

# How to Build a Smart IVR That Customers Actually Enjoy Using

Discover what you need to create smart IVR systems that improve customer service efficiency and help your clients retain more customers.





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IVR (Interactive Voice Response) technology is a cornerstone of modern contact centers and UCaaS platforms. IVR enables businesses to automate certain phone interactions, use smaller customer service teams, and ultimately reduce costs.

If it's used correctly, an IVR can also streamline the customer service process.

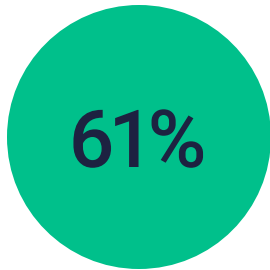
The trouble is that most customers resent IVR systems. This indicates that current IVR implementations increase efficiency at the expense of the customer experience. Overall, this costs companies more than it saves them. The cost reduction of using IVR can't offset the cost of lost customers.

However, this isn't a problem with the technology itself. IVR technology is very good. And, when it's paired with flexible and reliable carrier service, your IVR system can be a cost-reducing asset that actually improves the customer experience, rather than being something customers try to bypass.

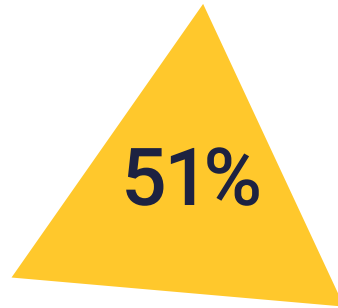


# The State of IVR

Does the current brand of IVR work for customers?



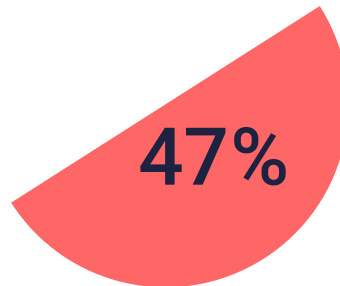
61% of customers feel IVR delivers a poor customer experience.



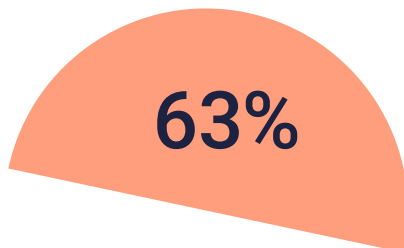
51% of customers abandon a business because of a poor experience with an IVR system.



Customer abandonment costs businesses \$252 per customer, each year.



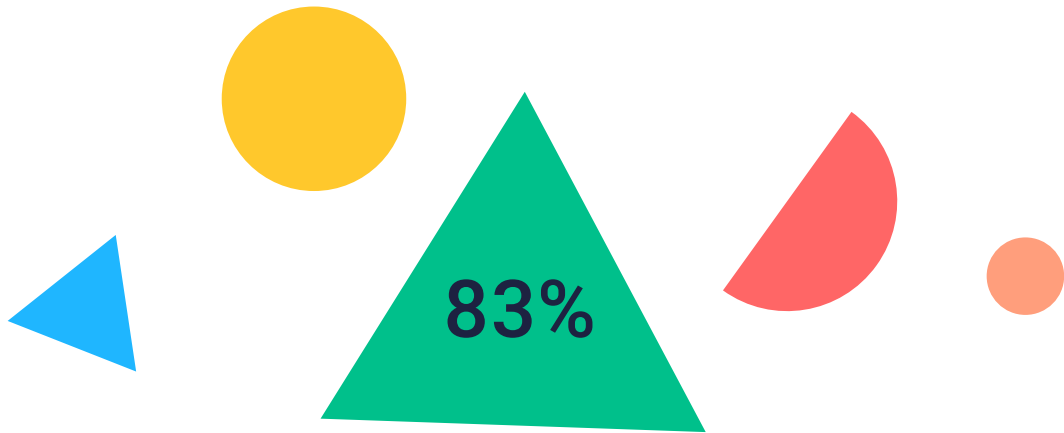
47% of customers are frustrated by IVR systems.



63% of customers complain that IVR systems force them to listen to irrelevant options.



1 in 4 customers have abandoned a call because they reached an IVR.



83% of customers feel that IVR provides them with no benefit and is deployed only as a cost reduction opportunity for the company.

