

A SPLICE Software White Paper



The Key to Reducing Financial Delinquency Rates Is All in the Voice

How a Concatenated Human-Voice System Generates Higher Customer Responses and Improves Enterprise Collections





Situation: Outmoded Enterprise Call Center Solutions Fail to Reduce Customer Delinquency Rates

Financially delinquent customers pose both a risk and a challenge for businesses. On one hand, these customers negatively impact a company's revenue stream; on the other, even a delinquent customer is still a customer. Enterprise businesses typically rely on one of two traditional communication methods to reduce customer financial delinquency rates: onshore or offshore call centers staffed by live telemarketers, or low-cost, automated phone and email messaging systems. Unfortunately, neither approach is completely effective for motivating delinquent customers and improving collection rates.

Problem: Inadequate Caller Performance Weakens Customer Response, Brand Perception, and Customer Loyalty

Studies show that human contact is a more effective way to elicit positive responses. That's why many enterprises continue to use costly call centers staffed with live telemarketers to communicate with financially delinquent customers.

But the traditional, conventional call center has its own set of problems. A customer may experience a demotivating emotional disconnect when contacted by a foreign agent with a perceptible accent, or by a robotic, automated message system. Part-time workers who must deliver multiple caller scripts and pitches may be unable to flawlessly deliver financial messages and payment options. These callers often lack access to the latest customer data, resulting in unnecessary contacts and angry customers.

As customer dissatisfaction erupts from these communication challenges, a company begins to experience an erosion of brand loyalty, lost business opportunities and declining revenues.

Solution: A Cloud-Based Data Integration Platform Using Real-Time Information to Deliver Consistent and Natural Voice Messaging

The SPLICE Cloud-Based Automated Voice System uses concatenated human-voice messages that are seamlessly spliced together to create a series of highly effective, mass-personalized business collection messages. These customized messages are integrated with enterprise customer data via a secure, cloud-based environment. Information can be read from and written directly to your database, to support a delinquency reduction campaign or to provide easier access for your call center. This seamless approach produces a fully managed real-time feed of information that can be delivered in an easy, simple, consistent, and seamless manner via multiple digital media outlets such as smartphones, links in emails, text messages or via video links with personalized voice-over and websites.

Result: Message Control, Engaged Customers, Improved Collection Rates and Better ROI

With the SPLICE solution, you can leverage automation to facilitate intelligent human conversation. Instead of pushing a one-way announcement to a "source of revenue", you're engaging in a dialogue with a unique human being. Customers respond positively to this approach, ensuring faster debt recovery while preserving brand loyalty.

SPLICE integrates with enterprise data, enabling the ability to "think before you speak": the system can rapidly deliver an intelligent, personalized customer message at the precise moment of delinquency. That's why customer communications sent via SPLICE capture a significantly higher level of attention than traditional call centers or email communications—and that translates to substantial improvements in collection rates. With SPLICE, you can deliver customized voice messages at a fraction of the cost of traditional enterprise call center messaging using live telemarketers. And, because no capital expenditure is required to implement the service, SPLICE delivers faster, higher ROI.



Traditional Contact Methods to Reduce Financial Delinquency Rates Yield Mixed Results

Any enterprise that offers financing on big-ticket items or subscribed services finds that a certain percentage of customers eventually become financially delinquent. Businesses face the unpleasant but necessary task of initiating programs designed to reduce their financial liability by improving collection rates.

The issue is compounded by today's softer economic environment, which forces many customers to prioritize creditor payments and escalates the proportion of delinquent debtors. For many enterprise businesses, resolving the delinquency issue in a positive way has become a top priority. In an environment where customers can easily choose another product or provider online, businesses are challenged to tailor collection messages that will reduce delinquencies without impacting repeat or referral business opportunities with those same customers.

Traditional methods to reduce delinquency rates have typically relied on one of two solutions: call centers staffed by live agents, or automated messages.

The offshore call center offers a lower-cost alternative to onshoring. Unfortunately, this approach frequently poses language barriers between agents and customers—and that can negatively impact collection rates.

In fact, offshore collection call centers may not be very effective for significantly reducing delinquency rates. A study conducted by the CFI Group as part of its annual Contact Center Satisfaction Index (CCSI) found that customer issues were 25 percent less likely to be resolved using offshore call centers because the customer service representatives were difficult to understand.¹

Automated phone-calling systems reduce the cost of contacting delinquent customers even further. To put

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—CFI Group, CCSI, July 2008

this in perspective, the average cost for an onshore customer service agent is approximately \$7.50 per phone call; outsourcing calls to live agents in another country brings the cost down to about \$2.35 per call. An automated-response phone system averages around 32 cents per call.²

Automated message systems contact customers very cheaply—and most of them employ emotionally distanced, robotic voices, which many customers find annoying. These systems may be less costly, but they are also less effective in connecting with customers and reducing corresponding financial delinquency rates.

