

customer case study

TXU ENERGY IMPROVES CALL CONTAINMENT BY 18%; SEES 11% LIFT IN CSAT

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— Jeff Camp, Vice President for Contact Center Operations, TXU Energy



SITUATION

TXU Energy is a market-leading competitive retail electricity provider in Texas, operating as an independent unregulated subsidiary of Energy Future Holdings, one of the ten largest electric companies in the United States and a prominent member of the Fortune 500. TXU Energy powers more homes and businesses in Texas than any other retailer and offers a variety of innovative products and solutions.

Providing exceptional customer service is central to the success of TXU Energy as it operates in the deregulated electricity market of Texas, where 85% of Texas consumers can choose their electricity service from one of over fifty competitive providers. TXU Energy has earned its leadership position in the market through its combination of providing great customer service, competitively priced service plans, and innovative energy efficiency options and programs.

HANDLING 10 MILLION CALLS PER YEAR

Receiving over 10 million calls per year, TXU Energy handles a variety of caller

intents, ranging from simple requests, such as making a payment and reporting an outage, to more complex requests, such as moving a service or resolving a billing issue. As the most used channel for customer care, phone support for TXU Energy is a primary driver for their customer experience and also serves as a large operating cost.

To manage costs and provide self-service options for customers, TXU Energy had deployed a Touch-Tone and directed-dialog solution to route customers to the appropriate live agent resource and to handle simple transactions, such as account balance, making a payment, and finding a payment location.

“We already had a success story, as over the last few years we had steadily improved our IVR self-service completion rates,” says Jeff Camp, Vice President for Contact Center Operations at TXU Energy. “But after a point our existing system plateaued, especially with its natural language implementation. It couldn’t meet our goals in terms of enhancing the customer experience and providing better self-service completion rates without an additional investment. We had a good solution, but we needed a great solution.”

SEARCHING FOR A BETTER TOOL

In 2012, TXU Energy issued a Request for Proposal to enact a full replacement of its existing IVR. The goals of the new system were to increase call purity, improve routing accuracy by quickly identifying the caller’s intent, reduce overall maintenance costs, and to enhance customer service by reducing the customer frustration associated with the current IVR.



SOLUTION

After carefully evaluating several vendors, TXU Energy determined that Interactions Corporation offered the best solution that would fully accomplish its goals. TXU Energy selected Interactions to build and manage a hosted conversational solution to granularly route both residential and business callers to specific agent skillsets and provide 14 self-service transactions including making a payment, moving service, credit extensions, establishing recurring payments, reporting an outage, and checking on service status.

Interactions offers the only solution in automated customer care that engages customers in a truly free-form dialogue that improves contact center efficiency while delivering an effortless customer experience. Competitive offerings that TXU Energy evaluated during the RFP process featured rigid solutions that lead customers down a specific path, limiting their options as well as their patience.

Interactions removes the need for menu-driven automation by delivering a fully unstructured conversation between enterprises and their customers. Interactions’

highly trained professional services team worked with TXU Energy to design the hosted conversational solution that applies business rules to progress the dialogue flow smoothly. Additionally, Interactions uses its patented Adaptive-Understanding Technology™ to seamlessly integrate human intelligence into the system to boost accuracy and understandings. For the user, this means instead of being greeted by a recorded menu of Touch-Tone options, the caller hears a friendly voice say: “Thank you for calling TXU Energy. How can I help you?” And, most importantly, the Interactions solution has the intelligence to understand the customer’s response and continue a dialog that enables the user to swiftly and efficiently accomplish their task.

A key measure of success is call containment—the percentage of calls that can be completed, or contained, within the IVR system without having to transfer the caller to a live agent. Another marker of success is call purity, or the ability of the Interactions solution to correctly determine exactly what customers need to accomplish so the application—behind the scenes—can respond to utterances in any order they are provided by customers. In essence, to ensure the system can bend to meet customer needs and ways of interacting, rather than the reverse.

The containment and call purity ratings were so high that TXU Energy has already deployed the solution for 17 self-service destinations. This means that the friendly voice of the system can respond, “I can help you with that.” Within just the first few months of deployment TXU Energy was already planning on expanding the system to additional self-service destinations.

