

THE RISE OF VOICE

What the Increase in Conversation, Voice Assistants
and AI Means for Business

VOICE AND THE CUSTOMER EXPERIENCE

We're entering a new era of customer communication as more people go mobile-only and voice assistant usage surges by an estimated 130% this year. People are now empowered to use their voice — interacting with brands more quickly and easily than ever before.

While the benefits of voice for consumers are immediate and obvious, implications for marketers are vast and still emerging. Today's customer experience is undergoing a massive shift, much like it did when smartphones took hold a decade ago.

It's critical to think broadly about how voice will impact the entire customer experience, from discovery through purchase. Don't build an Alexa skill just to keep up with the latest in tech; build it because you understand your customer and how voice can enhance your relationship with them. Here's how to begin thinking about how to approach voice from a customer experience standpoint:



CUSTOMER ACQUISITION

Voice search is changing how consumers learn about your brand. And mobile phones make it easier than ever for consumers to consult an expert before buying, whether it's via their voice assistant or calling.



CUSTOMER ENGAGEMENT

Voice assistants are enabling deeper and more frequent consumer touchpoints with your brand. The new voice app ecosystem is a driving force, similar to the mobile app gold rush a decade ago. Further, voice-enabled shopping is streamlining repeat purchases for brand loyalists.



CUSTOMER SUPPORT

Improved natural language IVRs are automating more routine support tasks, while advances in AI are giving marketers the ability to mine live conversations for insights and optimize digital marketing investments.

TABLE OF CONTENTS

01/04 CLOSING THE VOICE AND DIGITAL DIVIDE	4
The last 20 years of communication.....	5
Talking over text	6
The new age of voice	7
The voice opportunity for marketers	8
Brands connecting digital & voice experiences.....	9
02/04 THE STATE OF VOICE EXPERIENCES	10
People that own voice assistants use them frequently.....	11
As voice assistants grow, people use their voices more	12
Communication over the next two years.....	13
Alexa at the forefront, but consumers looking for choice.....	14
Voice is the new user interface and source of revenue	15
Voice commands are not the same as conversation	16
Human conversation still matters.....	18
Talking is key for considered purchases	19
Voice experiences differ by industry	20
03/04 THE NEXT ERA OF CALLS TO BUSINESS	24
Attribution is critical	25
Who's calling?	26
Top call sources for each industry	27
04/04 HOW WILL YOU HARNESS THE POWER OF VOICE?	31
Connect your digital and voice initiatives	32
Mine conversations for new customer insights.....	33
Prioritize the voice experience	34
Rethink your search strategy.....	35
Find more customers who want to talk.....	36
What's next.....	37

CLOSING THE VOICE AND DIGITAL DIVIDE

In this report, you'll find real examples from innovative businesses meshing digital interactions with an increasingly voice-first world, insights from a survey of over 1,000 U.S. consumers using voice assistants, new data from an analysis of over 60 million customer phone calls passed through Invoca's platform in the past year, and takeaways for evolving your marketing in a voice-first world.

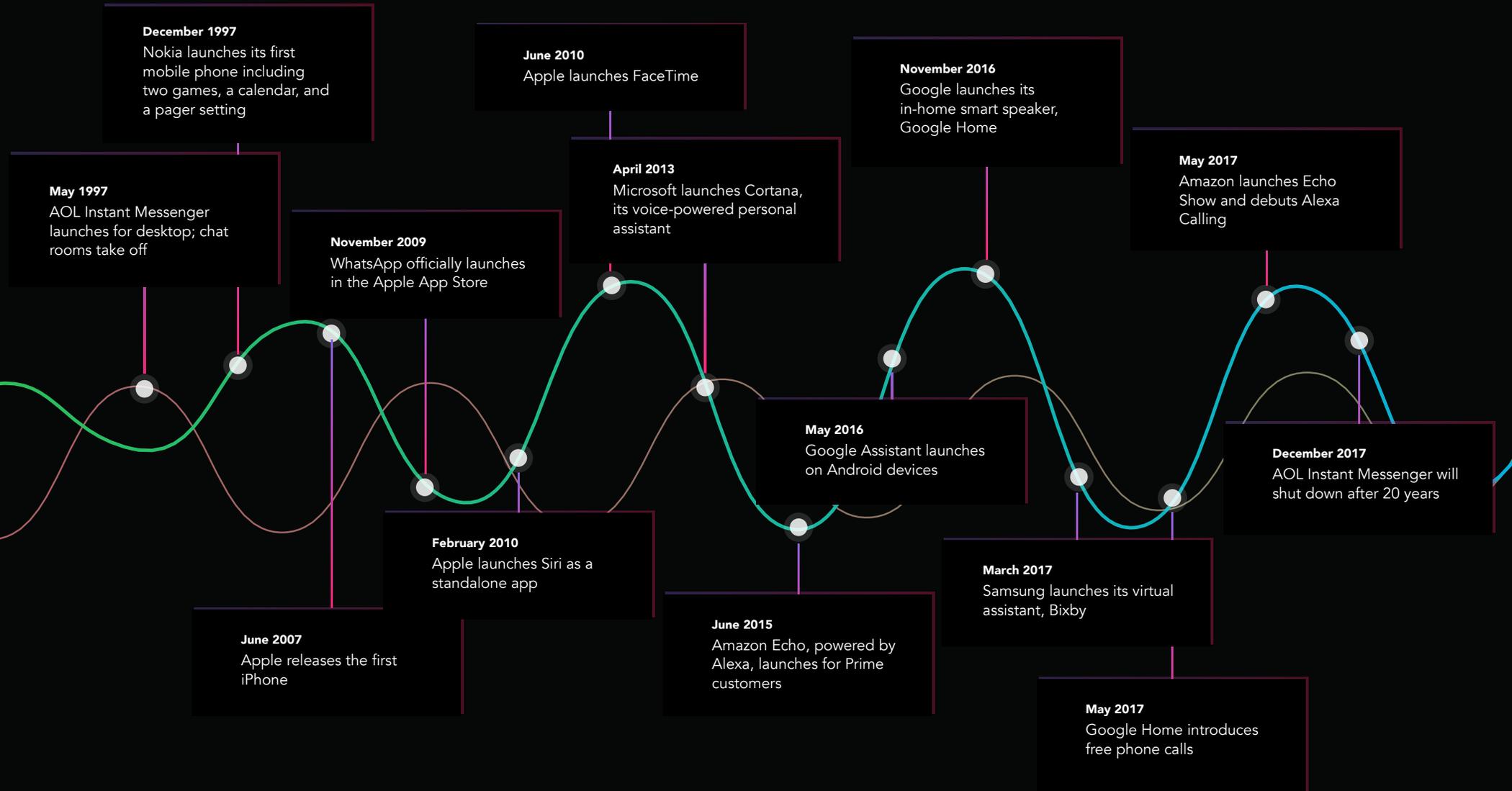
If any of this resonates with you, we'd love to talk. Give us a call at 844-693-1287.

-The Invoca Team



THE LAST 20 YEARS OF COMMUNICATION

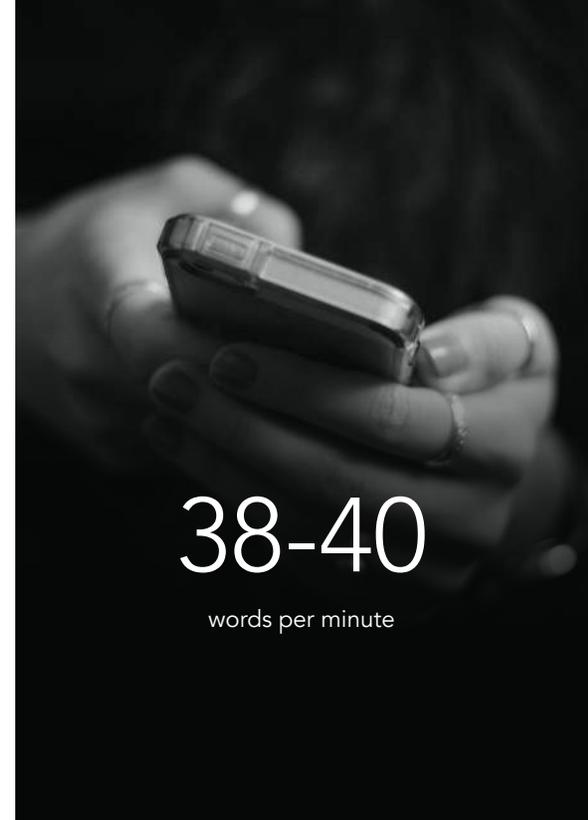
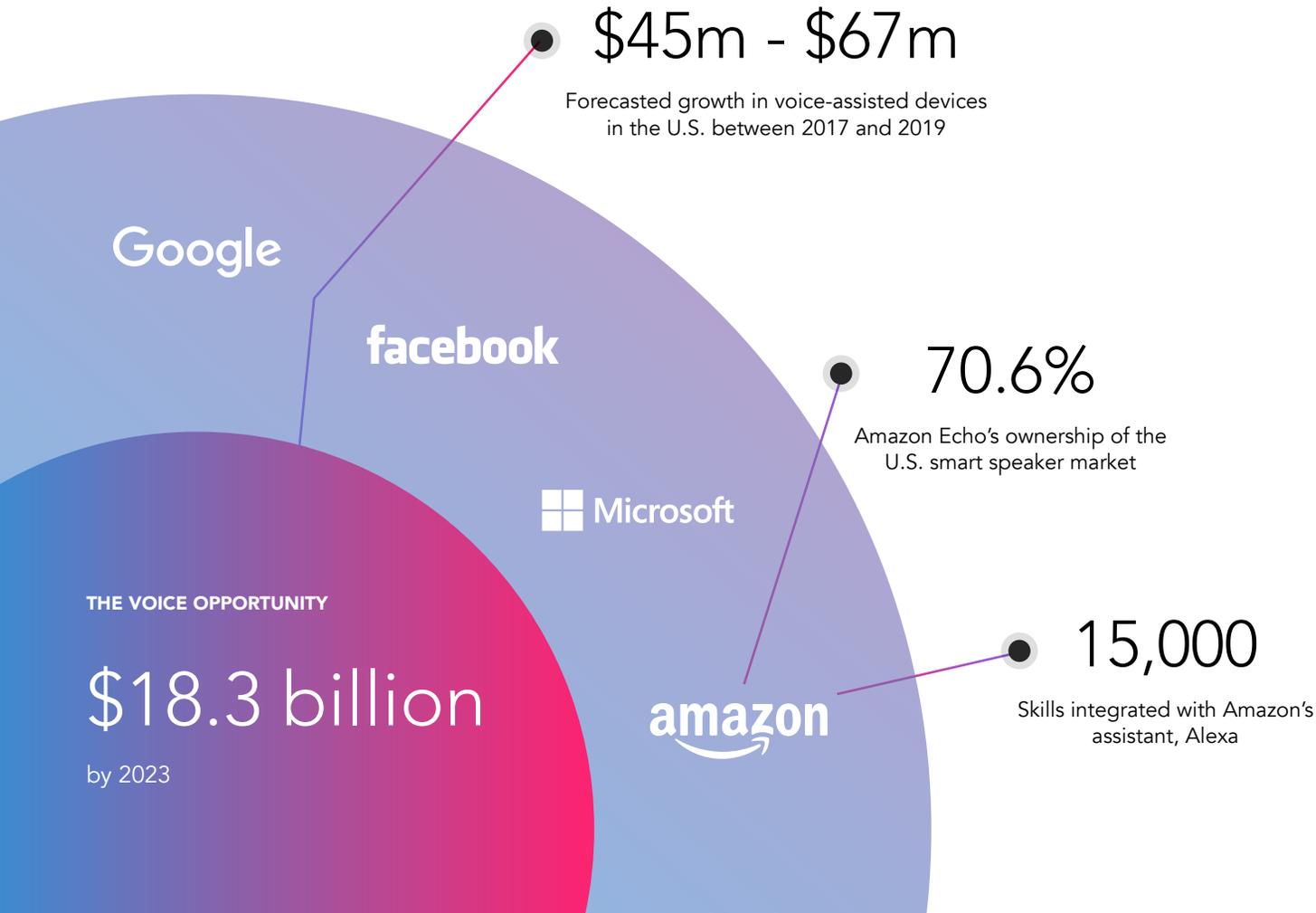
Communication technology has come a long way since the first mobile call in 1973. As clunky cell phones evolved into smartphones, wireless standards improved, apps proliferated, and smart speakers emerged, voice has evolved but always remained at the center of how people communicate.