One thing is certain: Customers respond more positively to a natural-sounding human voice. That's why so many enterprises still rely on live call centers rather than automated calling systems.

What if a single solution delivered the best of both worlds, combining benefits of the human voice and personalized messages with a fast, accurate, automated voice-messaging system? Your enterprise would have a consistent, cost-effective system to manage delinquency collections and generate revenue, while retaining the effectiveness of the human voice to elicit faster customer response, preserve brand loyalty, and encourage repeat and referral business.

1. Source: Digital Communities: "Offshore Call Centers Improve but Fall Short, as Language Barriers Affect Problem Solving," July 2008.

2. Source: "Your Call Is Not That Important to Us" by Emily Yellin, Free Press, March 2009, page 66.



Giving Your Enterprise a Human Voice: Business Challenges and Benefits

It's common knowledge that humans respond more positively to a live human voice than to cold, robotic audio messages or impersonal email reminders. The closer a simulated voice can mimic a live person, the greater the opportunity to connect with the customer and achieve a positive outcome.

A University of Missouri School of Journalism study analyzed the effectiveness of the human voice in social media. Participants in the study experienced much higher satisfaction rates with a personalized human voice than with impersonal communications.³

According to the study's co-author, Hyojung Park, "There is great value in using a human voice when communicating and developing good relationships with the public. Levels of trust, commitment, and satisfaction from users all appear to be positively affected by the use of the human voice in social media."

Still, the use of the human voice in traditional call centers has its own set of operational challenges that pose barriers to reducing financial delinquency rates:

Language Barriers – Offshore call centers that employ callers with accents and emotionally distanced phrasing do not connect strongly with customers, diminishing brand loyalty and the potential for incremental, repeat, or referral opportunities.

Part-Time/Flex Hours – Onshored, part-time, or flexibly scheduled workers who experience constantly changing work schedules cannot devote the significant amount of time needed to learn and flawlessly deliver financial messages in a way that matches the enterprise's corporate culture. Globally, 24/7 call centers also see mixed results regarding message precision and quality, depending on the time of day they are delivered to delinquent customers.

Multiple Call Scripts – Different financial circumstances and options may necessitate multiple caller scripts or pitches. The typical result is message confusion, inconsistent message delivery, higher caller turnover, and

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–Hyojung Park, Researcher
University of Missouri, School of
Journalism Study, February 2011

less effective results in reducing customer delinquency rates. Managing and adjusting a broad range of customer messages might not be the most productive use of resources.

Poor Integration of Customer Data – When call center agents lack access to the latest customer data, customers may receive collection calls when payments have already been made - and that leads to higher customer dissatisfaction and erosion of brand loyalty.

To reduce financial delinquency rates and improve collections, businesses need an enterprise messaging solution that employs the best of both worlds: a low-cost automated response using the latest enterprise data and the power of the natural human voice to emotionally connect with customers.

The best of both worlds is already here. The SPLICE Cloud-Based Automated Voice System delivers a proven, cost-effective, fully automated cloud-based enterprise solution that uses natural human-voice messaging to reduce financial delinquency rates and improve collections while retaining customer satisfaction – and preserving the potential for future business opportunities.



Human-Voice Concatenation Makes an Emotional Connection, Improves Delinquency Rates

The University of Missouri research indicates that personalized, human-voice messaging is an acceptable, measurable, and affordable alternative to conventional direct marketing efforts. But simulated human-voice applications are not created equal, and do not yield equivalent results.

Most digital messaging technologies apply cold, impersonal, robotic-sounding voices. SPLICE takes a different approach by using a patent-pending, human-voice concatenation approach to deliver natural-voice, personalized customer messages that strike an emotional chord with customers. SPLICE concatenated voice messages are recorded from actual human voices. The combination of a natural human voice and a personalized, customized message creates a sense of authenticity and a high level of trust. These messages increase customer attention spans and response rates while building a stronger relationship with a company's brand and public image.

SPLICE concatenated voice messages use a combination of a 100 percent natural human voice and a personalized, customized message to create a sense of authenticity and a high level of trust. These messages increase customer attention spans and response rates while building a stronger relationship with a company's brand and public image.

