Using Technology to Reduce Customer Service Costs, Improve Satisfaction

By Bill Grabarek, Senior Writer

Customer service arguably is one of the more expensive aspects of a prepaid card program—especially if a cardholder’s call reaches a live agent. However, several companies offer program managers ways to reduce customer service-related costs and increase customer satisfaction.

Personetics, a White Plains, N.Y.-based financial services technology company, provides customer service technology that uses automated intelligence and customer data profiles based on current and historical account information to provide personalized support across all channels—Web, mobile, SMS and interactive voice response (IVR).

“We can accurately predict your questions and come up with a personalized response. That’s the premise of what we offer,” Ido Ophir, Personetics’ vice president of product management, tells Paybefore.

Whether a customer is checking prepaid account information on a phone, Website or mobile app, the automated customer self-service technology anticipates customers’ queries and preemptively provides them with a possible solution or explanation. For example, a customer might think his balance should be $500. When the customer contacts the company, the Personetics technology will anticipate the question about the balance and inform him that a three-day hold has been placed on his most recent deposit of $200.

Reducing Costs

Ophir says more than 80 percent of the time customers confirm they are satisfied with the explanation given by the automated system. If they aren’t, they are immediately routed to an agent who has a complete transcript of the conversation and can provide the next level of service.

Not only does the technology reduce the amount of time a customer spends having his issue resolved, according to Ophir, it also reduces the number of calls that must be handled by a live agent.

“Every prediction that is accurate is an agent call that has been eliminated or contained. The technology, of course, has an operating cost, but it is a fraction of what an agent call costs,” he says. “Instead of dollars, it would cost cents. It’s an order of magnitude smaller. You can imagine the ROI. It’s tremendous, and it can be seen within weeks of deployment.”

What’s more, the technology frees up call center agents to spend additional time on more detailed calls or to offer VIP or premier members with a more personalized touch, according to the company.

Personetics is involved in pilot programs, some international in scope, with a number of banks and prepaid card program managers, according to Ophir. “We’re getting very strong feedback. Initial results are showing a 10 to 15 percent decrease in the number of calls going to live agents, and [average handle times] are going down as well. Those results have a big impact on the bottom line for these companies. We do expect at least a couple of them will make this available to consumers by this summer.”

Several other companies provide different ways for prepaid program managers to reduce customer service costs without sacrificing customer service satisfaction.

Companies such as Intelliverse, an Atlanta-based provider of automated communications technologies in the B2B market, for example, provide cloud-based customer service solutions, enabling prepaid companies to pay for only what they use, thus eliminating any worries about extreme volume fluctuations, according to Frank Paterno, vice president of marketing at Intelliverse.

“With a pay-as-you-go model, the prepaid company’s expenses are more aligned with its revenue—an increase in its customer service costs usually corresponds with an increase in its subscriber revenue,” Paterno says. “This greatly lowers the cost of entry, especially for niche prepaid companies that...
Another way to cut customer service costs is outsourcing call centers. Companies, including FIS, a Jacksonville, Fla.-based provider of banking and payment technology, offer on- and offshore call center options, as well as a blend of both.

“Many program managers, especially nonbanks, prefer to offshore their call center functions because of the cost,” says Ralph Calvano, senior vice president/general manager of FIS Prepaid Solutions. “We get solid results out of each of our call centers, regardless of their physical location.”

Technology on the consumer side also is important for lowering costs and for improving retention by providing numerous ways for the cardholder to communicate with the prepaid card provider, he says. Email, text alerts and Websites, for example, reduce customers’ dependency on live agents and enable cardholders to receive immediate information and access to their accounts.

“Some of our clients are using mobile prepaid apps, which function like traditional prepaid card applications. Prepaid cardholders can use their phones to pay bills, get balances, add bill-pay payees, the whole nine yards,” Calvano says.

Getting Comfortable
The automated component to customer service certainly is more cost-efficient but is it well-received by cardholders or do they find it frustrating? Customer service providers say consumers would prefer to self-service their accounts rather than speak with a live agent as long as they can get the information they want or resolve any issues quickly.

“We don’t believe customer satisfaction and efficiency have to be a major trade-off,” says Steve Diamond, vice president, client account management, i2c Inc., a Redwood City, Calif.-based payment processing technology company.

“We have made major investments into understanding consumer behavior when dialing into an IVR, and reordered the IVR menus to address their needs,” Diamond explains.

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10 transactions, but they also want to check non-financial transactions, such as confirming that the system has recognized their address or password change.

“You will always have people who, as soon as they hear an automated voice, will dial ‘0’ to get to a live operator. But I think you will see the younger generations, Gen Y, etc., tend to look to automation more to answer their questions,” Valvardi says. “The older generations accustomed to using live customer service tend to prefer that more. But, on balance, I think you’ll find 80 percent of questions can be answered in an automated fashion. I think that will tick up a percentage point or two each year as the younger generations insist more and more on using automated tools to get at their answers.”

Trend-Spotting

Program managers are constantly looking for ways to improve the bottom line while maintaining a high level of customer satisfaction. Some of the methods they are implementing, according to customer service providers, include IVR and call center customization and reporting, additional means of communication with cardholders and more automation.

Calvano says program managers are moving away from generic IVR and live-agent scripts toward a more customized message. “If you look at the [various prepaid card] programs, they’re skinned a little bit differently in how they work. That’s where the [customized] scripting comes in, and there is high demand for that,” he says.

TxVia is collaborating with its clients to find innovative ways of reducing customer service delivery costs, while further enhancing the customer experience. The company also is adopting a variety of customer relationship management (CRM) tools “designed to prioritize premium customers and enhance the value of other customer relationships using various technology-enabled up-selling techniques,” Nyren says. “Other customers are looking at alternate real-time communications methods, such as live chat and interactive SMS.”

i2c always has offered extensive reporting functions within the platform, according to Diamond, but lately it has built customized reports for a large number of its clients that contain comprehensive analysis of call center and IVR activities, along with suggestions and recommendation to address typical consumer concerns of individual programs. “Lately, it’s become clear that reporting capabilities within the customer service component is highly valued,” Diamond says, as clients are demanding increasing amounts of detailed data.

While technology plays a large role in wringing out costs and improving the customer service experience, program managers will have to decide what works best for their prepaid products. Valvardi says he is familiar with what Personetics is offering and that there are companies that likely will use it. What’s more, he says some companies are offering speech pattern detection.

“If someone calls a live agent, the system will recognize—based on the caller’s pitch, among other factors—that the consumer might be really upset. Instead of going to the standard pool of call center agents, the system may put them into an expert pool … so they can get special handling,” says Valvardi, who adds that this type of technology is more appropriate for some prepaid programs than others.

“For some of the more basic programs, maybe it’s a loyalty incentive card or a gift card that is only going to be used for a couple of transactions, you might want to do something more basic,” Valvardi says. “But if it is someone who has a payroll card or GPR card where they’re putting their weekly salary on it, and the card has become their primary financial payment device, they’re going to require a different level of customer service.”

When technology becomes available, “you have to figure out whether it makes sense to use it in your portfolio, especially if there is an additional cost for the more intelligent interactions,” he says.

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