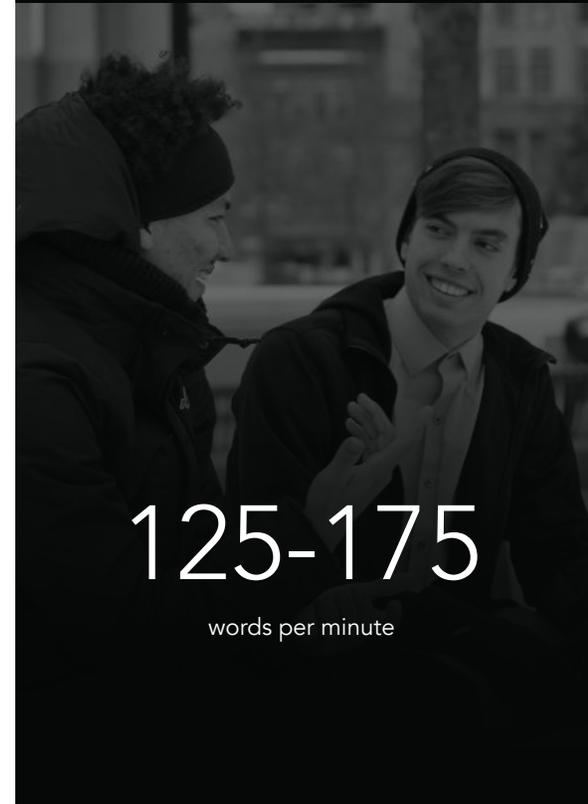
TALKING OVER TEXT

Advancements in the past 20 years have not changed the fact that people want to talk to each other. The effectiveness of trading information by speaking easily beats text-based messaging. People generally speak 125-175 words per minute. The average person can type 38-40 words per minute—and that's on a full keyboard, not a phone screen.

It's no wonder that Google, Amazon, Microsoft, Facebook, and others are investing heavily in voice recognition, which will see a compound annual growth rate of nearly 20% and be worth more than \$18 billion by 2023.



38-40
words per minute



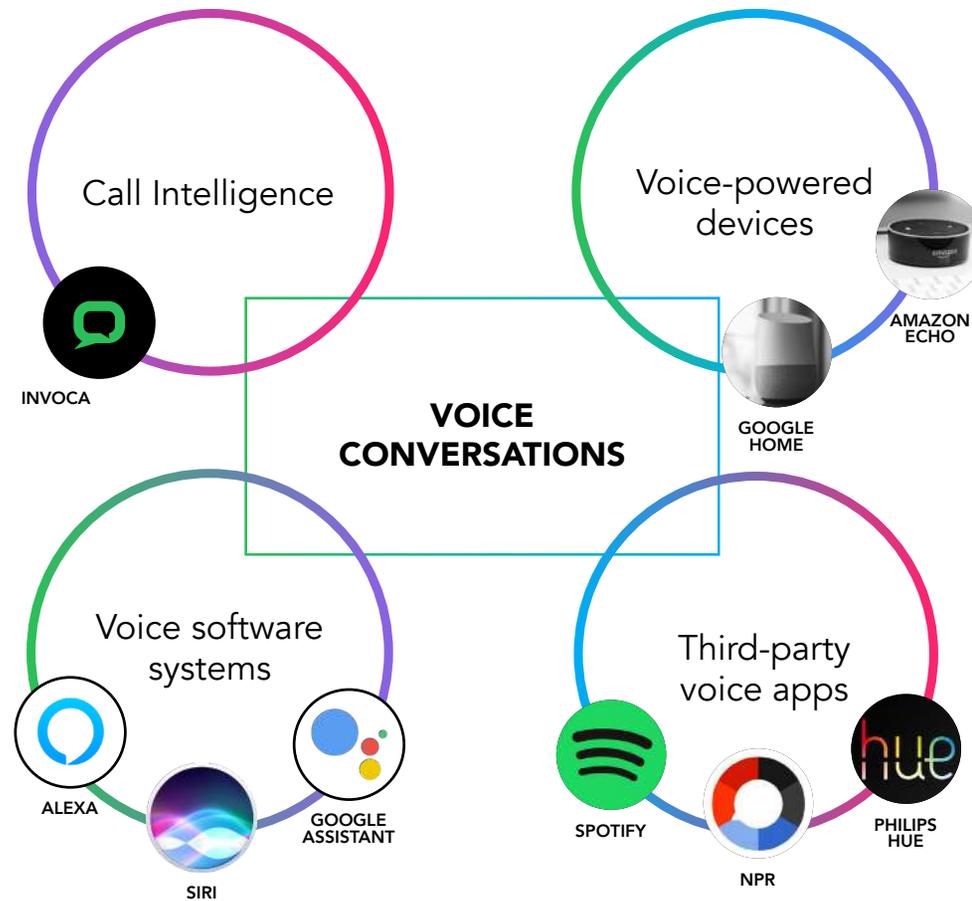
125-175
words per minute

THE NEW AGE OF VOICE

In her 2017 Internet Trends Report, KPMG's Mary Meeker named voice as one of the top trends of the year, noting the rise in mobile voice queries and improved voice recognition.

AI-enabled voice recognition is becoming a normal part of how we interact with technology. What humans say is becoming valuable data that businesses can increasingly use to sell products and create personalized customer experiences.

And voice conversations are at the center of it all.



THE VOICE OPPORTUNITY FOR MARKETERS

Voice search via smart speakers presents a huge challenge and opportunity for marketers in the coming months and years. Google says more than 20% of searches now happen by voice and estimates that figure will reach 50% by 2020.

The voice opportunity for marketers is an expansive, new frontier. Artificial intelligence can mine voice conversations for insights, and with such data, brands can link their voice and digital marketing initiatives.

Phone data can intelligently be applied to brands' next-wave SEO efforts as they jostle for the top slots on an Amazon Echo or Google Home.

For instance, follow-up emails may include items "abandoned" during a call.

And digital ads can retarget consumers based on product interests expressed via phone.

The words that consumers use with a customer service rep—or an algorithm-driven phone assistant—can be used to personalize messages across channels.

50%
of searches happen by voice

20%
of searches happen by voice

2017

2020

BRANDS CONNECTING DIGITAL & VOICE EXPERIENCES

Here are a few examples of innovative brands that are connecting with their customers through conversations:



HOME SERVICES

Vivint Smart Home, a smart home services provider, is all-in with voice, claiming one of the earliest Amazon Echo skills in its category. With Invoca's software, the company also leverages voice data from phone calls to make its online landing pages more targeted, recently seeing a 70% jump in phone calls born from digital ads and a 76% increase in new customers.



FINANCIAL SERVICES

76% of banks plan to improve customer experiences using AI, and voice will factor into this development. Bank of America recently launched a voice assistant called Erica for its mobile app, which complete transactions, and its machine-learning-based system continuously scans users' finances to optimize banking functions to their benefit. The idea is to save Bank of America customers money and could even lead to issuing smarter investments.



TRAVEL AND HOSPITALITY

Aloft debuted Project Jetson Suites last year in a voice-based initiative that lets guests control the room by asking Siri to do things such as control the lights, adjust the thermostat, or set an alarm. Other hospitality chains are almost certain to follow. Motel 6 will probably still always "leave the light on for you," but someday you'll just tell it to shut off—and it will.

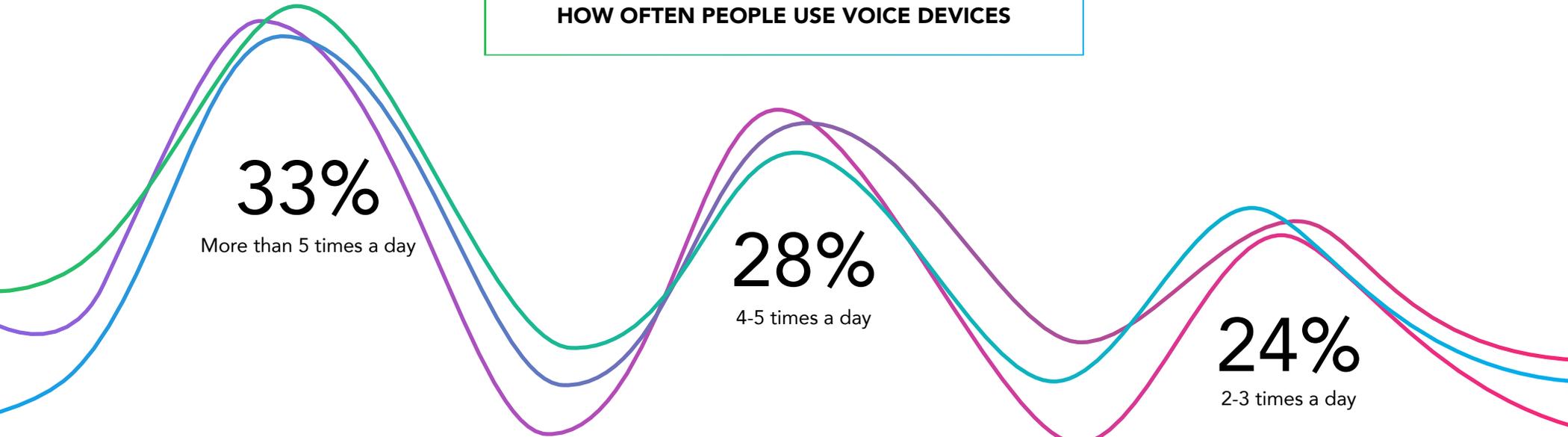
THE STATE OF VOICE EXPERIENCES

Invoca surveyed 1,000 people in the U.S. that have a living room voice assistant, such as an Amazon Echo, or Google Home. The survey found that voice device use is rising rapidly, and, with it, people are utilizing their voices to do more across the board: 58% are using voice to accomplish tasks they once performed through typing or swiping, and 24% are calling businesses more often. Interactions with voice assistants are influencing purchase decisions, and consumers are buying products directly through their voice-based hardware. The human voice is also as important as ever. Consumers want to talk to a person when they have complicated or personalized questions, while they also want easier ways to be connected from their voice assistant directly to a person.



