



OUTBOUND ALERTS:
THE NEXT GENERATION
OF COST SAVINGS

About ICT Global Interactive

ICT Global InteractiveSM is the Customer Relationship Management (CRM) Technology Solutions organization of ICT Group, a leading global provider of customer management and business process outsourcing solutions with 40+ operations centers and over 14,000 sales and service representatives worldwide. Backed by ICT Group's over 20 years' experience and solid financial performance, ICT Global Interactive provides interactive voice response, advanced speech recognition, automated alerting and Web-self help services as well as e-mail management, contact management and sales force automation, collaborative Web browsing and other hosted CRM technologies, available for use by clients at their own in-house facilities or in conjunction with ICT Group's fully integrated outsourced contact center operations.

Outbound Alerts: The Next Generation of Cost Savings

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Beyond IVR: A Radically New Approach to Contact Center Efficiencies

When interactive voice response (IVR) was introduced in the 1980s, it created an economic revolution. Contact center managers were able to generate significant reductions in labor costs by automating management of the majority of inbound calls.

Speech recognition has steadily evolved, from providing simple skill-based routing and inter-departmental directory assistance to more intricate name/address root directory and automated voice messaging systems. More recently, speech recognition has become alphanumeric and conversation-based, allowing companies to wring further savings from their contact center operations, handling more complex interactions, such as reservations and brokerage orders.

IVR is now a mature technology. While there may be incremental savings still to be found in inbound IVR, the home runs have already been scored. To continue to identify significant reductions in per-call costs, contact center managers will need to learn how to use the newest tool: **Outbound IVR Alerts**.

Outbound alerts, the next generation of IVR technology, offer applications well beyond menu-driven customer service. Think of outbound alerts as **proactive IVR**. Instead of waiting for the customer to call you at \$2, \$4 or \$6 a call, you call the customer at a fraction of the cost – in some cases, saving up to 95% compared to the cost of using a live agent to handle the call.

While inbound IVR has one objective – to divert inbound calls from live agents – outbound alerts can be used to achieve many diverse business objectives.

To understand how to effectively use outbound alerts to achieve those objectives, it's important to understand the capabilities of today's technology.

Understanding Outbound IVR Alerts

Because they can mimic the actions of a live agent, outbound alerts are highly effective and can even:

- Identify the customer by name – this is a personalized message, not a “canned” statement.
- Ask for identity verification before providing sensitive information (interactivity).
- Speak in any language of choice.
- Allow the option of connecting to a live agent when appropriate, such as fraud detection and collections.
- Leave a callback message that loops the customer back into the automated alert system.

Outbound alerts can be used to provide specific information you believe the customer will want, such as verification of an electronic funds transfer, or a status update on an insurance claim. Outbound alerts can also be used to cost-effectively reach the customer with information you want to proactively pass along to them... such as, "We haven't received your payment yet."

The technology behind outbound alerts is now so advanced that it can support many of the business processes you may currently use live agents to perform. The technology also makes it cost-effective to contact customers more often, providing new services that can enrich and cement customer relationships.

Benefits of Outbound Alerts	
Benefits #1, #2, #3 and #4	The savings are dramatic. The cost of an outbound alert is less than 5% of the cost of an inbound call handled by a live agent.
Benefit #5	Reduced live agent turnover. Repetitive calls aren't just costly, they're boring for agents to handle. By squeezing the routine calls out of the system, you allow agents to focus on the exceptions, making the job more satisfying.
Benefit #6	Improved customer satisfaction. Receiving a call that anticipates your needs is always better than wading through an inbound IVR menu. Customers also see value in receiving friendly reminders about payment due dates, spending limit alerts and insurance claims status reports.

How Companies Use Outbound Alerts to Prevent Inbound Calls

The holy grail of contact center management is to reduce the flow of inbound calls that don't generate revenue. According to *Wireless Week*, "The average cost of an inbound call to a customer care center hovers around \$7." Whether your calls cost more or less than average, any significant reduction in these calls flows straight to the bottom line.

You are familiar with these calls, because you receive them every day.

Has my deposit been credited?

Did my Social Security check arrive on the third of the month?

Have you received my claim?

Have you shipped my order?

Have you credited my payment?

While IVR menus can handle a lot of these calls, many callers either don't understand the menu options or have figured out that hitting "0" will get them to a live agent and what they believe will be faster service.

The use of outbound alerts can significantly reduce the number of inbound calls. The idea is simple: Get the information to the customer before the customer calls to ask for it.

Sample Script:

This is ABC Insurance calling John Q. Smith about a recent claim. For your safety and security, if you are John Q. Smith, please enter the last four digits of your Social Security number now...

Thank you. We have received your claim and are processing it. Your claim number is 1234567. You will receive a telephone call from an adjuster in approximately 48 hours. If you would like the adjuster to call a different number, such as a cell phone, please enter that number now...

How Companies Use Outbound Alerts to Improve Customer Service

It may seem paradoxical, but reducing the number of live agent calls can actually improve customer service and satisfaction, even as it significantly reduces your costs. The customer is no longer forced to work through an IVR menu to find the single piece of information he or she wants.

Outbound alerts can be used **proactively** to improve customer service at a very low cost. Logistics support is an excellent example. A major direct seller is using outbound alerts to notify customers when their orders have been shipped. Customers receive a second outbound alert when the order has arrived at the local post office. The alert includes the post office address, hours of operation, and what ID will be required to pick up the package. For about 20 cents, this shipper has eliminated \$4-\$10 worth of inbound calls.

