



Case Study

Financial Services

Banking on Relationships with Hispanic Customers



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INDUSTRY Financial Services

THE COMPANY One of the world's largest retail banks

LINES OF BUSINESS Consumer Banking, Small Business Banking, Investment Banking, Capital Markets, Lending

NUMBER OF EMPLOYEES More than 200,000

2005 ANNUAL REVENUE More than \$50 billion

PROGRAM Money Remittance Program - U.S. / Mexico Hispanic Consumers

- _ In-language, culturally relevant inbound and outbound customer service
- _ Help desk for banking center associates
- _ Analytics tools providing insight into both customers and processes
- _ Scalable call center operations to support seasonal and promotional fluctuations

ESTIMATED FULL-TIME EQUIVALENTS (FTES) Between 28 - 90 based on anticipated call volume (Mexico City, Mexico)

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Business Challenge

Hispanic consumers are a major economic force whose influence on U.S. business is rapidly growing. According to Hispanic Business, Inc., U.S. Hispanics have purchasing power of \$700 billion, a figure expected to hit \$1 trillion by 2010. A premier multinational bank, headquartered in the U.S., wanted to capitalize on this trend by creating relationships with, and tailoring products for, its Hispanic customers.

The bank estimated that 50% of the more than 40 million Hispanics in the U.S. had no experience or relationship with a financial institution; however, this same group transmitted billions of dollars annually to family and loved ones in their native countries—an estimated \$20 billion to Mexico alone. The bank wanted to offer an alternative to the prohibitive fees and limited hours of operation offered by most money transfer offices performing this service.

The bank targeted Hispanic consumers with a money remittance card that offered a secure, convenient way to send money to relatives and friends in Mexico. U.S.-based Hispanic customers initiated the service by registering with a debit or credit card to fund the money remittance card, which was then sent via overnight carrier to the recipient in Mexico. Funds could be added to the card at any time via the Internet or phone and were available in Mexico within six minutes, providing the recipient in Mexico immediate access to the funds 24 hours a day, seven days per week.

Beyond reaching a critical new customer segment, the bank wanted to achieve the maximum return on investment from its money remittance card program. With customer-specific, culturally relevant solutions and tools that provide a deeper understanding of customer interactions, the client could lay the foundation for expanding and solidifying these new customer relationships.

Solution

TeleTech was uniquely positioned to help the bank build relationships with its targeted base of Hispanic consumers by providing scalable contact center operations, bilingual customer service representatives (CSRs) based in Mexico City, Mexico, and analytics tools to extract valuable information from customer calls in order to enhance customer relationships and improve processes.

The program launched in February 2004 from TeleTech's Mexico City customer management center (CMC). Initially, TeleTech handled only inbound calls from customers wanting to enroll in the program. By April, TeleTech also handled all customer care and support calls for existing customers. The CMC supported card users seven days a week, 365 days per year, 7 A.M. – 12 A.M. (midnight) CST. CSRs handled calls in both Spanish and English.

To complement the bank's aggressive marketing initiatives for the remittance card, TeleTech utilized its extensive customer relationship management (CRM) and financial services industry expertise to anticipate the key customer concerns its CMC operations would need to address:

- Enrollment for users opening accounts via phone
- Money transfers
- Support for users who need help interpreting their bank statements



- Inquiries about the delivery status of cards
- Chargeback inquiries
- Replacement of lost and stolen cards
- Internal help desk assistance for the client's 5,700+ Banking Centers to support product enrollment

By identifying and continually addressing the specific needs of a unique consumer segment, TeleTech helped maximize the customer experience, which is essential to forging long-term client/customer relationships.