PEOPLE THAT OWN VOICE ASSISTANTS USE THEM FREQUENTLY

HOW OFTEN PEOPLE USE VOICE DEVICES



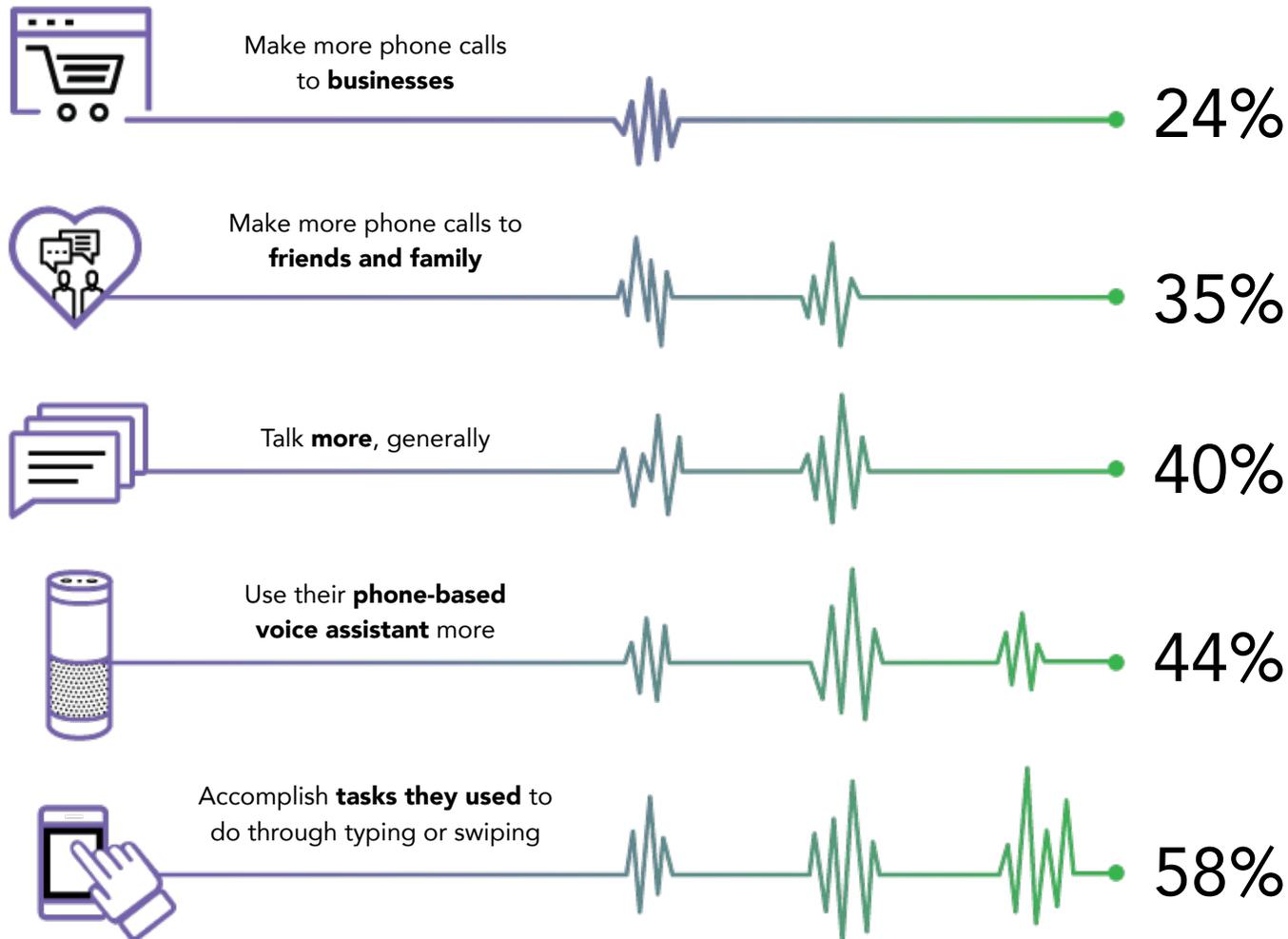
89%
of people with voice assistants talk to them every day.

64%
The longer people own their voice assistant, the more they use it. 64% said they use their voice assistant more frequently now than when they first bought it.

21%
Of people who own voice assistants, 21% have three or more devices in their home.

AS VOICE ASSISTANTS GROW, PEOPLE USE THEIR VOICES MORE

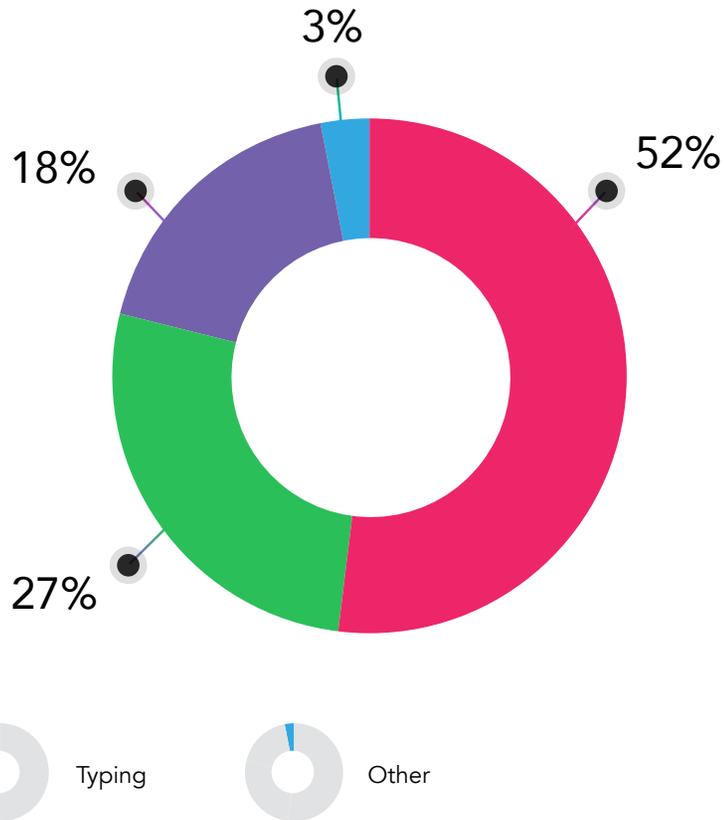
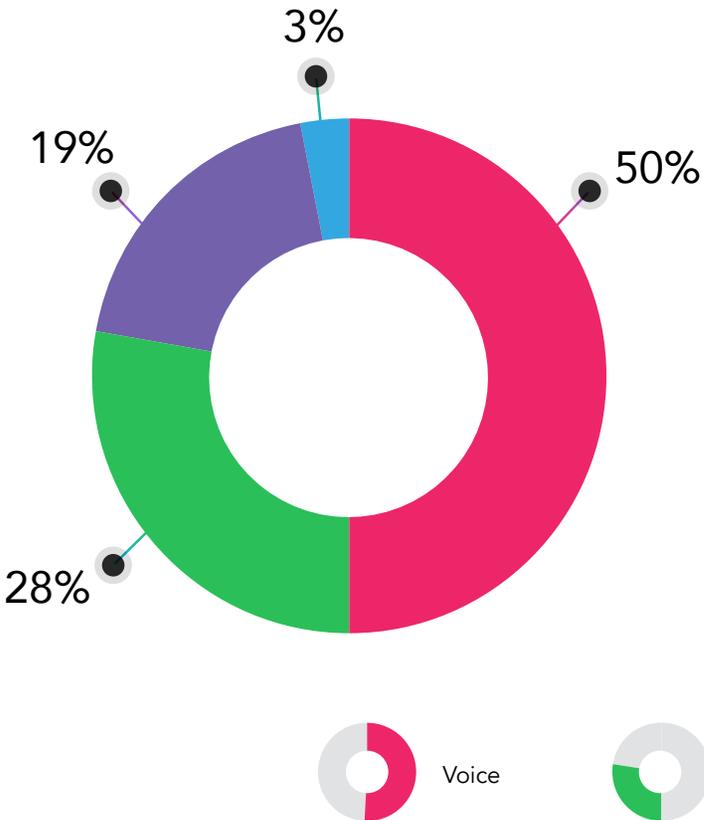
As people get accustomed to using their voices to accomplish tasks with their assistant, they are speaking more and clicking less.



COULD VOICE BE THE KEY TO HUMAN CONNECTION AGAIN?

49% of millennials say they've been looking down at their phone less since using a voice assistant.