Contact-intensive industries such as insurance, credit card and financial services have multiple opportunities to use outbound alerting technology to reduce costs, provide additional services and drive incremental revenue – all at an extremely low cost:

- Credit card activation reminders
- Spending limit alerts (credit card, line of credit)
- Address change confirmations
- Account expiration or cancellation notices
- CD maturation notices
- EOD stock quotes/portfolio summaries
- Dormant account reactivation
- EFT confirmation notices
- Claims status updates
- Rate increase notifications
- Severe weather alerts (insurance)
- Loan processing follow-up

How Companies Are Using Outbound Alerts for Fraud Detection

Credit card companies have spent millions on analytics that can detect suspicious activity. However, most suspicious activity turns out not to be fraud, but simply a legitimate customer behaving out of character.

Whether it's fraud or simply an anomaly, a live agent call costs the same. In fact, many card issuers may set their alert levels higher, because at \$4 to \$6 a call, the math doesn't support verifying low-value suspicious activity.

Outbound alerts change the equation.

Outbound alerts make it possible to separate the fraudulent from the merely unusual for about a dime. And, only transactions that are already verified as fraudulent will need to involve a live agent.

Sample Script:

This is the Fraud Prevention Department calling Jane Q. Customer to verify recent transactions on your credit card account ending in 1234. While it is likely that you authorized these purchases, our security policy requires us to verify them. To make sure we are providing this information only to Jane Q. Customer, we'll ask you to verify your identity first. Please enter your 5-digit ZIP code or the last four digits of your Social Security number now... Thank you. On April 8th, a charge of \$612.86 was made at Big City Luggage. If you authorized this purchase, please press 1. If you did not, please press 2.

Even when the charge is legitimate, outbound fraud alerts serve another business purpose – customer retention. They assure customers that you are always watching out for their best interests.

How Companies Are Using Outbound Alerts for Collections

Soft collections are a high-value application for outbound alerts, because the technology is especially well suited for sensitive transactions. The recorded voice is non-threatening and factual, and under no circumstances will it get into an argument with your customer!

Outbound alerts can make non-pay courtesy calls as well as more persistent calls. And each call can include the interactive option to discuss the matter with a live agent or make an immediate payment.

The low cost makes it affordable to write more stringent collections rules for all accounts. And, your collections agents can focus their well-paid skills on actual collections, not courtesy calls.

Sample Script:

This is the Home Equity Loan Department at ABC Bank calling John Q. Public about your account. For your security, please verify your identity before we continue. If you are John Q. Public, please enter the last 4 digits of your Social Security number now... This is just a friendly reminder that your home equity loan payment of \$423.86 is now past due. If you have already mailed your payment, we thank you. If you would like to make your payment by transferring from your checking or savings account now, please press 1.

Considerations When Deploying Outbound Alerts

A substantial majority of companies that deploy outbound alerts will choose outsourcing rather than risking a disruption to their existing technology. This option means there is no up-front capital expenditure and no risk of obsolescence, and scalability means applications can be ramped up quickly. An experienced outsourcing partner can be invaluable in helping you craft effective messages.

Outbound Alerts Significantly Reduce the Costs of Many Customer Interactions

CRM	Customer Care	Fraud Control	Collections
<ul style="list-style-type: none"> • Card activation • Renewal notices • CD maturation notices • Special offers • EOD stock quotes 	<ul style="list-style-type: none"> • Claims status updates • Loan processing follow-up • Address change confirmation • Dispute resolution • EFT confirmation 	<ul style="list-style-type: none"> • Suspicious activity notices • Fraud alerts • Skip tracing 	<ul style="list-style-type: none"> • Non-pay courtesy calls • Payment reminders • Account suspension or cancellation notices

In addition to the advanced capabilities of the technology to perform the desired tasks, and the experience of the outsourcing partner in deploying the technology, other considerations include:

- Easy interconnections with the client host system and existing IT architecture.
- Hardened disaster recovery/data redundancy systems.
- Availability of live agents to handle off-hours and overflow customer interactions.
- Experience in your vertical industry, especially if yours is regulated like financial services or healthcare.

Using an experienced outsourced service provider also gives you access to a variety of different alerting technologies, including SMS (simple message servicing), e-mail and fax. Because they can be deployed on a scalable, demand-driven basis, a fully customized, multi-channel alerting solution can be developed, combining these technologies to optimize “reach” and increase your return on investment for all of your proactive customer notification initiatives.

The Future of Outbound Alerts

IVR has saved businesses millions, by reactively reducing the number of inbound calls coming into their live agent contact centers. Outbound alerts will likely have a similar effect, with the potential to play an opposite role in customer relationships. We anticipate that this technology will generate little or no customer resistance, and in fact will be embraced by the public, because the benefit to the customer is very evident: **outbound alerts save the customer’s time.**

The term “killer app” tends to be tossed around rather loosely, but we believe it may be appropriate for outbound alerts. We can’t think of another technology that can both generate dramatic cost savings and significantly increase customer satisfaction.

Outbound alerts have the potential to drive major change in the way every business interacts with its customers. In fact, for many businesses, those changes are occurring today.

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