The SPLICE Cloud-Based Automated Voice System is a full-service, SaaS enterprise solution. SPLICE recommends scripts, records both the scripts and personalization content using human-voice talents, and then seamlessly splices them together to create a series of mass-personalized messages delivered with a natural, conversational cadence.

Customized messages are integrated with enterprise customer data via a secure, cloud-based environment. Information can be read and written directly into your database for easier call center access. Or, you can upload relevant data to the SPLICE-hosted cloud system every few weeks via a standard browser to support a specific enterprise financial campaign. This approach produces a fully managed, real-time information feed, which can be delivered simply, consistently, and seamlessly via digital media such as smartphones, email links, text messages or even video links with personalized voice-over and websites.

Timing Financial Delinquency Messages for Better Results

The sooner a business message is delivered to a newly delinquent client, the higher the chances of getting paid. SPLICE leverages accurate message timing to inform delinquent customers at the exact moment they become delinquent, driving faster collections.

SPLICE integrates with your enterprise customer data. When data variables flag a customer as delinquent, the automated system immediately triggers processes to contact the customer with an accurate, personalized delinquency message. SPLICE seamlessly merges customer information to form a concatenated audio file that sounds like it was recorded as a single, contiguous audio stream using a naturally recorded human voice.

For example, if the delinquency rate is set to 15 days, SPLICE can integrate specific data points from the customer's financial record into a personalized, customized voice message that goes out to the customer on the 15th day.



Hear for Yourself:

Click the sound icon to listen to samples of SPLICE Natural Voice Concatenation enterprise collection messages.

SPLICE voice messages reach 95 percent of targeted customers. Metrics show an average listening time of 40 to 50 seconds – which means messages are being heard. SPLICE has helped enterprises improve response rates by as much as 18 percent – with ROI improvements as high as 400 percent. Capturing this level of customer attention allows the enterprise to realize more positive results at a lower cost. With no capital costs and a price of roughly 10 to 20 cents per message, SPLICE achieves better results at a fraction of the cost of traditional enterprise messaging methods.

By integrating enterprise data to personalize customer messages that are rapidly delivered at the precise moment of delinquency, SPLICE significantly improves enterprise delinquency rates at a lower cost and higher ROI. Knowing exactly who the customer is and what matters to them before placing a call uses the customer's time wisely. And, the ability to remember the conversation afterwards is an added source of intelligence.

The SPLICE Cloud-Based Automated Voice System gives enterprises powerful tools to minimize delinquency rates and improve revenue streams:

- **Scalable, Low-Cost Cloud-Based Model –** SPLICE Cloud-Based Automated Voice System is infinitely scalable, giving you a single-vendor system that can accommodate changing enterprise call volume requirements in a safe, secure, and consistent manner. SPLICE can manage customer messages with up to 10 customized items of data or localized relevance, which can go out to millions of customers per week.
- **Engaging, Concatenated Human-Voice Technology –** Human emotion plays an important role in eliciting action. The use of spliced, natural sounding human voices—instead of cold, robotic voices—provokes greater action, dramatically increasing the level of customer engagement.
- **Automated, Personalized, and Consistent Messaging –** SPLICE enables enterprise financial managers to build a solid communications platform

The SPLICE Cloud-Based Automated Voice System combines the emotional power of the human voice with an automated cloud-computing software platform to deliver a highly effective financial messaging service.

that ensures consistency and accuracy. Voice messages can be measured, monitored, and changed as needed.

- **Fully Integrated, Real-Time Enterprise Data on Multiple Platforms –** The flexible SPLICE Cloud-Based Automated Voice System platform integrates with enterprise call infrastructures, ERP and financial systems, ensuring that no equipment needs to be added or replaced. Using a standard browser, managers can upload customer data into a simple upload portal with full security encryption. The platform also provides open APIs that allow the SPLICE software to be easily customized to support specific enterprise IT requirements.
- **Greater Lifetime Customer Loyalty and a Stronger Brand Connection –** The SPLICE Cloud-Based Automated Voice System leverages the power of human emotion to make a stronger human connection and build value throughout the customer value lifecycle. The relationship between brands and emotion is critical for generating incremental or repeat business opportunities. Natural-voice messaging makes emotional connections with customers and helps enterprises generate stronger brand loyalties.
- **Focus Call Center Talent on Revenue Generation –** SPLICE enables enterprises to redirect personnel expenditures traditionally associated with a live call center infrastructure to roles that generate greater revenue, such as sales, marketing, customer service, or technical support.