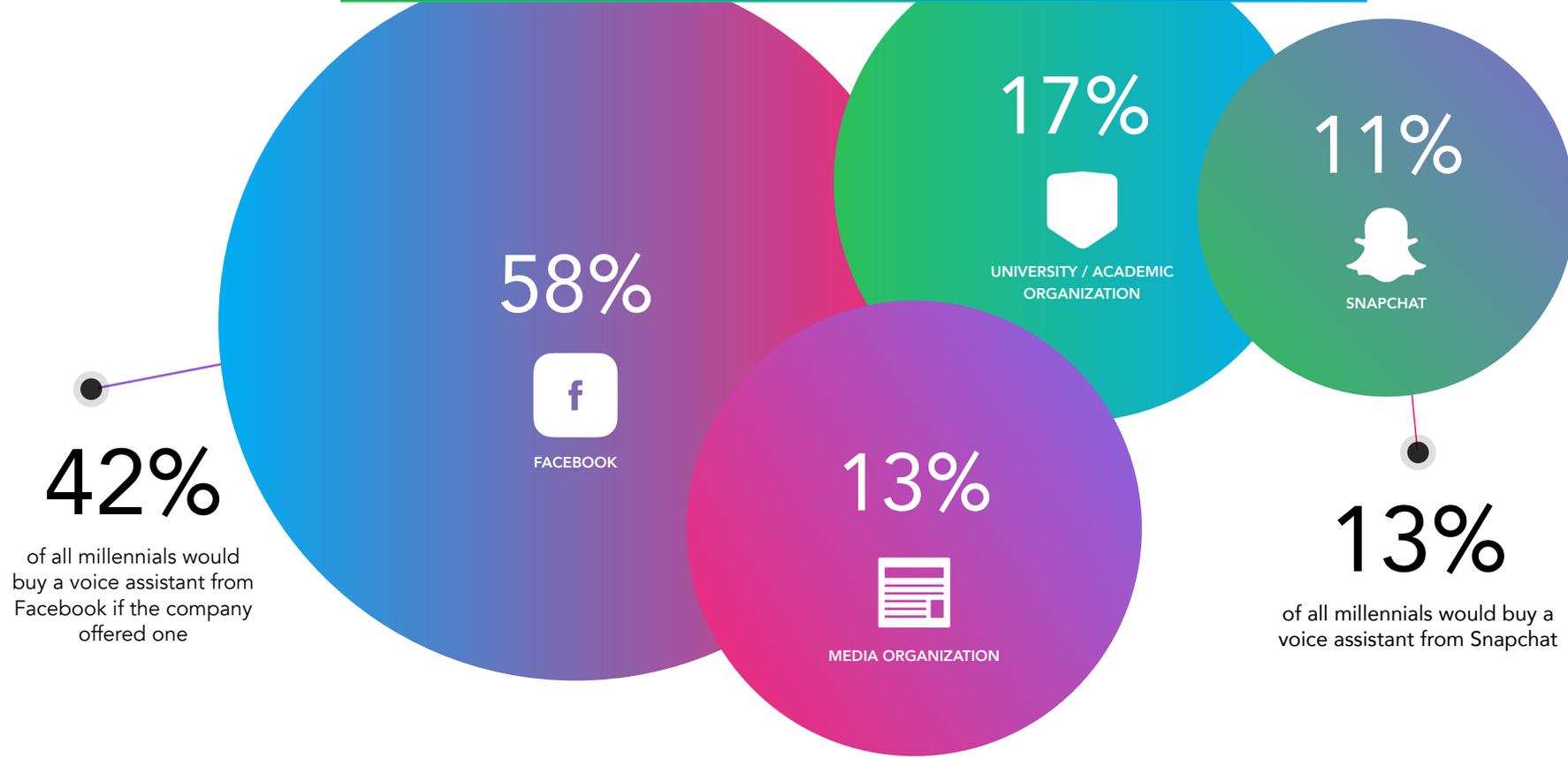
COMMUNICATION IN THE NEXT TWO YEARS



ALEXA AT THE FOREFRONT, BUT CONSUMERS LOOKING FOR CHOICE

Amazon's Alexa is currently dominating the voice assistant market, but 70% of people would be willing to purchase another voice assistant from another company. The majority of people want to see Facebook enter this market, a huge opportunity for the company with its wealth of social and interest-level data. The untapped opportunity is to use voice assistants for communication — not just automation — and personal connection is core to Facebook's ethos.

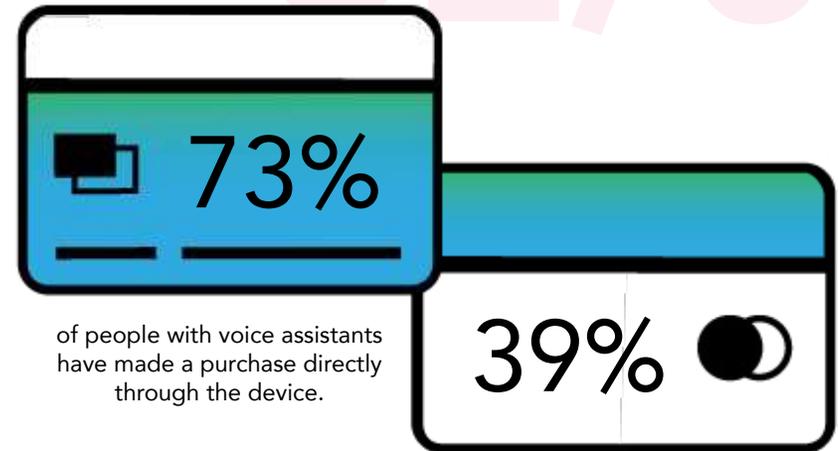
OF THE CONSUMERS WHO SAID THEY'D PURCHASE ANOTHER VOICE ASSISTANT, THEY WOULD BUY ONE FROM



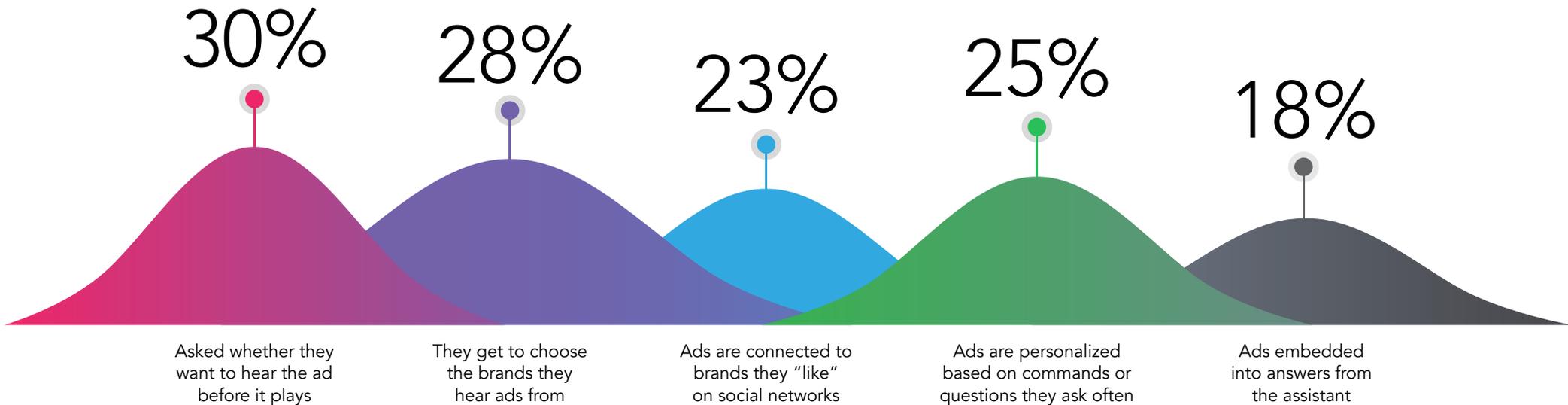
VOICE IS THE NEW USER INTERFACE AND SOURCE OF REVENUE

Early adopters are using their voice instead of a buy button, and they are listening for recommendations instead of reading them. Information gathered through voice-based inquiries are impacting users' purchase decisions, even if they don't ultimately use their device to make a shopping transaction.

Voice devices like Amazon's Echo don't currently support ads, but that's likely to change. Consumers are willing to receive ads on their devices as long as they are relevant and integrated into their experience.

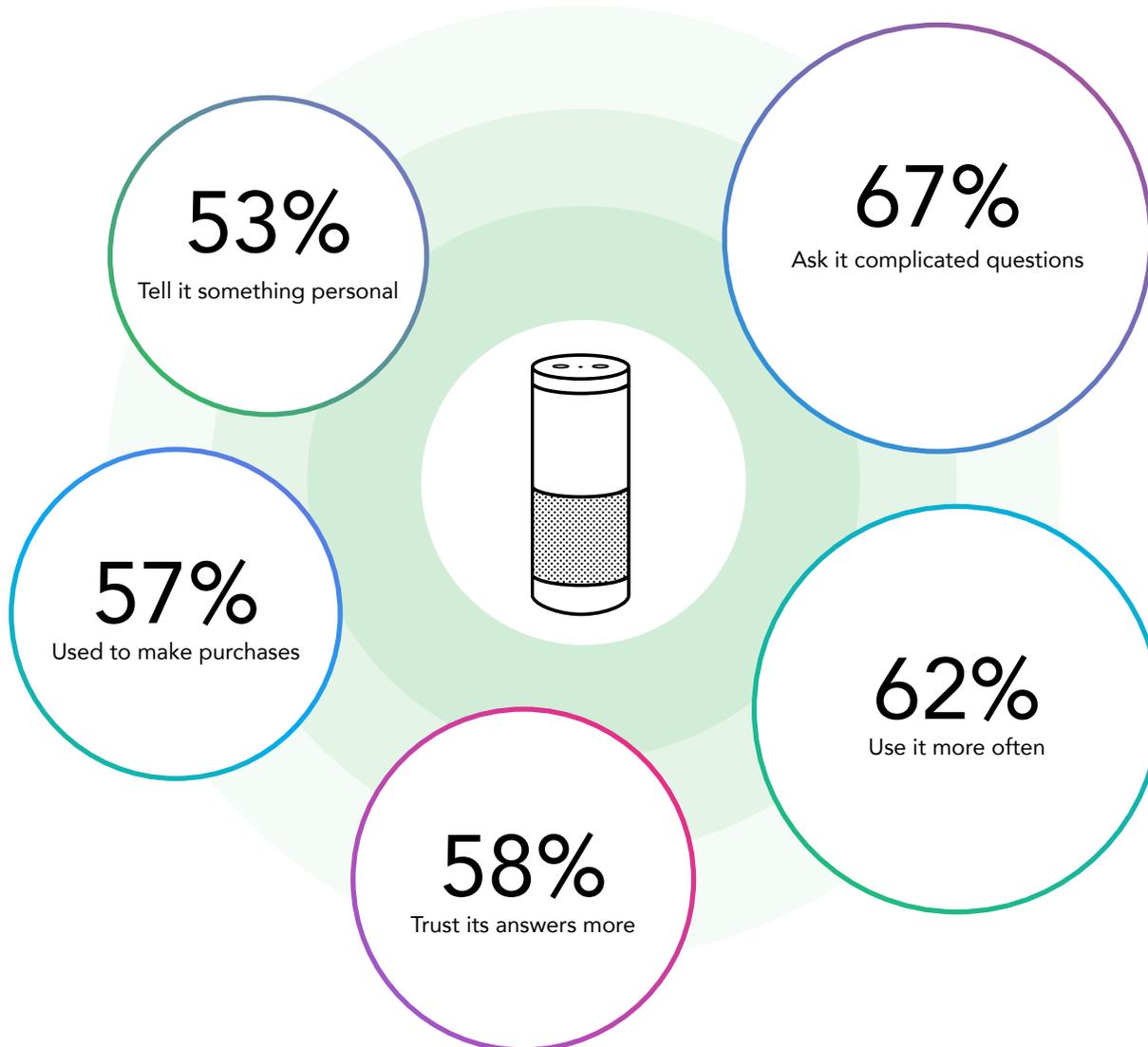


MOST PEOPLE ARE WILLING TO HEAR ADS ON THEIR VOICE ASSISTANT DEVICE IF...