“Interactions allows the customer to speak naturally,” says Bryan Marshall, Managing Architect for Call Center Technologies at TXU Energy. “It’s conversational. It’s very open and engaging. The customers like it, and it works.”

The Interactions solution proved so effective, that TXU Energy gave it a name to signal the change to its customers: Ivy. The company created a campaign, “Meet Ivy: The New Voice of TXU Energy”, and spoke of “a trusted advisor named Ivy who takes care of business quickly and effectively.”

“The Interactions solution is a great improvement over our previous IVR system,” says Ed Anderson, Senior Manager of Call Center Technology at TXU Energy. “After the first month we saw that we would be able to contain and capture additional types of calls that we couldn’t have done on our previous system.”



BENEFITS

TXU Energy has enjoyed a number of benefits since deploying its Interactions solution, including an 11% improvement in CSAT (Customer Satisfaction Score), seamless language transitions, 18% improvement in call containment, and ease of management. TXU additionally reached the 3 to 5 month business case run rate at an accelerated pace of only 40 days.

IMPROVED CUSTOMER EXPERIENCE: “PEOPLE ARE THANKING THE AUTOMATED AGENT”

The Interactions solution works so well that TXU Energy is delighted—and frequently surprised—by the positive reception its very human-like automated system receives from customers.

As part of its passion for enhancing the customer experience, TXU Energy holds regular listening sessions where top managers from throughout the company gather to listen to call recordings to get a feel for how customers are experiencing the company, with an eye toward making things ever better.

“TXU Energy takes these listening sessions, generally held twice a month, very seriously,” says Camp. “Every manager in the company is strongly urged to attend. Our CEO, CFO, COO, Chief Legal Officer, and about 90 other managers generally attend.”

These meetings can be tough. Camp notes: “As the guy who runs the contact center, I often leave with a To-Do list of things we need to work on.”

So it was a pleasant surprise when the team was able to share call recordings from the Interactions Solution.

“Our senior leadership team was blown away when they heard the customer engagement with the system,” Camp says. “The entire room of nearly 100 managers broke into spontaneous applause. We’ve been doing these listening sessions for two years, and this was the only time there’s ever been applause. Everyone loved it.”

The customers love it too. “More than 2,000 people actually thanked the system at the end of their call last month,” Anderson says. “Customers will go through an entire self-service transaction, conversing with the system, and never realize they are talking to a machine and not a person.”

Another 300 customers during the same month asked if they were talking to a computer, but such comments usually came late in the call and were of a cautious nature—as if not wanting to insult the agent in case they were wrong.

Marshall has spent years in the IVR industry and notes: “It is safe to say this is quite unusual. Companies don’t expect customers to thank their automated systems. But that is exactly what we are seeing. In fact, we have customers who will actually end the call by complimenting the solution on being so helpful.”

“We aren’t trying to fool anyone,” says Camp. “We tell them it’s an automated system at the front of the call. But once customers hear the voice and start conversing, they assume they are talking with a human.”

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SEAMLESS LANGUAGE TRANSITIONS

Texas has a large Hispanic population, so TXU Energy is enthused about the seamless ease with which the Interactions solution transitions from one language to another. If a customer speaks Spanish, so does the Interactions solution.

“The typical IVR system begins by saying ‘To continue in English, press 1, for Spanish, press 2,’ and I’ve never liked that,” Marshall says. “The customer should just be able to speak, and with our Interactions virtual agent, that’s exactly what they can do. If midway through the call they switch to English, so will the virtual agent.”

While TXU Energy gives customers the option of receiving mailers and other communications in Spanish, few do, perhaps not wanting to identify themselves as having English as a second language. “Fewer than 8% of our customers request Spanish communications, but our estimate is that 30% of them would prefer that,” Camp says. “We feel this has been an underserved segment.”

The Spanish-speaking segment responds positively to the Spanish-speaking virtual agent. “The feedback we receive from these customers is that we seem better-prepared to serve them,” Anderson says. “The numbers bear this out because we’ve seen our capture rates for Spanish language calls improve significantly. We aren’t losing them like the old system did. They are staying on the line and completing their calls and feeling well taken care of.”