As you can see, most IVR implementations aren't delivering a good customer experience. But, again, this isn't a technology problem. It's an implementation problem.

Here's the central issue: most businesses implement an IVR to save money. If you prioritize cost reduction over the customer experience, the customers know it. 83% of customers feel that IVR provides them with no benefit and is deployed only as a cost reduction opportunity for the company.

Today's customers are incredibly sensitive to profit-over-people behavior. This explains why over half of customers are willing to defect to a competing brand if an IVR provides a poor experience.

For contact centers, UCaaS platforms, and especially for IVR applications, this is a massive issue. Your IVR is a major component of your service. If you've got an IVR application, your IVR is your product.

A poorly designed IVR that causes customers to abandon your clients could put you out of business.

Here's how to design your IVR so that you maximize the benefits of the technology, while delivering a customer experience that helps your clients retain customers.



# How to build an IVR that makes customers happy

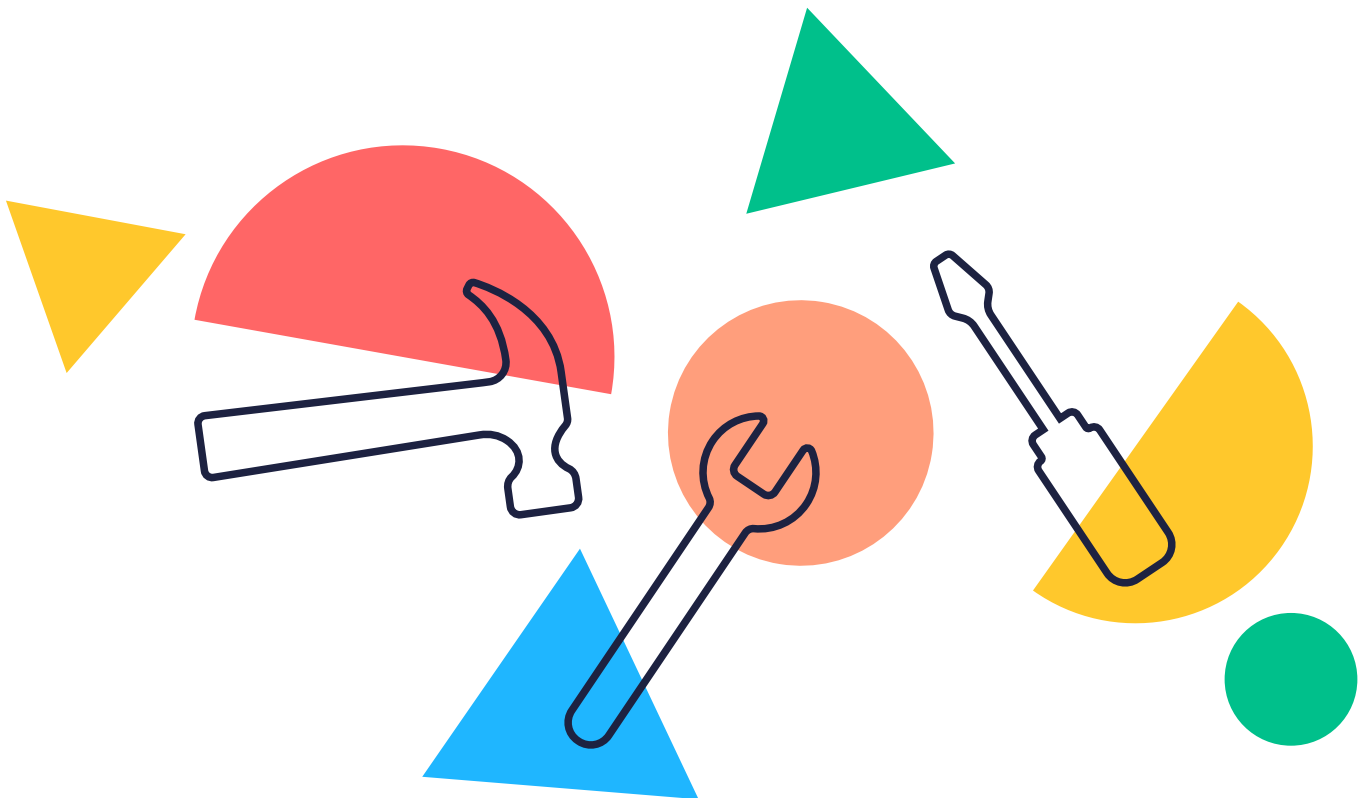
Strategically, this comes down to one thing: design your IVR with an outstanding customer experience as the primary goal.

