

What do customers want?

More outreach from companies like yours.

A growing appetite for customer communications

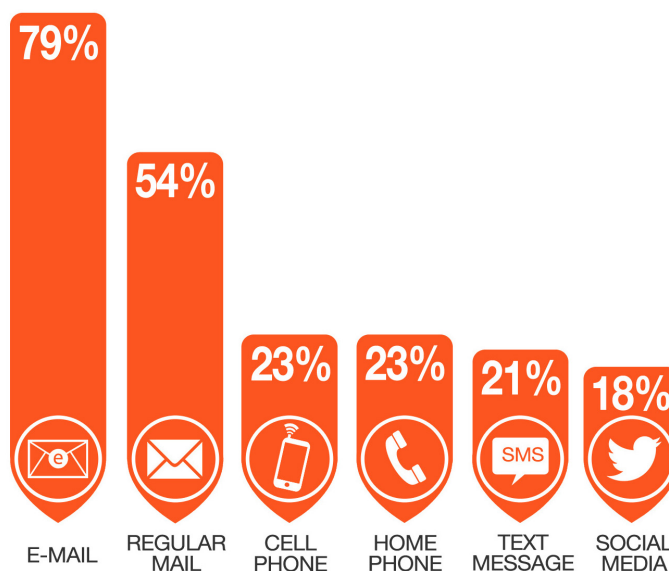
New research shows that consumers welcome having an ongoing dialog with the companies they do business with and want to receive proactive, real-time messages and reminders. However, these rising expectations are on a collision course with federal and state regulations governing how and when companies communicate with consumers.

Nuance, a provider of outbound proactive engagement applications, recently commissioned a survey of 1,000 American consumers to probe this issue more deeply. The research focused on consumer experiences and perceptions surrounding the communications they receive from businesses such as their healthcare providers, banks, airlines and utilities.

More communications, please

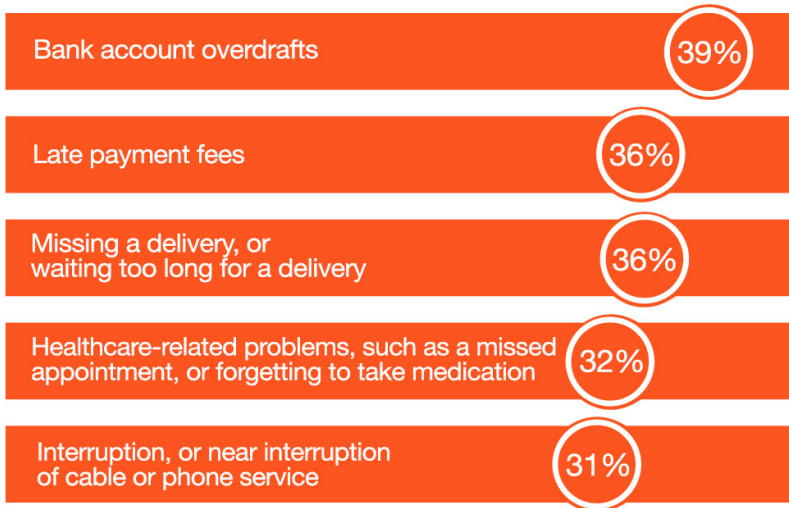
According to the research, each week the average respondent receives 13 automated texts, calls or emails regarding their business relationships. Across all industries, more than 75 percent of consumers report that these messages are extremely helpful and welcome. Research highlights that the most valued messages are critical notices – from credit fraud alerts to power restoration notifications – and reminders to take action, such as making a payment or refilling a prescription.

Top preferred channels of communication



This research shows that consumers want proactive communication. In fact, a majority of respondents (70 percent) believe these communications could have helped them avoid issues.

Issues proactive communications could have helped consumers avoid



The study found that nearly eight out of 10 respondents trust the judgment of the companies they do business with to know how and when to contact them.

Consumers report the most trusted organizations are healthcare companies such as doctors, pharmacists and insurance providers, with utility providers following close behind.

While the vast majority of respondents trust businesses to contact them appropriately, a series of changes to federal regulations, combined with stricter enforcement of federal and state mandates, is putting a spotlight on consumer complaints. This new research shows that fewer than one in five consumers have filed a harassment complaint against a company for unauthorized calls, texts or emails. And, less than 10 percent have ever filed more than one complaint in their lifetime.

Digital Natives Embrace Automated Messages

More than any other group, the youngest generation surveyed (those between 18 and 24 years old) see value in having a consistent dialog as part of their business relationships. In fact, a majority of 18-to-24-year-olds believe proactive communications can help them avoid critical issues.

For example, 50 percent of 18-to-24-year-olds say they could have avoided a late payment fee if they'd been notified before the issue occurred (compared to only 28 percent of those over 55 years old who said the same).

This generation of digital natives is also more likely to give consent for businesses to contact them. Eighty-six percent of individuals aged 18 to 24 years old have provided consent for businesses to contact them.