CASE STUDY

How SPLICE Software Reduced Delinquencies for Intuit's Global Business Division

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—Leanne Martin, GSB Enablement Manager, Intuit Global Business Division

Company

Intuit, based in Mountain View, California, is well known for its flagship products—QuickBooks, TurboTax and Quicken.

Challenge

Four years ago, Intuit's Canada-based Global Business Division needed a better way to improve delinquency rates within its QuickBooks subscriber base. Management tried various email campaigns, missed-payment letters, and live agent calls, experimenting with different messaging and timing. But too many accounts were 90 days or more overdue, and recovery rates languished.

Solution

When a SPLICE account manager called on the division, management agreed to test the SPLICE Cloud-Based Automated Voice System. Over the course of a month, the regular delinquent call-list was split evenly between the company's live agents and the SPLICE system.

Of 455 calls completed, the live agents had an 11 percent contact rate—the SPLICE system delivered a 30 percent success rate. And, recoveries from SPLICE contacts were 69 percent higher at just 10 percent of the cost.

“It was shocking for us. We didn't expect such dramatic results,” says GSB Enablement Manager Leanne Martin.

Results

The division implemented SPLICE across all its customer accounts. “It's a big part of our company's program now,” says Martin. “We have three different calls within our recovery program, with different messaging.”

Delinquency rates dropped from an average of 10 percent four years ago to just 7 percent today. And, the division enjoys significantly improved recovery rates.

Martin says customers appreciate the security and control the SPLICE system offers them. “It can be an uncomfortable call for some people,” says Martin. “We discovered that customers were more comfortable getting the SPLICE message than speaking to a live agent.”

SPLICE eliminates the need to manage people and scripts. “The SPLICE system allows us to be a lot more flexible. It's really easy to change messaging and timing, and we can test the results on our recovery rates,” says Martin.

“We've had a great experience with SPLICE. The team is helpful and flexible, and the product is so easy to manage. It's a huge time saver,” says Martin. “I would happily recommend SPLICE to other business unit managers at Intuit.”



Concluding Summary

The current economic climate requires enterprises to consider cost-effective solutions that will reduce customer financial delinquency rates without negatively impacting brand loyalty, corporate image, and incremental or repeat business opportunities.

Research studies have shown that applying the emotional power of the natural human voice to deliver financial delinquency messages can improve delinquency rates, elicit more positive customer responses, help build long-term brand loyalty and drive value over the customer life cycle.

The SPLICE Cloud-Based Automated Voice System is a flexible enterprise management tool that helps organizations meet corporate financial objectives, accommodate shifting market dynamics and adapt to changing enterprise business requirements.

SPLICE combines the emotional power of the human voice with an automated cloud-computing software platform to deliver a highly effective financial messaging service. The SPLICE Cloud-Based Automated Voice System uses a consistent concatenated human-voice approach combined with personalized messages to drive down financial delinquency rates and improve customer collections, while maintaining the potential for future and repeat business opportunities.

Enterprises not only improve their customer delinquency rates with the SPLICE Cloud-Based Automated Voice System, but also reap significant business advantages:

- **Greater Profitability** – A system that is built on

clear, consistent messaging in a highly measurable environment is the winning strategy for greater profitability. The SPLICE voice system provides key drivers that enable decision makers to quickly determine whether the enterprise is succeeding or failing.

- **Stronger Brand Affinity** – Message consistency generates brand neutrality, which is important when dealing with customer delinquencies. Using the emotional power of natural human-voice technology to deliver consistent financial messages helps reduce delinquencies and maintain customer satisfaction can be maintained. And that means stronger brand loyalty and a more positive company image.
- **A More Flexible Management Tool** – Businesses operate in a dynamic environment of shifting market and business requirements. Changing customer circumstances require a scalable solution that can utilize enterprise data from any source to accommodate dramatic customer growth, shifting revenue targets, or new payment options.

As technology advances, methods and modes of communication between generations and demographics are shifting. Still, human beings remain social beings. As social beings, we value and desire intelligent, human conversation in our interactions with one another. That's why more businesses are turning to SPLICE to help facilitate intelligent customer communications that improve collections while preserving positive perceptions of companies and brands.

See how the SPLICE Cloud-Based Automated Voice System can play a critical role in reducing your customer financial delinquencies—visit the SPLICE website at www.splicesoftware.com or contact SPLICE toll-free at 1-855-677-5423 today.