The benefits of an IVR system are inherent. Even if you focus on building a better customer experience, your IVR will still reduce the necessary number of customer service agents, enable customers to self-serve without talking to an agent, and make the experience more pleasant when a customer does need to talk to a person.

That's the great thing about IVR. The technology will do its job without you squeezing every last drop of efficiency out of it.

If you prioritize the customer experience, customers will notice. Then your clients will notice, because their customer service ratings will go up.

Prioritizing the customer experience is the strategy. But, tactically, you need to follow some best practices and implement certain features into your IVR.





# Best practices for improving the customer experience with IVR

One of the most important aspects of building a customer-centric IVR is to utilize smart IVR. Smart IVR is similar to a traditional IVR. But smart IVR has enough menu options and interactive capabilities to handle simple customer service tasks without the aid of a human representative.

Implementing smart IVR is the first step in taking a customer-focused approach. And it enables you to much more efficiently follow these best practices and implement the right features for building a great customer experience.

Following that, here's how you design an IVR that puts the customer experience first.

- **Always give customers an option to bypass your IVR**

Many IVR providers avoid this because they worry it will essentially remove IVR from the call flow. But forcing customers to use the IVR is the best way to generate lots of frustration and dissatisfaction.

If the IVR isn't meeting the customer's needs, and the customer can't skip the IVR system, there's no way the customer is going to be happy with the experience. Always offer an option to go straight to a live associate.

- **Pass any information collected by the IVR to the customer service agent**

This might seem elementary, but a surprising number of IVR systems do not give customer information to the customer service associate.

So, even when the customer reaches a live agent, they have to repeat information, which causes even more frustration. The IVR should always show the agent information it has already gathered to streamline the customer service process.



- **Only make “call recording” announcements when the call gets transferred**

Yes, it’s a requirement to tell customers when the call is being recorded. But listening to irrelevant information is one of the biggest complaints about IVR systems. So only play the “call recording” announcement when it’s absolutely necessary.

- **Limit IVR menus to 30 seconds or less**

When you’re listening to IVR menu options, 30 seconds seems like an eternity. You’ll also lose the customer’s attention after about 30 seconds. Then they may need to have the menu repeated. That’s irritating. So cut your IVR menus to 30 seconds or less to minimize customer frustration.

- **Use natural language**

Your IVR should sound like a customer service associate. Using natural language makes customers feel more comfortable with your IVR. And the experience will be more consistent if the customer needs to talk to a live agent.

- **Allow customers to interrupt prompts**

Most customers will realize what they need to say before your IVR has finished prompting them. It’s best if your IVR allows barge-in for prompts. That way customers don’t have to wait before saying what they want.

If you can’t implement barge-in for some reason, phrase your prompts so that the customer knows they need to wait until the prompt is complete before they speak.

- **Provide natural pauses to let customers speak**

Use voice recognition technology to create natural pauses in your IVR prompts where customers can say what they need. That way the IVR flow feels more like a normal conversation with a customer service agent.





- **Correct errors as efficiently as possible**

If the customer gives an invalid command or if the IVR doesn't understand the customer, your IVR should use different words to re-prompt the customer.

So, if your IVR needs to get the customer to repeat what they said or choose a different option, it shouldn't say the same thing over and over. That just exacerbates the misunderstanding.

Also, your IVR should automatically transfer the customer to a live associate after a few attempts. There's no reason to keep trying if the customer can't communicate with the IVR.

- **Offer a touchtone option**

Many customers are apprehensive about voice recognition technology. So give customers an option to enter their information with the touch tone keypad, if they prefer.



# Key IVR features

Even if you're taking the right approach to building your IVR, there are a few features that you'll need to include to ensure that your IVR is capable enough and that it meets regulatory standards.

- **Self-serve capabilities**

There are many customer service functions—taking payments, checking account balances, adding users to an account, etc.—that can be handled by your IVR alone. So make sure that your IVR can handle the simple customer service tasks efficiently.

Also, integrating AI or a bot into your IVR can make it much easier for customers to accomplish self-serve tasks.