VOICE COMMANDS ARE NOT THE SAME AS CONVERSATION

People would be more likely to use their voice assistant more if it sounded more human.

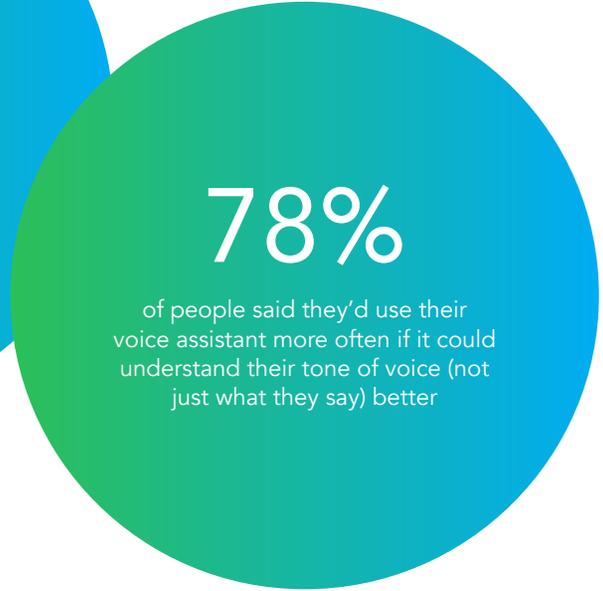
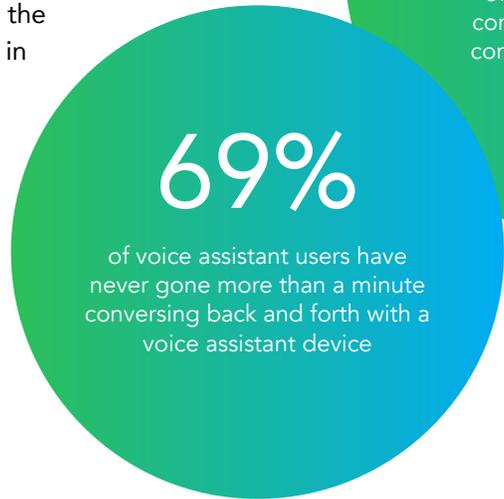


SOUND QUALITY

While voice assistant technology is improving at a rapid clip, 75% of people say their voice assistant doesn't sound very human.

VOICE COMMANDS ARE NOT THE SAME AS CONVERSATION

Voice assistants need to work on understanding context. Context is often gained by knowing the person and their history, as well as engaging in a conversation for a longer period of time.



WHO UNDERSTANDS CONTEXT BEST



#1

Human in person



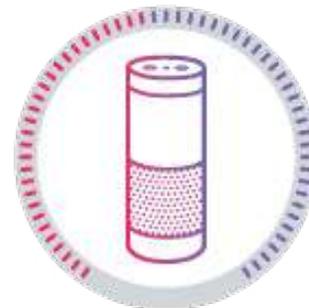
#2

Human over the phone



#3

Human online chat



#4

Voice assistant



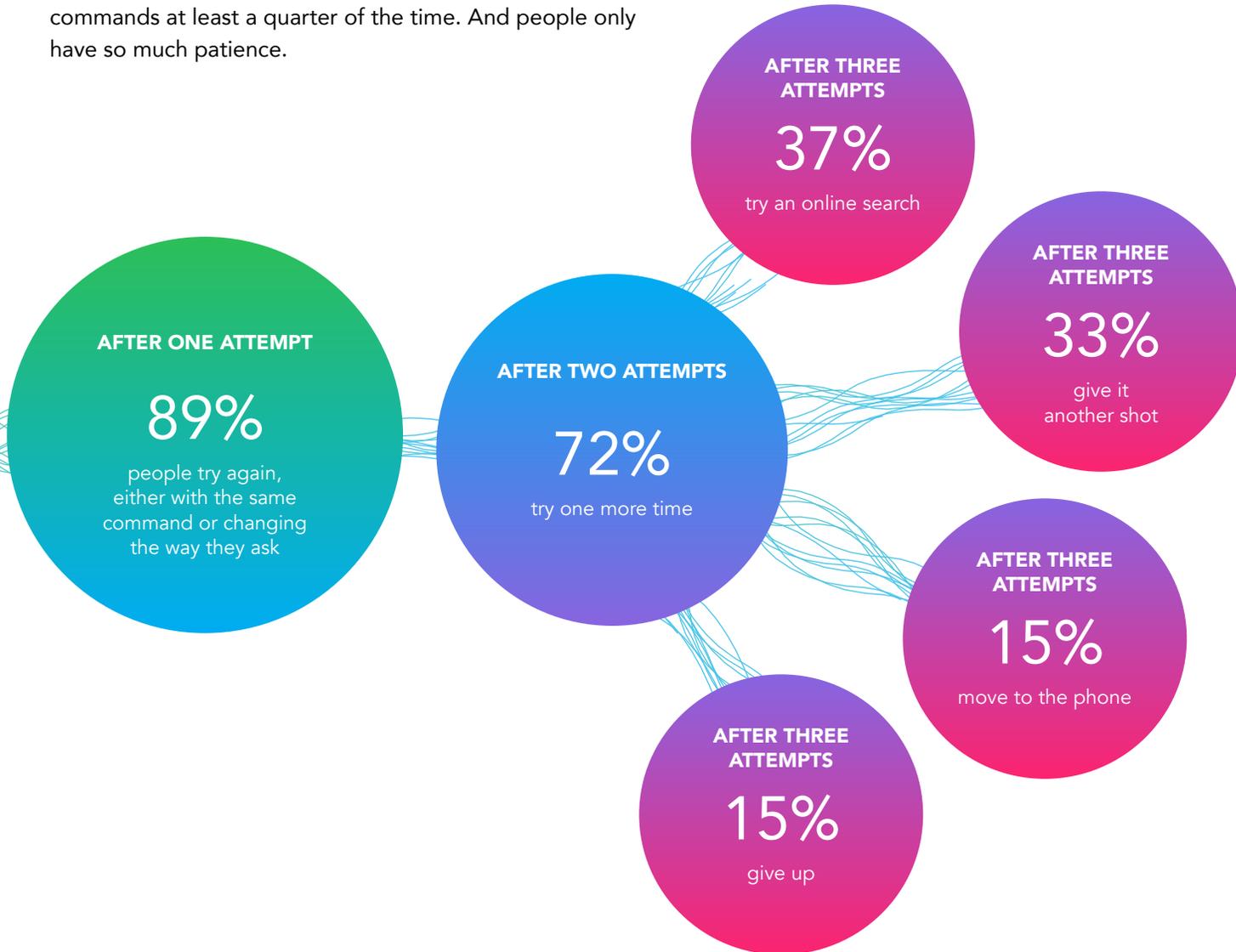
#5

Chatbot

HUMAN CONVERSATION STILL MATTERS

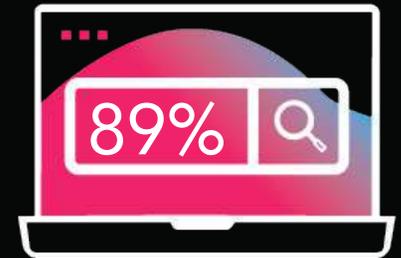
Voice assistants are still in their infancy; it's not surprising that they don't always work. When they don't, consumers don't want to go back to typing and swiping. They still want to talk — and they want to speak to a human. But that connection needs to be seamless.

Nearly half of people said that their voice assistant can't answer their commands at least a quarter of the time. And people only have so much patience.

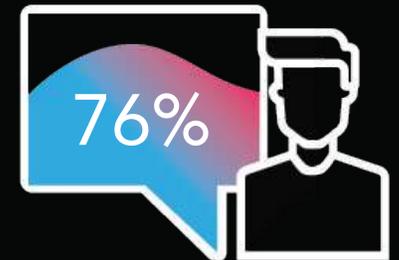


WHEN VOICE AI FAILS, BRING IN A HUMAN.

People want to reach a human through their voice device.



of respondents said they would turn to an online search if the voice assistant could not provide an adequate answer.



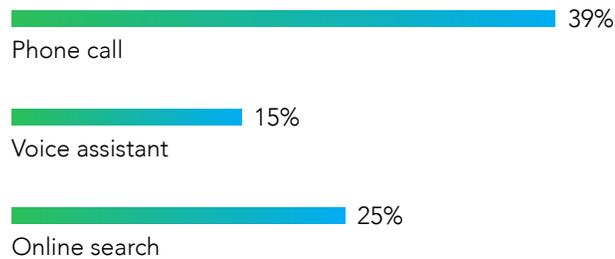
said that if the device could have easily connected them to a human who could answer their question, they would have done that instead.

TALKING IS KEY FOR CONSIDERED PURCHASES

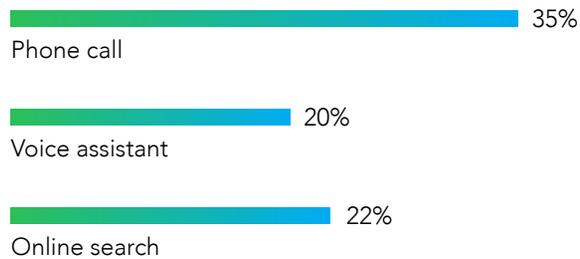
When researching and communicating about expensive or complex products, people want to talk—and talk to a human.

