

Harvard Business Review

REPRINT HO3T1X PUBLISHED ON HBR.ORG JULY 26, 2017

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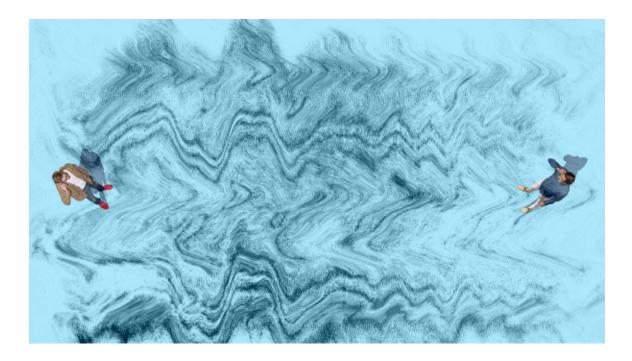
by Gregg Johnson



COMPETITIVE STRATEGY

Your Customers Still Want to Talk to a Human Being

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The rise of the internet has opened up new possibilities for communicating, from emailing and blogging to mobile video chatting and exchanging GIFs over messaging apps. This digitization has not been limited to consumer interactions. Most businesses now communicate with their customers through multiple online channels, and invest in software to track, personalize, and optimize every step of the consumer's digital journey.

As brands prioritize this digital experience, they often overlook a simple fact: communicating by voice is faster, easier, and more effective than typing messages back and forth.

Humans generally speak at 125-175 words per minute and can listen at a rate of up to 450 words per minute. In contrast, the average typist does 38-40 words per minute — and that's on a full-fledged keyboard, not on a mobile phone. A consumer may prefer to make plans with friends over text message, or to order a pizza online, but when faced with a complex purchase, these preferences often change. When making a significant decision, like applying for a first-time mortgage or exploring a potential bathroom remodel, most consumers want to talk to a qualified human expert. According to a study by Google, 61% of mobile users call a business when they're in the purchase phase of the buying cycle. The majority of respondents would call instead of reach out online because they're looking to get a quick answer (59%) or talk to a real person (57%). The study also found that consumers are more likely to call a business when making a high-value purchase in verticals such as auto, finance, or travel.

This preference is supported by trends in consumer behavior. Calls to businesses have significantly increased in response to the mass adoption of mobile phones. Filling out a form on a five-inch screen is a much clunkier experience than calling a business directly from a search result or a Facebook ad. According to the advertising and marketing advisory firm BIA/Kelsey, calls to businesses are expected to exceed 169 billion per year by 2020. These calls are <u>10-15 times</u> more likely to generate a successful sale or follow-up activity than digital form submissions, which means they are more efficient in generating revenue.

Voice is central to communication, and because it's not strictly an online channel, it presents a challenge for brands that treat digital transformation as a matter of generating clicks and website views. The challenge is particularly acute for businesses that operate in categories such as insurance, lending, travel, or healthcare. In these "considered purchase" categories, consumers typically reach out to a brand after conducting preliminary research online, and are thus well qualified to buy.

While it's possible to track every step of a customer's online journey, the trail ends as soon as an individual walks into a store or picks up the phone. If creating a better customer experience and optimizing marketing means understanding customers and anticipating their needs, this disappearing act is a real problem. It means companies lack visibility into conversations that collectively generate more than \$1 trillion of commerce.

This visibility gap will only widen as voice-based artificial intelligence becomes ubiquitous. Consumers are interacting with brands through intelligent assistants such as Alexa, Siri, and Google Assistant, which bring voice interactions beyond the mobile phone and into the home. Google, Amazon and Apple recently upgraded their assistants to enable voice-dictated payments, marking the next step in voice-first commerce.

Even as artificial intelligence becomes embedded in everyday interactions, human conversation remains the primary way people make complex purchases or emotional decisions. In a recent survey of 2,046 U.S. adults conducted by our company, Invoca, 33% of smartphone owners reported using their devices to make calls to businesses, friends, and family more than five times a day, while only

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of buying cycle.

20% of respondents said they regularly use their phones this much for emailing and updating social media. Even fewer (15%) said they use their phones more than five times a day to take photos and watch videos. And 49% of respondents use their phone to send five or more text messages a day.

As voice assistants advance, these intelligent agents will facilitate one-on-one conversations between consumers and sales or customer service representatives rather than simply replacing human interaction.

Innovative brands are connecting their digital initiatives with voice experiences. Artificial intelligence can automatically mine voice conversations for insights, allowing brands to link their voice and digital marketing initiatives. If, for example, a consumer mentions an add-on product during a phone conversation, the brand can tailor future interactions accordingly. This might involve a follow-up email with relevant product information and a targeted call-to-action.

Voice communication will need to become a business priority — particularly considering that nearly 90% of companies say they compete on the basis of customer experience. Businesses are missing out on potential revenue by burying phone numbers, making it impossible to speak to a human, or delivering a frustrating experience when consumers do connect. The Invoca survey found that 74% of people who have a bad phone support experience are likely to choose another business the next time they shop for that product or service.

Even the most sophisticated marketing campaigns can fail if they neglect phone calls and voice experiences, especially as brands invest more advertising dollars into digital channels. Advertising giants including Facebook and Google have already introduced "click-to-call" features that make it easy for a consumer to call a business for more information or to make a purchase. This ability to "call now" will become even more important as voice becomes the dominant way people consume information and interact with brands. And marketers will need to be able to track these calls in the same way they would any other online activity. It's the only way they'll get credit for that revenue, optimize for the most effective ads, and create personalized customer experiences (such as knowing who a customer is when she calls, or following up with an email offer based on what was discussed).

Consider this example: a major hotel chain invested heavily in online search ads for one of its resorts with a well-known golf course. While analytics revealed a high click-through rate on the ad, it showed little evidence of actual hotel bookings, so the company decided to pull the ad. Just before doing so, the team ran a test to match the ad with calls made directly to the hotel, revealing that people would not book a room unless they could get a tee time — something that could only be booked over the phone. The ad actually worked tremendously well, but the company lacked visibility into the calls that resulted from it.

Digital transformation efforts are incomplete unless they include voice communications. With mounting interest and innovation in voice-powered devices, the "conversation economy" is ripe for

growth. Marketing and customer experience executives need to think about this fast-growing opportunity to ensure that their digital initiatives don't leave revenue on the table.

Gregg Johnson is the CEO of Invoca, a call intelligence company.