Improving Self-Service Delivery of Financial Services

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Session Objectives

• What Are The Industry Challenges in the Financial Sector?

• Trends Towards Self-Service

• What has been successful in the Financial Sector?
Changing Landscape and Challenges Met

- **Fiercely competitive market due in part to deregulation and globalization** - Key ingredient to staying competitive is not only offering a broad range of high quality products, but also providing premier customer service.

- **Multiple Channels** - The internet has allowed banks to offer fast and reliable banking options but banking by phone still remains a key factor.

- **Cost Reduction** - Reducing cost to serve without jeopardizing customer service levels. Most calls are non-revenue generating.

- **Addressing Consumer Behavior** - Demands for quality customer service

- **Coping with increasing call volumes**

- **Changing Industry Requirements** - Increasing usage of Alpha Numeric (ID’s, account numbers and Passwords etc) make DTMF to difficult (ie the move away from SSN # for ID’s)
The Changing Landscape

Personal Manager 1960/70s

Your local Branch 1980s

Call Centers 1990s

Self service
Benefits of moving to Speech- Industry Examples

• By addressing areas touchtone (DTMF) could not manage e.g. Stock Quotes, Market Info, etc. Merrill Lynch increased automation from 81% to 91% using speech

• Need good customer experience before you can up-sell. Wells Fargo Card Services increased customer satisfaction from 25% (DTMF) to 55% with speech

• AIM reduced call length by 44% by moving from DTMF to Speech
## What Works in the Financial Sector?

<table>
<thead>
<tr>
<th>Application Name</th>
<th>Typical Success Rate</th>
<th>Existing Fluency Deployments</th>
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</thead>
<tbody>
<tr>
<td>Primary Identification &amp; Verification (DPA)</td>
<td>70%</td>
<td>Standard Life Bank, Woolwich, Lloyds TSB, Chelsea Building Society</td>
</tr>
<tr>
<td>Alternate Identification &amp; Verification (DPA)</td>
<td>80%</td>
<td>Standard Life Bank, Woolwich, Chelsea Building Society</td>
</tr>
<tr>
<td>Balance Inquiry/Status</td>
<td>98%</td>
<td>Standard Life Bank, Woolwich,</td>
</tr>
<tr>
<td>Balance Payment</td>
<td>75%</td>
<td>Standard Life, Woolwich</td>
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Where Else Are Our Banking Customers Using Speech?

- Account Set Up
- Bill Payment/Funds Transfer
- Quick Quotations
- Change of Address
- Locate a branch or ATM
- Confirm check clearance
- Loan Application
- Recent Transactions
- Order a Statement
- Ordering New Checks
Case Study: Standard Life Bank (SLB)

- Wholly Owned Subsidiary of Standard Life Assurance Company
- A Direct Mortgage and Savings only Bank
- Savings Launched in 1998 and Mortgages in 1999
- Approx 110,000 Mortgage Customers with balance of approx $18M USD
- Approx 300,000 Saving Customers with balance of $8M
Business Drivers for SLB

- **Early Requirement for Parent to increase ROE**
  - Customer Research
  - IBC showed potential Saving of 30 FTE
  - Payback in less than 12 months

- **Longer Opening Hours For Our Customer**
  - Was 8 to 8 Monday to Friday, 8 to 12 Saturday
  - Go to 7 to 11 every day of the week

- **High Staff Turnover in Savings Department, Mundane Tasks**
  Main Reason
Life Before Speech For SLB

- Comprehensive Internet Banking for Savings Introduced in 2002

- By 2004 Approximately 25% of Savings Transaction Performed Online

- Very High Level of Customer Service Provided to Customers Over Telephone
  - Help with identification
  - Pooling of Accounts for friends and family
  - Multiple accounts with a Savings plan with nicknames
The Solution: Virtual Speech Agent (VSA) Suite™

- Fairly Simple and Basic Transactions for Existing Customers
  - Identification & Verification
  - Balance
  - Deposits & Withdrawals
  - Internal transfers
  - Other Services, CTI Breakout
  - Call Recording
  - Speech based with DTMF back up

“The Fluency speech system was the obvious choice for Standard Life due to their proven experience in the banking sector. The ‘off-the-shelf’ nature of the application meant that we didn’t have the cost and risk associated with a custom development” Julian Cook, Change Development Director
Where Are SLB Now?

- 59% of all Calls Are Serviced Without Any Agent Involvement
- 90% of ID & V Completed by Fluency Application
- Agents Confident in the Speech System, Increasing Their Ability to Add Value to the Customer Interaction
- No Waiting in Call Queue
- ROI Achieved Less than 9 Months
- 11% of all Calls Now Outside Normal Hours
- Staff Turnover has Reduced
- Internet Usage Increased by 6%
SLB- Customer Experience

- New Customers – No Issues
- Most Existing Customers Fully Endorse System
- Many Customers Have Become Experts

SLB- Business Metrics

- Savings Balances for Existing Customers have Increased
- Total Savings under Management Increased Above Inflation Rate

“We are currently using the virtual bank agents on our savings products and are planning a roll out to our mortgage customers later this year”
Credit Card Case Study

- **Global Financial Services Institution**
- Takes Over 6m Calls Per Year for Credit Authorizations
- Main Goal for Deploying the Fluency Application - to Reduce Cost Per Transaction

- **Application Provides Collection of:**
  - Credit Card Type and Number
  - Expiration Date
  - Merchant Number
  - Amount Charged
  - System Processes the Transaction and Returns an Authorization Code to the Merchant Caller

- **Fluency Applications Provided:**
  - Improved Customer Satisfaction by Reducing Queue Times
  - Reduced Costs - 84% of total calls (5 Million) Per Year are Automated using Fluency Applications
  - ROI in Less Than 7 Months
  - Positive Brand Reinforcement and Perceived as Innovative
Case Study: US Healthcare Insurance Provider

**Business Challenge**
- Wanted to improve customer service by allowing customers to quickly access account information without using lengthy menus or call center support.

**Solution**
- Router (eg, call routing and automated info playback)
- ID&V with status (eg, payment or claim status, benefits coverage and eligibility)
- Contact Capture (eg, request for claim forms, lost ID cards, address changes)
- Locator (eg, member search for provider)
- Payment Capture (eg, for future group self service)
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Thank You