



POINT OF VIEW

Interactive voice response—the missing link



If the mere thought of calling into your bank's interactive voice response (IVR) system makes you wince, you're far from alone. In fact, customer satisfaction with IVR was in the deep red zone among the 7,000 plus retail bank customers who participated in a 2015 research study conducted by the Genpact Research Institute and YouGov, an international internet-based market research and data analytics firm.

There are obvious reasons why customers despise using their bank's IVR system. Too many – and too many irrelevant – menu options. Poor voice-command recognition. Annoying on-hold music. Irritating marketing messages. And then there's the perplexing reminder that you can get almost all of your questions answered by visiting the company's website, when you've obviously chosen to call in for assistance. Those are just a few of the reasons bank's IVR systems are failing their customers.

Investments in customer engagement aren't paying off

It's true that banks have made some aspects of IVR more palatable with better scripts and call routing. But there's a far bigger issue. Despite the fact that banks have been investing heavily in digital technologies to improve customer service – to the tune of an estimated \$85 billion in 2015 – our research found that customers still prefer physical channels like bank branches or ATMs.

Clearly, these massive digital investments are not delivering the expected return. Why?

Most banks are missing a vital link

Today, consumers in nearly all age groups happily use technology when it makes their experience seamless, convenient, and holistic. Think Uber or Lyft, both of which make the whole car-hailing experience – getting a ride, paying for it, and receiving a receipt – easy and painless.

But most banks have focused their digital efforts on front-end digital applications, paying little—if any—attention to the systems and processes in their middle and back offices. So while customers can use an IVR system to learn basic information about their account balance or the date of their last mortgage payment, why would they bother using such a painful and time-consuming tool when they could more quickly and easily get it from a human teller or the bank's website?

For banks, the attempt to force-fit new technologies onto legacy processes and systems has direr consequences than sinking billions of dollars into off-putting, unused digital capabilities. By doing so, they run a real risk of pushing their customers into the waiting hands of nimble, digital-only financial technology (fintech) start-

ups. These fintech companies aren't constrained by the legacy systems and processes that were previously critical to banking operations because the technology has been integrated into their systems from the start. That means they're able to deliver the services that customers expect far more efficiently, rapidly, and comprehensively than traditional banks.

What's the solution?

The only way that banks can compete against the fintechs and improve their IVR capabilities and customer engagement is to design new, from-scratch, digitally supported operating models, and processes that span their front, middle, and back offices.

There are several types of digital technologies that can deliver a superior experience to banking customers.

Natural language processing (NLP) is a type of artificial intelligence (AI) that allows computers to understand, interpret, and respond to human language. So whether a customer asks, "How much money do I have in my checking account?", "What's my checking account balance?", or multiple other variations of that question, the system will quickly understand and reply. Compare that "neural chat" solution to the exasperating "I'm sorry, I didn't get that" response IVR systems that don't use NLP currently give to customers.

Cognitive computing – computers that learn over time – goes even further. With machine learning algorithms that can make predictions using both structured and unstructured data, cognitive computing can answer customers' more ambiguous questions. It can even take a prescriptive approach to customers' spending, proactively notifying them when they might run out of tuition money for their children's school, for instance, or telling them what to do if they exceed their credit limit. These powerful capabilities are far beyond anything offered by non-digital IVR systems.

In today's increasingly fast-paced and interconnected world in which so many companies are competing for a share of the market, customers are firmly in the driver's seat. They can dictate the experience that delivers exactly what they want, immediately, and in the delivery method they prefer most. Banks need to do away with their "fancy shiny object" front-end digital app approach,

and fully embrace delivering a seamless customer journey experience with integration through the middle and back offices. If they fail to do so, they'll lose market share to emerging startups that can often more easily offer a customer-centric 360-degree experience through technology that's not burdened by back-end models or processes.

This point of view was authored by Sherry Comes, Vice President, Digital at Genpact, and first published in ITProPortal.com at <http://www.itproportal.com/2016/05/10/interactive-voice-response-ivr-the-missing-link>.

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