Most welcomed messages

Bank or Financial Services

- Notice about fraudulent activity on your account (70%)
- Notice about a late or missed payment (45%)
- Update on the status of your loan or mortgage refinancing (37%)

Healthcare Providers

- Reminder about an upcoming appointment or vaccination (69%)
- Notice to reorder or pick up your prescription (57%)
- Message encouraging you to schedule an appointment (39%)

Retail

- A package is ready to be picked up or has been shipped (65%)
- Message about in-store events (40%)
- Notice about store credit (40%)

Utility Company

- Notice about a power source or service outage and restoration (63%)
- Reminder for an upcoming service appointment (49%)
- Notice about a late or missed payment (45%)

Airlines

- Notice about a flight change or cancellation (61%)
- Notice about online flight check-in (44%)
- Message about flight deals and promotions (35%)

Home Phone, Cable or Cellphone Service Provider

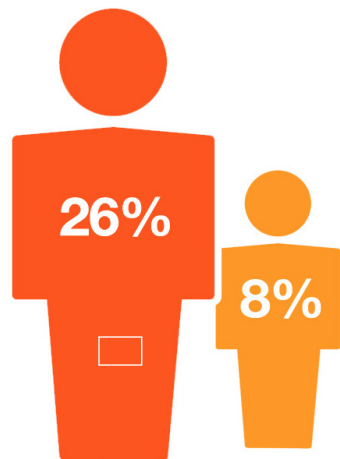
- Notice that you're about to exceed your plan's data allowance (48%)
- Reminder for an upcoming service appointment (46%)
- Notice about a late or missed payment (45%)

However, this can be a double-edged sword for businesses. While the younger generation gives consent more than any other group, they are also the most likely to file formal complaints against companies for unauthorized calls, texts or emails. Twenty-six percent of 18-to-24-year-olds have filed a formal complaint against a company for unauthorized calls, texts or emails, while only eight percent of those over 55 years old have done the same.

Rising demand for new forms of communication

The study shows that while many still value an email or phone call, text messaging is fast becoming the preferred channel of communication for a majority of American consumers. One in five is just as likely to prefer a text message as they are to getting a phone call. And, among 18-to-24-year-olds, this number is even higher with more than 36 percent citing text messages as their preferred form of communication with businesses.

Based on the research, those that strongly prefer text messages are also more receptive to all types of business communications. For instance, more than 40 percent of this group would find health tips and advice extremely helpful, while only 25 percent of respondents overall felt the same.



18-24 years old 55+ years old

Digital natives more likely to file complain for unauthorized communications than older generations

Permission granted – maybe?

While text messaging is becoming the preferred channel of communication for many, there is a clear disparity between consumer perceptions and the regulatory reality of what constitutes consent. What consumers think constitutes consent and what the rules define as consent are two entirely separate issues.

The Telephone Consumer Protection Act (TCPA) of 1991 dictates that companies cannot call or send text messages to mobile phones without the prior express consent of the recipient. And, if the message is a marketing solicitation, consent must be in writing – which less than one-third of consumers say they have provided.

Ways that consumers have given consent to companies for outreach



Despite this mandate from the TCPA for express consent, nearly one in four consumers automatically assume that the companies they do business with can contact them. The majority of respondents (84 percent) also believe that if they give their cell phone number as their primary contact to a company, then it is acceptable for that company to contact them at that number. And, the research shows 79 percent of Americans have given their cell number to a company, with more than one-quarter of respondents indicating they usually or always provide their cell number.

Yet, regulations still dictate that in the vast majority of situations, the consumer must grant specific oral or written consent before a company can contact them on a mobile phone. The only exception to this rule? When a mobile number is provided to a creditor in connection with a debt undertaken by the consumer and they are communicating about that debt.



Mobile Customers

Believe that if they give their cell phone number as their primary contact to a company, then it is acceptable for that company to contact them.

Nuance viewpoint: a compliance balancing act

The research makes it clear that consumers value and want updates, notifications and reminders from the organizations with whom they have relationships. However, federal and state regulations governing how, when and even why businesses communicate make satisfying their expectations

highly complicated. And, the possibility of fines or litigation introduces a degree of risk that may deter many from maintaining an ongoing dialog.

Walking the fine line between compliance and customer satisfaction is a challenge that Fortune 1000 companies face every day. While there is no easy answer to managing proactive customer contact and compliance, a close look at the purpose of the communication can go a long way. For instance, TCPA rules will vary based on whether the communication is for marketing, collections or informational purposes. If the communication is for marketing purposes, the rules are much stricter than it is for informational purposes.

With a smart approach that looks at purpose first, companies can more easily navigate the minefield of compliance without sacrificing the customer experience. For more information on regulations impacting each industry, visit www.ContactCompliance.com.

Notes on methodology

The national survey on consumer experiences was conducted by Wakefield Research, an independent market research firm on behalf of Nuance, from August 23 to September 3, 2013. The 1,000 respondents included American consumers over the age of 18.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

About proactive engagement

Nuance works with the nation's leading brands, improving the reach and effectiveness of their customer service and collections campaigns. We deliver results by blending the scalability and efficiency of cloud-based automation with sophisticated personalization based on known preferences and previous response patterns. Orchestrating the use of channels most preferred by consumers – voice, text, email, mobile application and live agent– further ensures cost-effective results. Fortune 500 companies who build loyalty based on their service, trust Nuance to proactively engage one in five Americans each year with the right information at the right time. Follow us on Twitter: @NuanceEnt

**About Nuance Communications, Inc.**

Nuance Communications is reinventing the relationship between people and technology. Through its voice and language offerings, the company is creating a more human conversation with the many systems, devices, electronics, apps and services around us. Every day, millions of people and thousands of businesses experience Nuance through intelligent systems that can listen, understand, learn and adapt to your life and your work. For more information, please visit nuance.com.