18% IMPROVEMENT IN CALL CONTAINMENT

TXU Energy remains impressed that deployment of the Interactions solution boosted its call containment by 18%. Each call that is contained, by the Interactions solution, and not forwarded to a human agent in the call center, saves money.

“What really impressed us about the 18% uplift was that we were already doing a good job with call containment,” Camp says. “We were already at industry benchmarks with our old system, so to go 8 percentage points above that within the first month was astounding.”

The company credits part of the increase in containment with the improved routing accuracy that Interactions provides. “With Interactions’ solution, the system can actually understand what the customer’s true intentions are,” Anderson says. “With the legacy DTMF IVRs, you’re really at the mercy of what options the customer chooses, which they may not match to the correct path. We are seeing improvements to call purity, just based on the fact that we’ve captured the caller’s true intent.”

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TXU Energy is so impressed with Interactions that it is planning to expand use of the solution to other self-service scenarios, including password resets. “This is something that would be unheard of with traditional automated systems, but can be done with our new system,” Anderson says. “We’re creating a roadmap for how we want to expand our automated operations.”

EASE OF MANAGEMENT WITH CONSOLIDATED CLOUD-BASED SOLUTION

The cloud-based Interactions solution has proven easier to manage and work with than the company’s previous onsite IVR solution.

“Life is less complicated with our consolidated Interactions platform,” Anderson says. “Previously we had three separate IVR applications: One for business, one for residential, and one for our credit customers. Moving to one consolidated solution has made a huge difference.”

The cloud-based solution has also made it easier and more economical to meet peak-demand usage. “Our call volume can swing by 30% depending upon the time of year, the weather, and other factors,” Camp says. “With our old solution we had to deploy onsite equipment sufficient to meet peak demand, plus 10% more. Now we can scale up and down according to our needs, without the expense and trouble of procuring additional software licenses and hardware.”

FASTER TIME TO MARKET FOR NEW SERVICES

Working with Interactions has slashed the time required to bring a new service online from what used to be several months to just two weeks.

“We are in a very competitive marketplace, so the faster we can improve a service experience, or prepare a new service, the quicker we can improve the customer experience,” says Anderson.

“Interactions has given us the flexibility and scalability to be able to take advantage of new opportunities much faster than we could before. Projects that might have taken from three to nine months with our previous platform, can now be completed and rolled out within just two or three weeks.”

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“WE ESTIMATED TO REACH OUR BUSINESS CASE RUN RATE IN THREE TO FIVE MONTHS, BUT IT ACTUALLY ONLY TOOK 40 DAYS.”

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SAVINGS RECOGNIZED IN JUST 40 DAYS

As the leader of the customer engagement teams with a large financial budget to manage, Camp could immediately see the value of Interactions, and that there would be a rapid ROI, as more calls were contained within the automated system meaning that fewer would be handled by the call center.

“This is the first time in 20 years at the call center that I’ve actually said: “I get the benefit, so give me the cost,” Camp says. “We picked up the tab as an operating cost because we could see the savings would be material. We estimated to reach our business case run rate in three to five months, but it actually only took 40 days.”

Beyond savings in the call center, Interactions is providing additional cost benefits. “The savings in licensing as well as software and hardware maintenance compared to our premise solution will account for over \$750,000 in total IT savings and over \$200,000 in cost avoidance,” says Ravi Malick, Vice President of Technology for TXU Energy.

LEARN MORE

ABOUT INTERACTIONS

Since 2004, Interactions Corporation’s mission is to make self-service easy and efficient, one interaction at a time. Our award-winning enterprise customer care solutions have handled well over one billion transactions to date and continue to liberate people from frustrating customer care experiences while delivering real savings to the most well-known organizations in the world. We’re a hosted service provider that delivers conversational sales, service and support solutions across every device with type, touch or talk capabilities.

Interactions Corp. is a privately held company and is headquartered in Franklin, Massachusetts.

**FOR MORE INFORMATION,
PLEASE VISIT US AT:**
www.interactions.net

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(866) 637-9049