- **Intelligent call routing**

Your IVR should route callers to the correct customer service representative automatically, if possible. Obviously, this won't be possible if the customer immediately bypasses the IVR. But, if the customer enters information that helps route the call, your IVR should analyze that input and route the call to the best person.

That way customers can get help without much effort. And less effort always means better customer experience.

- **Secondary language support**

Most businesses have more than one language in their customer base. So offering multilingual support makes your IVR accessible to more customers. And, in some places, secondary language support is mandated by law.



- **Text-to-speech**

Text-to-speech is mandatory for delivering certain IVR capabilities, like self-service features. Your IVR must be able to recite account numbers, account balances, and other information from text to deliver full functionality.



- **Natural language processing**

Natural language processing (NLP) is mandatory for achieving the conversational tone that makes an IVR pleasant to interact with. A more organic conversational flow makes it easier for customers to communicate with your IVR because it feels more like talking to a real human.

- **Omnichannel experience**

An IVR can't deliver a complete omnichannel experience on its own. However, it's important that your IVR can pull information from other customer communication channels—website chat, social media chatbots, etc.—to provide a more seamless experience as customers transition from channel to channel.

That way it doesn't feel like starting from zero when they get on the phone with your IVR.



- **Call recording**

Most businesses like to have call recording for quality control and training (as it says in the “call recording” message). But it might be a compliance standard for your clients, depending on where they’re based. And recorded calls can be helpful for settling disputes. So call recording is a must-have feature for any IVR.



# Common IVR mistakes to avoid

If you follow the best practices and include a robust feature set, your IVR will help your clients deliver a better customer experience and retain customers.

However, there are a few mistakes that many IVR designers make, which can easily derail your efforts to put the customer experience first.

Here's what not to do with your IVR.

- **Long and unnecessary messages**

The primary purpose of an IVR is to help the customer get what they need. Overly long menus and messages are frustrating for the customer because it takes longer to navigate the system. And customers will often need to have menus repeated if they're too long.

Avoid frontloading your IVR with promotional messages, information about other customer service channels, or dialogue that a person wouldn't normally say.

**Remove messages like:**

**"You can get a faster response on our website."**

**"Please listen carefully to the following options."**

**These are frustrating time wasters.**

If the customer is calling a customer service line, they probably already tried the website. And telling customers to go to the website makes them feel like you're trying to push them off to a place where you don't have to put any effort into helping them.

The same goes for "please listen" messages. The customer knows they need to listen to the menu. There's no need to tell them. If you must alert the customer that a menu is coming, use natural statements like, "Here's what you can do."



Lastly, promotional messages are incredibly frustrating, especially for customers who are calling for help with something they already purchased. Save the selling for your sales channels.

The exception here is when your IVR is used on a sales line. If customers are calling to make purchases, they expect to get some marketing and may even find promotional messages helpful, if the message is well crafted.

However, your promotional messages should only play after the customer has heard the menu and made a selection. Hearing a sales message while on hold is fine. Getting a sales message before they even hear the main menu annoys customers.

- **Too many menu options**

If you follow the best practice of keeping your menus and messages under 30 seconds, this shouldn't be a problem. However, if you have several very short menu options, it might come up.

But it's best to limit your menu options to 5 items or less. If you have a lot of menu options, people will often forget the first few options. Then they need to have the menu repeated.

If your client needs to route customers based on very specific customer needs, it's best to put the most common three options first, then group the rest into a couple of categories, which will take them to a second menu where the options for that category are laid out.