PREFERRED MODE OF COMMUNICATION

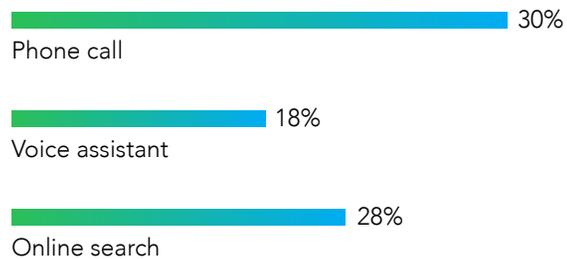
MAKING A COMPLICATED PURCHASE



MAKING A PURCHASE MORE THAN \$500

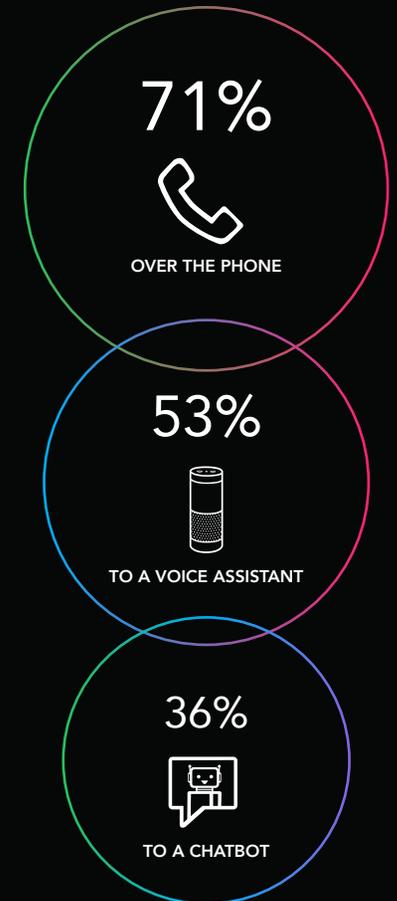


MAKING A PURCHASE REQUIRING CUSTOMIZATION



WHEN PEOPLE FEEL "SECURE OR VERY SECURE" GIVING INFORMATION

People are wary of security issues when giving personal information to devices powered by artificial intelligence. Even with AI, people feel their voice is more secure than typing.



VOICE EXPERIENCES DIFFER BY INDUSTRY

Industries where people make considered purchases, such as insurance, financial services, healthcare, home services, and travel, have the most to gain from investing in voice. When shoppers have complicated questions, specific situations, or are about to spend a lot of money voice-centric solutions, both digital and analog are still important. In every category, consumers with voice assistants said that conversations they have over the phone influence their purchase decision more than speaking with their AI device.

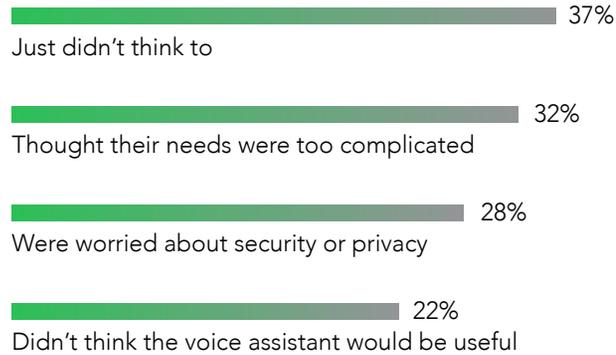


TRAVEL

CONSUMERS HAVE USED VOICE ASSISTANTS FOR TRAVEL TO



WHEN VOICE ASSISTANTS WEREN'T USED THEY

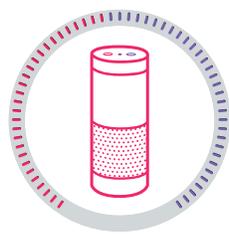


VOICE INTERACTIONS INFLUENCE PURCHASE DECISIONS



34%

Person over the phone



29%

Voice assistant



26%

Online chat



21%

In-person

37%

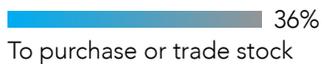
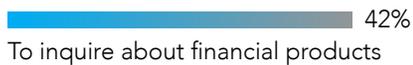
of consumers who have booked a trip since having a voice assistant have used it in the process. This is true for 44% of millennials.

37%

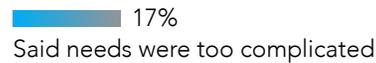
37% of consumers under 35 years old have been influenced by a person over the phone; 33% by a voice assistant.

BANKING

CONSUMERS WHO HAVE USED VOICE ASSISTANTS FOR BANKING



WHEN PEOPLE DIDN'T USE VOICE ASSISTANTS FOR BANKING



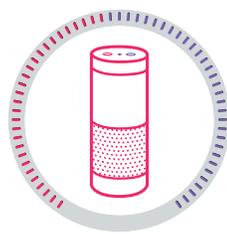
THESE KINDS OF INTERACTIONS WERE PRIMARY TO THEIR DECISIONS



28%
Person over the phone



27%
In-person



24%
Voice assistant



22%
Online chat

35%

of people with voice assistants have used it for banking. This is true for 41% of millennials.



44%

of people with voice assistants (50% of millennials) said they would be willing to allow a voice assistant to access personal information like their bank account.

HEALTHCARE

HOW CONSUMERS USED VOICE ASSISTANTS FOR HEALTHCARE

70%
Asked about symptoms they are experiencing

59%
Asked about health or diet tips

48%
Used it to connect to a hospital or doctor

41%
Used it to ask about health plans or insurance

WHEN VOICE ASSISTANTS WEREN'T USED THEY TYPICALLY

43%
Didn't think to do so

29%
Didn't feel secure

26%
Didn't think it would be useful

24%
Needs were too complicated

46%

of people with voice assistants have used it for an issue concerning health or health care.

THE NEXT ERA OF CALLS TO BUSINESS

Consumers are already talking to Siri and Alexa about things they intend to purchase, and businesses must be ready to pick up the conversation where voice assistants leave off. Now, human conversations—namely, phone calls—will continue to dominate high-stakes customer interactions, such as taking out a mortgage or choosing a home security system.

The consumer survey found that more consumers are calling businesses, and Invoca's analysis of 66 million calls flowing through its system from Jan. 1 - Dec. 31, 2016 affirms that. Comparing these calls to previous years, Invoca saw a 33% increase in the average number of calls per customer, per year, from 2014 to 2016.

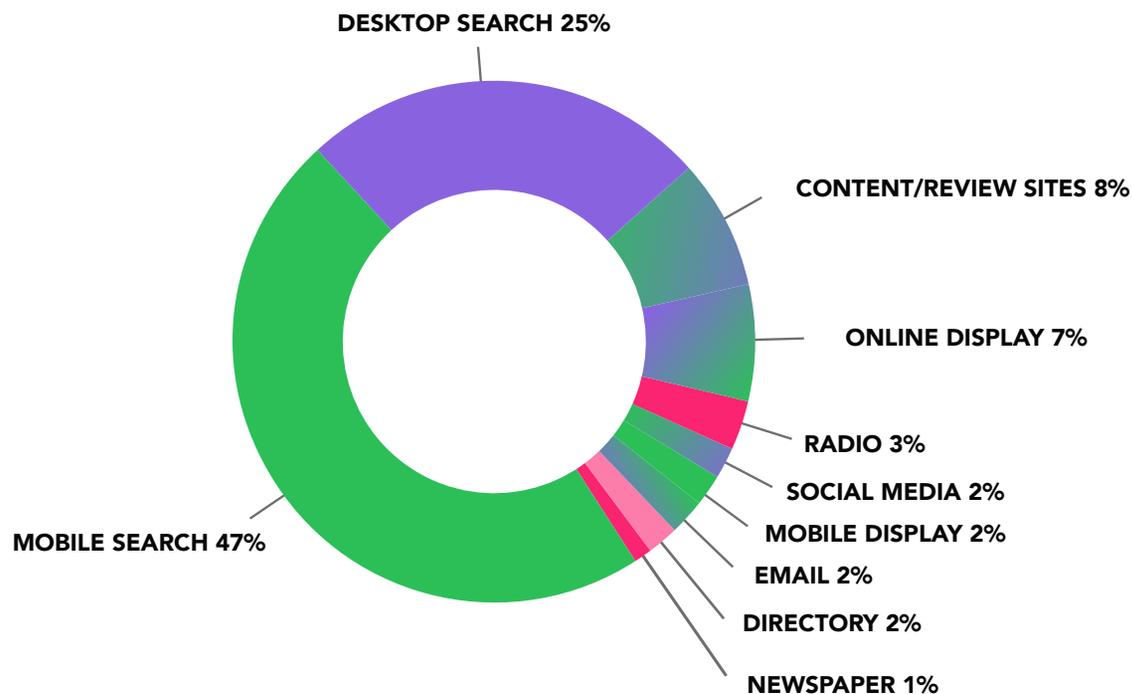


ATTRIBUTION IS CRITICAL

Since calls convert at 10 to 15 times the rate of web clicks, it is vital that marketers understand who is calling, which of their marketing tactics are driving high-value calls, and how these trends differ by demographic and industry. Each year, the number of calls driven by social review sites such as Yelp and TripAdvisor increases; this year, these sites represented one of the top three drivers of calls, compared to eighth place just two years ago. Offline drivers of phone calls—phone books, newspaper, TV, and radio ads—make up less than one third of the phone calls they did just three years ago.

TOP 10 MARKETING CHANNELS DRIVING CALLS *

● MOBILE-ONLY CHANNELS = 52% ● DESKTOP CHANNELS = 43% ● OFFLINE = 5%



* Calls running through Invoca's system that track source



WHEN CHATBOTS FAIL, CALLS WORK

When chatbots fail, calls work: while social networks like Facebook drive fewer calls, the calls that do come from social sites last longer than those from any other source, at an average of 7 minutes. That is nearly a minute and a half longer than any other channel. Longer calls are generally a marker for valuable calls.

WHO'S CALLING?