In addition to these efforts, TeleTech helped the bank gain a deeper understanding of money remittance card users, with the goal of refining and improving service and delivery. TeleTech's Disposition Management tool enabled the bank to capture, analyze, and report extensive data about the program. Using Disposition Management, CSRs were able to capture information about which Mexican states U.S. customers sent money to most often, how much money was transferred during each transaction, and other factors that provided valuable demographic data. The Disposition Management data also indicated that the bank's customers were uncomfortable using an interactive voice response unit (IVRU) and much preferred talking with live CSRs in Mexico.

Using Disposition Management, the bank was also able to capture information on why customers asked the bank to send cards to locations in the U.S., and then re-sent the cards to relatives in Mexico – an outcome that was detrimental to usage patterns the bank hoped to drive with its customers. Based on the analyses provided by Disposition Management, the bank began charging a \$15 fee for sending cards to customers in the U.S. This change, while generating some incremental revenue, was instrumental in encouraging the desired customer behavior for the bank. The fee incentivized customers to provide mailing addresses in Mexico for card recipients, ensuring direct, overnight delivery of the cards so that recipients could begin using the remittance service as quickly as possible.

Another important element of the bank's success with the money remittance card program was its responsiveness to the Hispanic emphasis on family and friends. Mother's Day, May 10 in Mexico, is very important to Hispanics. To encourage and accommodate considerably higher enrollment for customers who wanted to send money to their mothers in May, the bank ran special promotions for this event. TeleTech's flexible, scalable operations supported the corresponding surge in volume. Staff was screened and prepared in advance to ramp bilingual CSR headcount by 221%, providing seamless service to the client's customers.

Learnings and Outcomes

TeleTech's proven, measurable, and repeatable solutions delivered people, processes, and technologies that helped the client expand its relationships with Hispanic consumers. By basing the program in its Mexico City CMC, TeleTech enhanced the value of each interaction, providing bilingual CSRs who share the same language and culture as the bank's customers. TeleTech effectively supported the bank's promotional and seasonal requirements, ramping operations to accommodate fluctuating call volumes. Disposition Management data helped

→ Flexibility forges deeper bonds with customers

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the bank gain demographic data to improve its marketing effectiveness, and to identify and improve its card delivery process by driving desired customer behaviors.

TeleTech’s CRM strategies also helped the bank determine which elements would most effectively and efficiently drive customer loyalty and retention. For example, the bank initially established a program goal of 1,000 sales per month. TeleTech shared with the bank that more important than monthly sales were metrics measuring the quality of the support extended to customers, which in turn would be a measure of the overall health of the bank’s relationships with its customers. These metrics included:

- Service level — the percentage of calls within the client’s average speed of answer (ASA) requirement
- Quality score — based on results from monitoring a minimum of 10 calls per CSR per month against call flow and handling requirements detailed by the client
- Average speed of answer (ASA) — the rate at which CSRs answer incoming customer calls
- Abandoned call rate — percent of unanswered calls compared to the number of incoming calls

Despite program variations in call volume, TeleTech averaged 855 sales per month, with sales of 1200 per month during peak periods. TeleTech surpassed all of the client’s call quality goals, exceeding service level requirements by 13% (scoring 93% vs. the client goal of 80%); quality score requirements by 5% (scoring 95% vs. the client goal of 90%); ASA requirements by 566% (averaging 9 seconds vs. the client goal of 60 seconds); and abandoned call rate requirements by 3% (averaging 2% vs. the client goal of 5%).

Metrics

TeleTech has determined that achieving consistent, measurable quality in customer interactions forms the basis for reaching new market segments, establishing brand awareness, and fostering early customer loyalty. By exceeding the bank’s goals for these metrics, TeleTech helped the bank gain visibility and sustainable market share with its targeted audience—U.S. Hispanic consumers.

Fig. 1 Money Remittance Card Program Performance

Metric	Target	Actual	Δ
Quality score	90%	95%	+5%
Service level	80%	93%	+13%
Average speed of answer (ASA)	60 seconds	9 seconds	+566%
Abandoned call rate	<5%	2%	-3%

North America

Latin America

Europe

Asia-Pacific