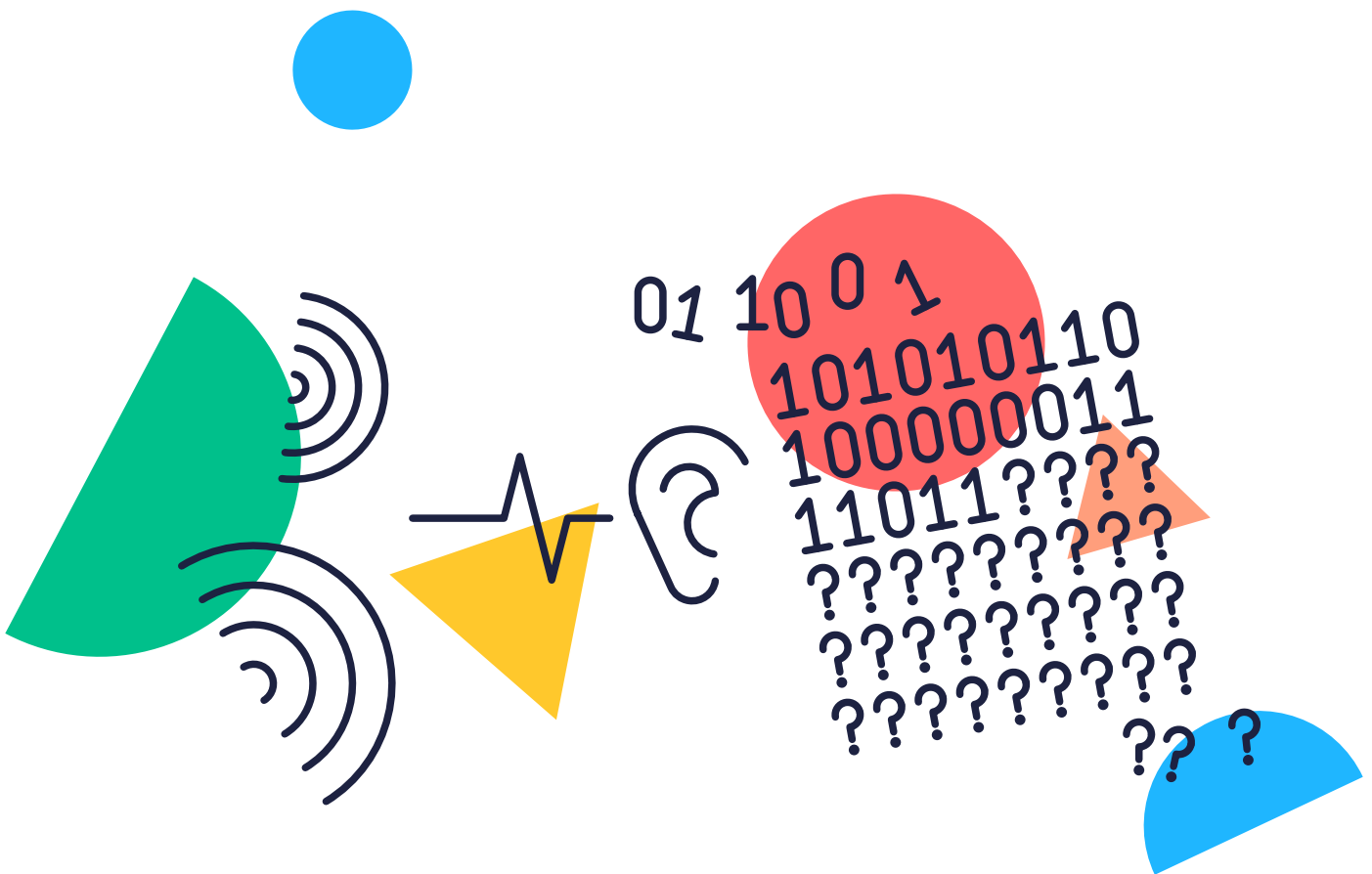
This might mean that your IVR menu has a few more layers. But customers will be able to navigate each menu more easily if they can listen to and remember all the menu options.



- **Poor speech recognition**

It might be tempting to save money by using a simpler automated speech recognition (ASR) engine. Avoid this temptation. If your IVR has bad speech recognition, customers will need to repeat themselves often. It's one of the fastest ways to frustrate customers and increase the workload on customer service representatives.

Spend the time and money to develop a top-notch ASR engine. That way your IVR works as intended.