73%

of all calls come from mobile devices

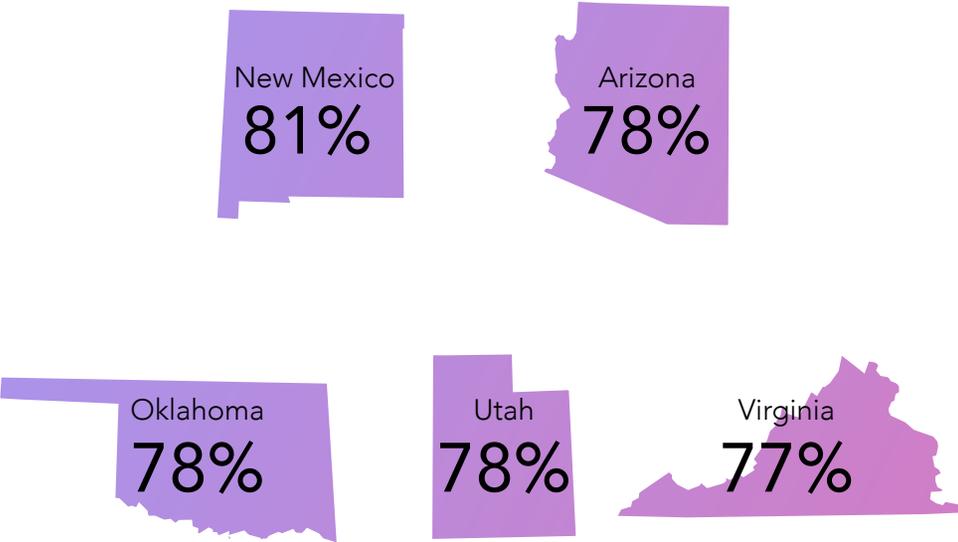


27%

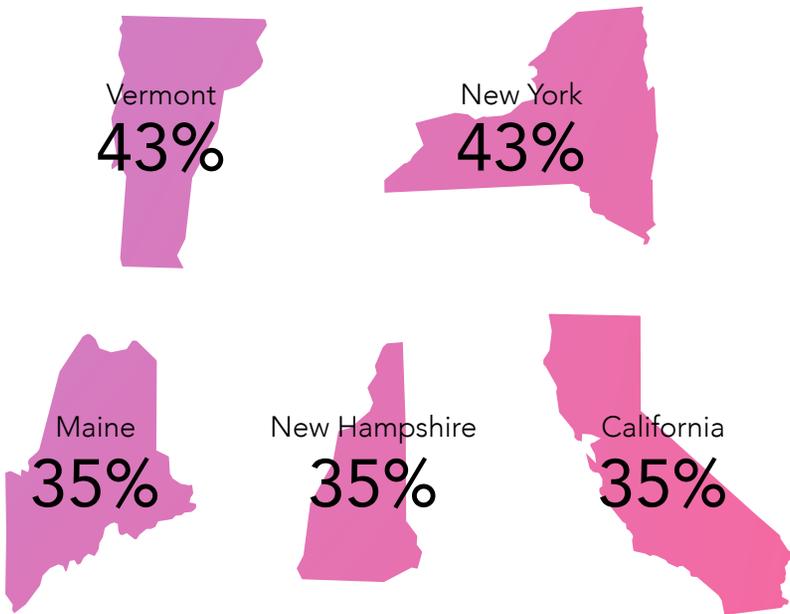
of all calls come from landlines



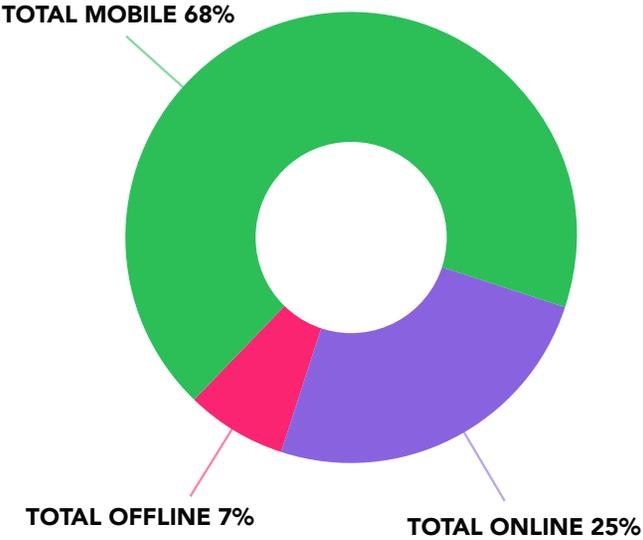
% WHO CALLED FROM MOBILE PHONES



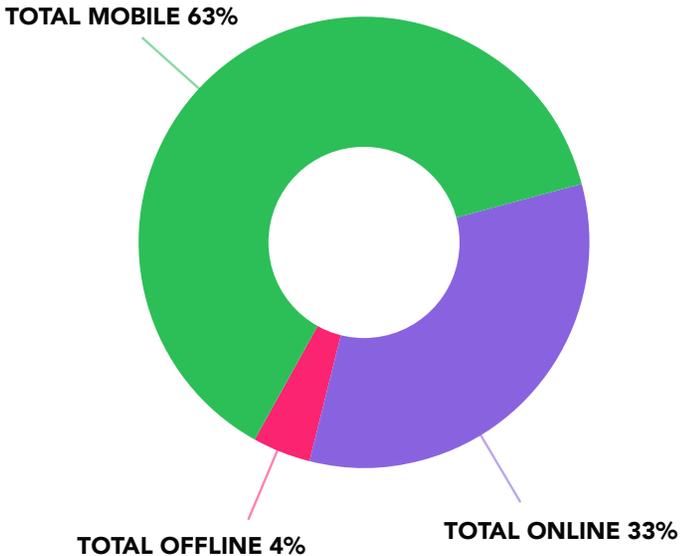
% WHO CALLED FROM LANDLINES



TOP CALL SOURCES FOR EACH INDUSTRY



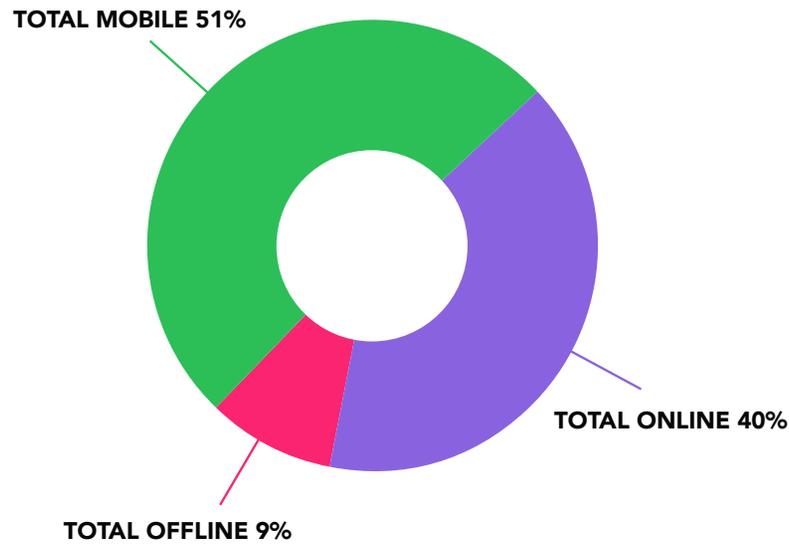
BIG UPSHOT: Calls from mobile channels increased six percentage points from 2015, with mobile search dominating this industry—mobile search search drove 66% of calls in 2016.



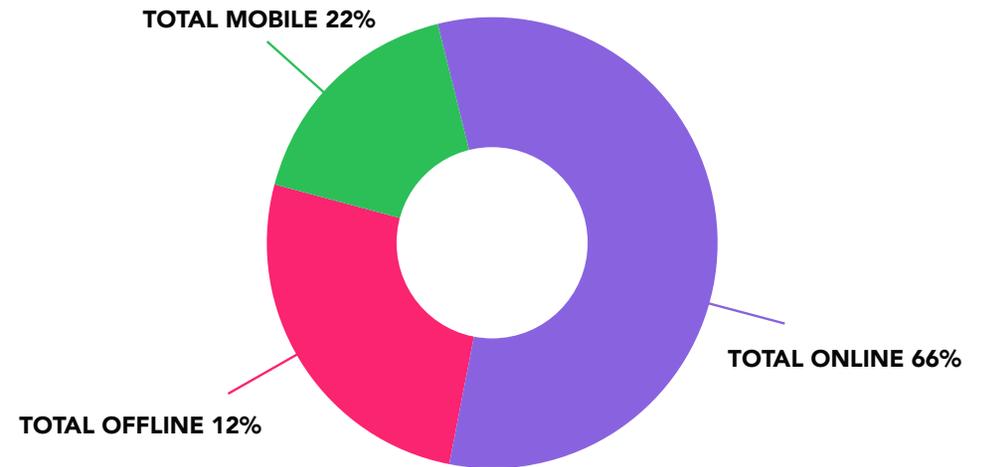
BIG UPSHOT: Calls driven by mobile search in 2016 grew 20 percentage points compared to the previous year.

TOP CALL SOURCES FOR EACH INDUSTRY

Travel



Healthcare



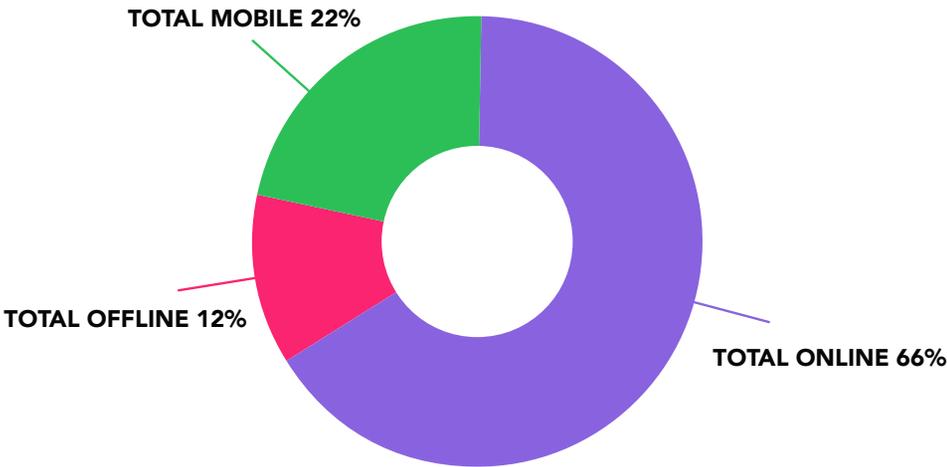
TOP CALL SOURCES FOR EACH INDUSTRY



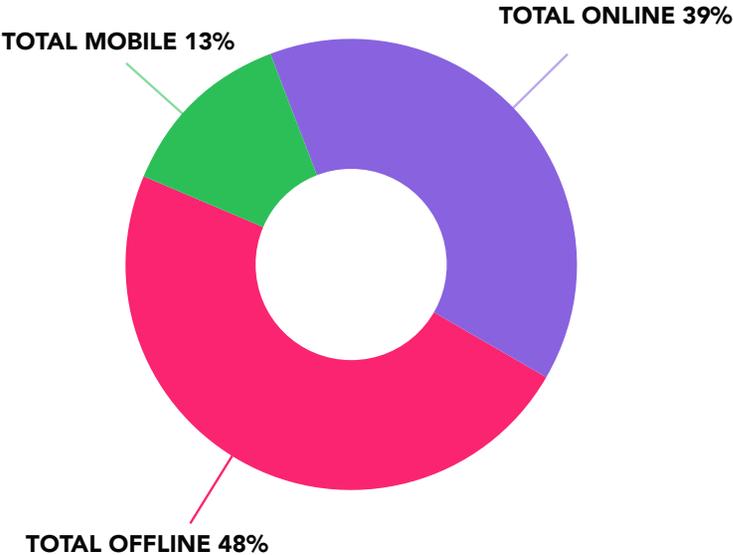
Insurance



Automotive



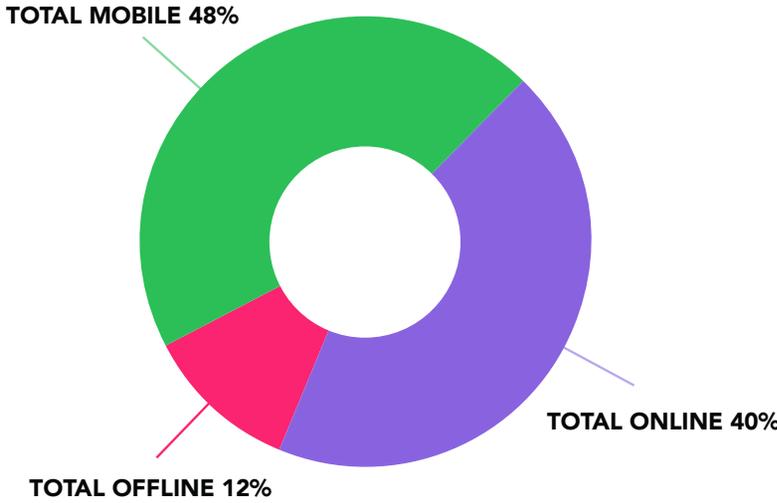
BIG UPSHOT: Online call drivers in the insurance industry grew 14 percentage points from 2015 to 2016. Online search drove 40% of calls in 2016, nearly double the average for this channel.



