proactive, Automated, Personalized, Actionable

According to a recent study conducted by Forrester Consulting on behalf of Nuance in October 2009, "Driving Consumer Engagement With Automated Telephone Customer Service," an overwhelming majority of consumers expressed interest in receiving proactive notifications.

A Strong Majority of Consumers
Express Interest in Proactive Notification

"Think about the following information that could be shared with you via proactive notification. Please indicate your level of interest in receiving the following notifications from _____ via your choice of email, voice message, or text message."

Percentages represent 8-10s on a 10-point scale for those interested in at least one proactive notification option

Travel-related company*	93%
Financial services institution	88%
Relating to retail*	86%
Relating to health care*	81%
Cableco/Telco	80%

0%   20%   40%   60%   80%   100%

Base: n= 500, Online US consumers who have used telephone customer service in the past 12 months
*Base: n= 501, Online US consumers who have used telephone customer service in the past 12 months

Source: Forrester's Nuance Custom Research Study, Q3, 2009

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The reason proactive notifications are entering the limelight is that customer care operations are still working to manage those three competing priorities of customer satisfaction, cost containment and revenue generation, and it has been a while since there was a new, contributing avenue to accomplishing this. Proactive notifications have a clear impact on each of these objectives.

Customer Satisfaction – It is clear that a key way to gain competitive advantage and differentiation is by providing better customer service. Customer service reputations are also critical to buying decisions. In research done by the Society of New Communications Research, it was learned that "84% of consumers take into consideration, research, or investigate customer care reputation when making decisions about purchasing products and services." Proactively contacting customers with information that is useful or meaningful to them is "…viewed by customers as positive and brand reinforcing" (footnote: Outlaw Research, 2008). It can also be a means of reducing customer complaints by proactively providing information, which might have been a surprise, e.g. tariff increases. And it is a means of raising the level of interaction with customers for top-of-mind brand awareness with minimal impact to costs.

Cost Containment – In addition to providing a positive image, proactively contacting a customer can also lead to call avoidance. By understanding why a customer may logically contact you, e.g. confirm their information was taken by the system or check if their payment was received, you can proactively reach out, eliminating the need for the customer to call in the first place. The cost of an automated proactive notification is significantly reduced from the cost of that same outbound call by an agent or managing the incoming call.

Another angle on cost containment is system capacity. The inherent nature of customer call traffic is peaks and valleys. Making proactive customer calls during the lulls for incoming calls can make use of previously unused resources.

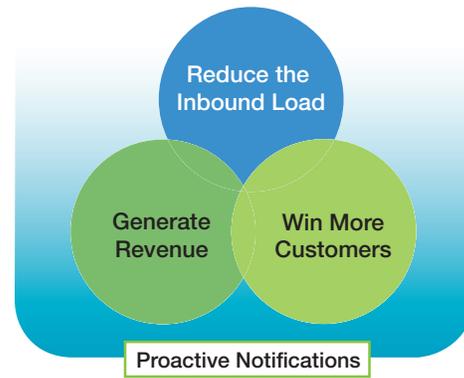**Proactive Notifications Are Cost-Effective**

Cost Per Call

Legend: Agent In, Agent Out, Automated In, Automated Out
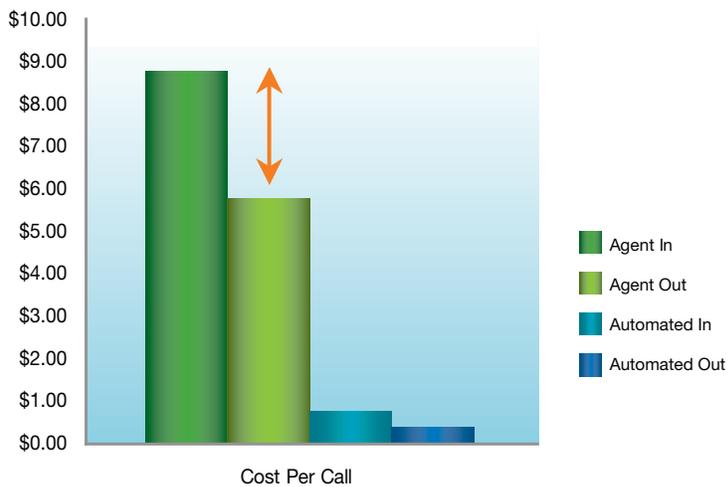
Source: Nuance Primary Research, 2007

Revenue Generation – Advising customers when a product is available can spur sales. "Just-in-time" information delivery, based on predetermined customer interest, can also provide a competitive advantage. Evidence also shows that customers calling with problems and/or complaints are not as likely to respond positively to sales offers whereas proactively contacted customers are. Contact centers with revenue goals are quickly seeing proactive notifications as a means to more effectively impact this goal.

Where Proactive Notifications Are Bringing the Most Value

The Benefit of Proactive Notifications

Reduce the Inbound Load

Generate Revenue

Win More Customers

Proactive Notifications

Proactive notifications are being used across a breadth of vertical markets: Financial Services, Telecommunications, Healthcare, Travel & Hospitality, Retail, Utilities, Government and Education. Notifications can be categorized into four primary benefit areas: Business Continuity/Emergency Notifications, Collections, Corporate Communications and Customer Care.