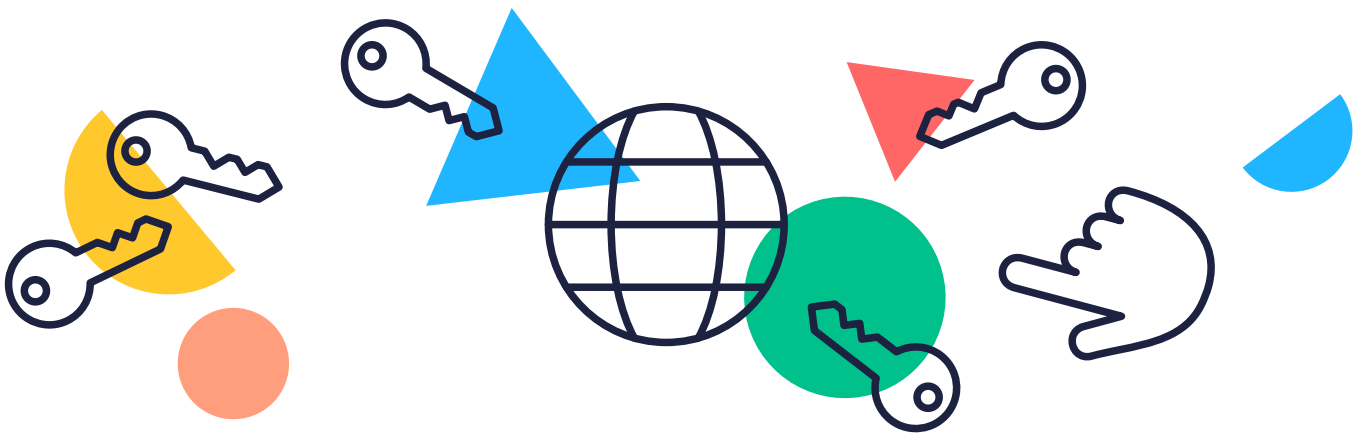




- **Connecting your IVR to inadequate carrier service**

This can be a major issue because your IVR is part of the call infrastructure. If there are problems with your carrier service, the entire call flow and customer experience suffers.

So it's vital to support your IVR with carrier service that's reliable. It's also important to work with a carrier that offers easy integration, scaling, and API control.



These are the keys to selecting the best carrier service for your IVR.

1. **A flexible API**

Your IVR needs to be built with flexibility so that it can provide a truly interactive experience that you can iterate on as needed. Without an API that offers granular control, you may be limited in your options when customizing call flows and managing call routing in real time.

2. **Real-time media streaming**

Call audio needs to be forked and routed to multiple destinations to enable the most effective voice analysis, call recording, and transcription functionality. Using media streaming you can unlock new customer insights and leverage them to tailor your customer experience.

Not only this, media streaming is a capability that opens up endless opportunities for innovation, and competitive differentiation.





### 3. Global scalability

You shouldn't be limited by your carrier. If your carrier can't operate globally, neither can your IVR. Selecting a partner in executing your global rollout certainly entails some risk and that decision must be made with an eye to the future.

Choosing correctly means embedding great voice service, taking that service to new markets and freeing up your engineering team to add value in other ways. On the other hand, a poor choice can leave your organization hampered by retrograde technology and hemmed in by an inflexible contract.

To be successful, your provider needs the correct technical foundation and true local coverage in the markets your business is trying to target.

### 4. Easy integration and fast iteration

Building an IVR is tough enough without dealing with carrier integration headaches. Integration issues also make it difficult to improve your IVR. If reintegrating with your provider is difficult, every iteration of your IVR will be a challenge to roll out. You might even lose clients if updating your IVR software means a significant disruption of service.

A carrier that offers easy integration, with flexible APIs, SDKs, great documentation and 24/7 engineering support will make it much easier to keep your IVR up to date and avoid disrupting your clients' businesses as you iterate and improve.



In the end, your carrier is the backbone of your IVR system. If you build your IVR on a weak carrier backbone, it's going to be challenging—maybe impossible—to follow the best practices and implement the features you need to build an IVR that helps your clients grow.

And an IVR that doesn't power business growth is exactly the opposite of what your clients want. And you know what that means in the long run...

So choose the right carrier. That way you have a solid foundation for creating an IVR that customers actually want to use. Because, if customers enjoy using your IVR, you're already in the top tier of IVRs around the world.



# Building a customer-focused IVR with Telnyx

Telnyx powers your IVR with a flexible voice API built on a global IP network.

The Telnyx network is built on a fiber optic backbone, and keeps call data off the public internet and third party networks for maximum reliability and security.

Our API allows you to embed voice into your application in minutes, with powerful features to customize your experience. It also offers the scalability you need to build an IVR that delivers an incredible customer service for customers wherever they are in the world.

[Contact our customer success team](#) to learn more about building your IVR on the Telnyx platform.





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