BIG UPSHOT: Newspapers and magazines are still important call drivers for the auto industry. For auto, print drove 18% of calls. That said, digital channels continue to rise as the auto industry moves more of its ad dollars online. Calls from digital channels in 2016 increased 65% over 2014.

TOP CALL SOURCES FOR EACH INDUSTRY

Financial Services



BIG UPSHOT: Financial services is seeing a huge shift from calls driven by offline sources to those driven by online and mobile sources. In 2014, 56% of calls came from online sources; by 2016, online sources grew to drive 88% of calls. The shift to mobile is even greater—calls from mobile sources nearly doubled from 26% in 2015 to 48% in 2016.

HOW WILL YOU HARNESS THE POWER OF VOICE?

Voice presents a massive opportunity for businesses in “considered purchase” categories, where consumers typically want to have a conversation after conducting preliminary research online, and are thus well qualified to buy. These conversations collectively generate more than \$1 trillion in the U.S. alone.

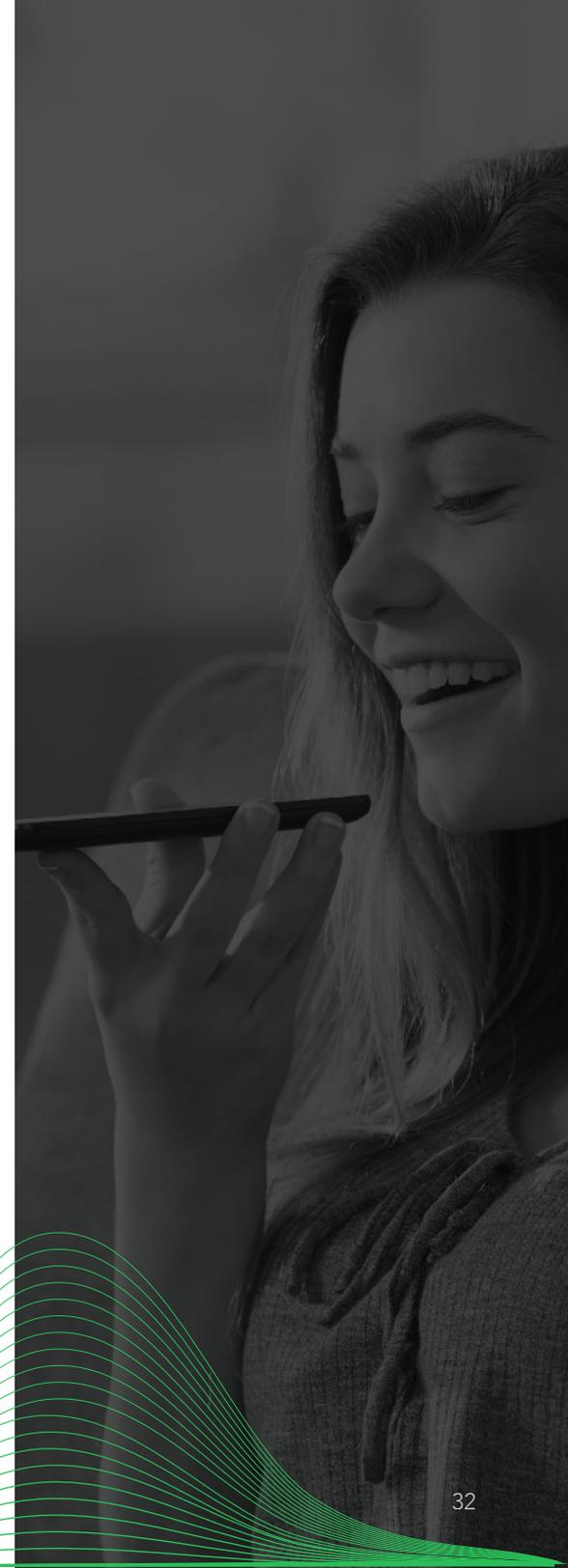
It is crucial that brands have visibility into what drives these valuable conversations, how to generate more of them, and how best to meet customers’ expectations at this critical conversion point. Here is our advice for marketers and customer experience professionals who are thinking about how best to connect with customers in a voice-first world.



01/05

CONNECT YOUR DIGITAL AND VOICE INITIATIVES

More brands are dabbling in voice experiences. But often this effort is developed in a silo by e-commerce or customer experience departments, without thinking about marketing's role. Call centers are also traditionally siloed within the organization, but with tools like Invoca, offline conversations can be tied to digital marketing initiatives to drive more revenue and create a more consistent customer experience.



02/05

MINE CONVERSATIONS FOR NEW CUSTOMER INSIGHTS

Voice is a rich source of data, and AI is being used to uncover the data that's most meaningful to your business. For example, Invoca's Signal AI analyzes conversations in real time and identifies language patterns associated with specific intents and outcomes, such as "requesting a quote" in insurance, or "booking an appointment" in home services. Marketers can use these insights to optimize their digital marketing investments, improve offline conversions, increase ad spend efficiency and drive revenue.



03/05

PRIORITIZE THE VOICE EXPERIENCE

Create valuable experiences for your customers rather than creating a voice app (or “Skill”) for the sake of it. Do the legwork to understand how voice can create a more trusted relationship with your customers. For example, make it easier for your customers to seamlessly move from speaking to a voice assistant to a real person, if needed. And think about using digital information and voice insights to connect them with the most appropriate representative.

04/05

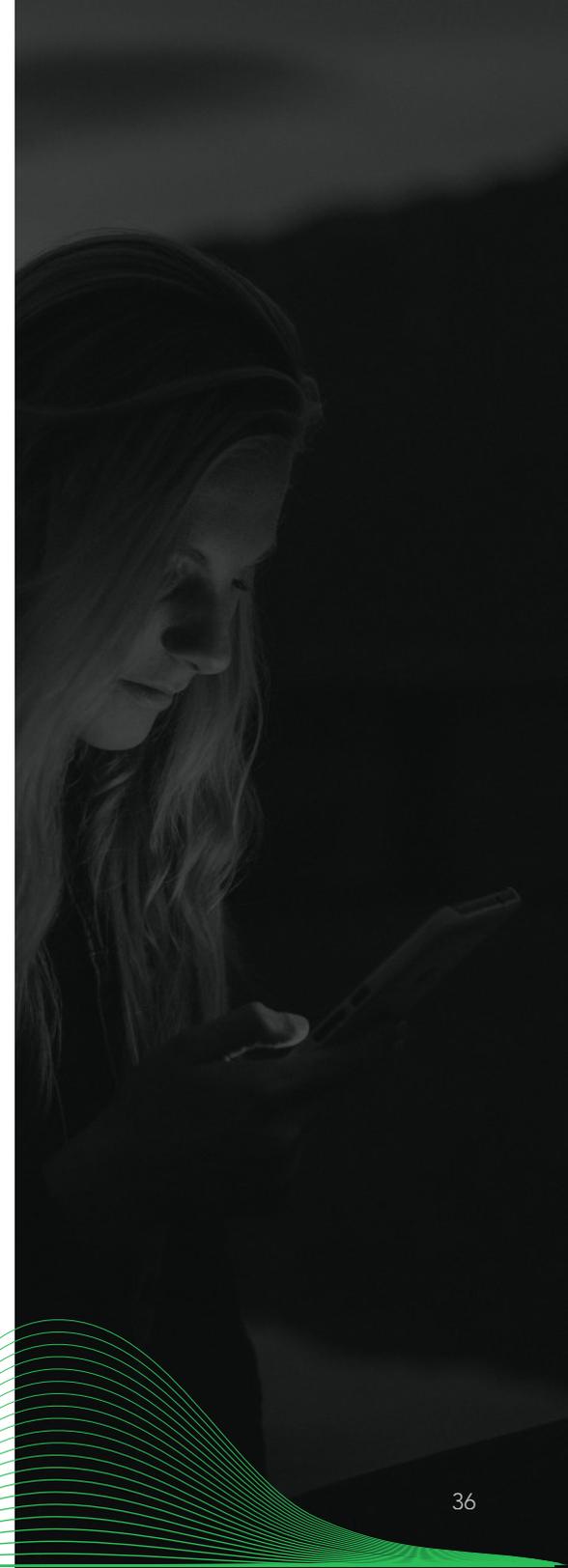
RETHINK YOUR SEARCH STRATEGY

Mobile search is the number one driver of calls, and voice search involves a different set of behaviors. This means you need a focused voice strategy for this channel. For instance, keywords are longer and more conversational, and queries come in the form of questions rather than strings of words. Brainstorm the questions (including multiple ways of asking the same thing) that would be relevant to your business, product, or service, taking into account intent and context.

05/05

FIND MORE CUSTOMERS WHO WANT TO TALK

By now, we can all agree that customers who call are high intent—they are ready (or almost ready) to buy. What if you could actively find more of these customers with a couple of clicks? Just feed Invoca data into your DMP or Facebook Ads Manager and begin retargeting audiences that look like your best customers who picked up the phone. And in the future, there could very well be the ability to do all of this based on conversations with voice assistants, not just phone calls.



WHAT'S NEXT

At Invoca, we're incredibly excited about the voice innovations that are emerging at breakneck speed, and see a huge amount of opportunity for businesses in industries such as financial services, insurance, healthcare, home services, and travel, where voice conversations are a critical part of the purchase process already. This, in combination with the power of AI, presents all kinds of insights that can be gathered from voice conversations and applied in real-time to improve the customer experience and ultimately drive more revenue.

If you think that voice is an important part of the customer journey, and are curious about how your business could benefit from working with Invoca, please give us a call: 844-693-1287

INVOCA 