Key Application Areas for Proactive Notifications

Application	Uses	Sample Applications
Business Continuity/ Crisis Communications	Quick/efficient communications prior, during, after incidence	Notify staff, first responders re: emergency notifications
Collections	Recovers more debt than agents	• Non-pay courtesy calls • Payment reminders • Account suspension • Cancellation notices • Shut-off and curtailment notifications
Corporate Communications (internal/external)	Engaging, personalized, branded messages for promotions, test marketing, reminders, news, etc.	• Alert crews • Corporate announcements • Field crew scheduling • Product/service offers, updates • Surveys
Customer Care	Pre-empt inbound calls (status, inquiries, changes, etc.) and up-sell/cross-sell	• Order status • Account status • Overdraft alerts • Renewal notices • Appointment reminders
Fraud Prevention	Near real-time notifications/ verifications of transactions	• Suspicious activity • Fraud alerts • Skip tracing

Structuring Proactive Notifications for Success

There is a continuum in the notifications space starting with the simplest of interactions, AKA basic alerting or blasts, and increasing in complexity and benefit to fully integrated and actionable customer communications. While blast notifications can provide benefit, an approach that fully integrates the notification process with individual customer account activity ensures a more meaningful, personalized experience for the customer and an effort that achieves call avoidance. A well-designed proactive notification system such as the Nuance Notification Hub enables you to gear campaigns (or notifications) to the individual based on their account activity and preferences.

Customers want control of how companies communicate with them. Taking a page from the Web, a successful proactive notification program enables customers to "opt-in" for notifications as well as establish communication preferences. According to the research by Harris Interactive, "Most respondents feel permission should be asked before proactive notifications are sent." In addition to protecting and enhancing the customer relationship, opt-in efforts also ensure that regulations are respected relative to customer contact. Powerful proactive notification systems will have a built-in subscription module that enables a customer to opt-in as well as establish preferences for such things as channel (voice, email or SMS), time of contact, frequency of contact, types of notifications etc.

> "Proactive customer alerts is definitely a growing area of interest within customer relationship management (CRM), especially in high-touch business-to-consumer (B2C) industries, such as banking, real estate and travel, and implementing a program allowing customers to selectively register for alerts may offer significant competitive advantage."
>
> – John Ragsdale, IDEABYTE

Proactive notifications enable a company to deliver a multi-channel experience. While the majority of notifications are voice-based today, there are a growing number of SMS notifications going out, which makes sense considering the growing use of mobile phones. Channel becomes an important part of the opt-in process to ensure notifications are received and valued.

There is a powerful tie between proactive notifications and a company's inbound customer care operation. Blending customer contact operations into one seamless experience can help further satisfaction as well as reduce costs. A proactive notification can drive further customer interaction, either assisted or self-serve. For example, a payment due notification can offer a customer the opportunity to take care of this in the automated bill pay system or a business rule could trigger that agent intervention is more appropriate.

Flexibility in deployment can be a key factor for internal success. Some businesses will find a hosted model is preferable as they are dealing with fluctuating traffic volumes or are simply getting started in leveraging this new customer care tool. Premise solutions may better suit companies who have discovered the power of proactive notifications and foresee volumes increasing, want to fully integrate their outbound and inbound communications, or due to sensitivity of information, prefer to manage customer data onsite. Having the flexibility to shift approaches over time or blend them at any point in time could be critical to operational efficiency and control.

Campaign design and management capabilities are also important relative to campaign time-to-market and measuring effectiveness. A well-designed proactive notification system will enable rapid design, development and deployment of campaigns as well as real-time monitoring and strong reporting.

New Opportunities for the Contact Center Organization

Proactive notifications or outbound customer contact doesn't only occur in the contact center today. Interestingly a company's largest consumers of such a capability often include the finance department and the sales and/or marketing team. The common thread, however, is the customer. There is an opportunity that several leading customer care organizations are seizing and that is owning all customer communications, whether traditionally customer care, AKA reactive inbound calls, or proactive notifications. Not only can this provide strong synergies in terms of costs but it can also provide for a more consistent brand experience for the customer. It is also an opportunity to strengthen relationships with sales, marketing and finance.

Nuance: A Strategic Partner for Managing Customer Interactions

Nuance has been helping companies with automation solutions for the voice channel for well over 10 years. We offer a comprehensive portfolio of interaction solutions and services including:

- **Call Steering** – Naturally automate the routing of callers to the right destination
- **Voice Biometrics-based Authentication** – Ensure secure interactions
- **Outbound Destination Solutions** – Automate the dissemination of business information and managing business transactions
- **Nuance Notification Hub** – Comprehensive platform for proactive, outbound interactions
- **Customer Care Analytics** – Engagements to optimize customer interactions
- **Full Business Consulting** – Strategic and tactical guidance
- **Solution Deployment** – Design, development and integration to backend and legacy systems
- **Solution Management Services** – Optimization and maintenance

Our customers include business leaders around the world such as:

• Aetna	• DHL	• Southwest Airlines
• AIG	• eircom	• T-Mobile
• Air France	• EPCOR Utilities	• TD Waterhouse
• Allied International	• GE	• Telefónica España
• Amtrak	• Hertz	• TeliaSonera
• AOL	• Horizon BCBS	• Total Credit
• AT&T	• Lloyds TSB	• UPS
• AXA Equitable	• Marriott	• Verizon
• Bank of America	• Medco	• VISA
• BC Hydro	• National Grid	• Vodafone
• Citigroup	• Northeast Utilities	• Vonage
• Delta Airlines	• Premier Inn	• Wal-Mart
• Dell	• Prudential	• Wells Fargo
• Deutsche Bank	• Scotiabank	• XM Radio

Nuance is the market leader in speech, putting us in a unique position to help companies leverage this compelling interaction technology. This same technology is widely leveraged in the mobile market in both devices and consumer services, giving Nuance customer care customers an unprecedented advantage to address the mobile consumer. We are focused on the customer care opportunity and bring the experience of thousands of deployments across a breadth of vertical markets to better enable our customers to address the customer care challenge. Our goal is to always be on the leading edge of customer care solutions to assist you in increasing customer satisfaction, containing costs and driving new sources of revenue.