

Case Study - High Street Bank Group plc

Introduction

Infracast have been working with High Street Bank Group since 2004, developing mobile as an effective communications channel with the Bank's customers and staff alike.

Over the last six years, the use of mobile communications has grown from an experimental alternative to mail, phone and email into a strategic customer communications channel, "the fifth channel", ranking alongside Electronic Banking as a key component of the Bank's customer growth and retention strategy.

Infracast now host over thirty distinct communications services for the Bank, supporting different group companies, business units and departments. These services, built on the Managed Text platform, are all closely integrated with the Bank's internal processes and applications and hosted from our Tier-1 data-centres in London Docklands and Greenham Common. All of these services are brought together with centralised, group-wide MI analytics and reporting.

Individually, these applications have allowed RBS to identify a series of spectacular tactical ROI's in specific business areas. Going forwards into 2011, the Bank is implementing a business-wide common customer messaging strategy, built on the Managed Text platform. As this initiative rolls out during 2011, this consolidated business-wide insight will only grow in importance.

Case Study Uses of Managed Text

The bank uses Managed Text for a huge range of both customer and internal contacts and the following examples are intended to give a flavour of the range and impact of some of their uses.

Core Outbound SMS messaging

Much of High Street Bank's messaging is straightforward outbound contact with their customers using Managed Text's simple address book, distribution lists and templates as well as batch file uploads. These straightforward outbound SMS messages cover a wide range of different processes across the Bank's operations:

- Branch Diary appointment reminders
- Motor theft appointment reminders
- Fraud alerts
- Policy renewal reminders
- Debt recovery reminders
- Fraud alerts
- Card expiry alerts
- Rate changes
- Loan and Mortgage application process updates
- CRM batch communications e.g. ISA deadline reminders or cross-sell marketing messages
- Post-contact follow up messages

In addition Managed Text supports a wide range of Internal Communications, and is particularly valuable in making contact with staff as part of fault resolution processes, examples include:

- ATM problem logging
- Shift confirmation and reminders
- BCP incident messaging and automated escalation
- Company results announcements

The bank have used outbound SMS text messages drive sales and reduce costs throughout the business, in some cases delivering record ROI's:

- Appointment reminders have achieved a better than 60% reduction in missed appointments, improving branch and sales force effectiveness
- Replacing mailouts with SMS routinely reduces costs by over 90%
- Cutting out enquiry calls to the contact centre significantly reduces costs and allows the operators to focus on the longer higher value or higher risk calls.

Mortgage Operations

Using Managed Text's flexible Templates High Street Bank's Mortgage Operations department implemented a simple suite of standard messages updating customers on the status of their mortgage application and, at the relevant stages, requesting documents. For mobile customers High Street Bank saw an 80% reduction in enquiry calls during Mortgage processing.

Branch Diary Appointments

Missed branch appointments are a significant issue for RBS Group. They represent a missed sales opportunity (both for the intended customer and for a possible replacement) and wasted resource in the Branch. The Bank's estimate is that the effective cost of a single missed appointment is £350, and nationally with 8,500 missed appointments in 2009, this equated to an annual cost to the Bank of £3m.

Infracast worked with the Bank to implement a standalone pilot for Appointment Reminders in a number of key branches in the Midlands. The pilot was based on the automated upload of a daily batch message file to the Managed Text platform and scheduled delivery of reminder text messages to appointment holders. Information from customer replies was passed back to the Bank's scheduling system on a daily basis, allowing intelligent re-scheduling of both appointments and subsequent reminder messages.

The pilot went live in September 2009 at a total cost to the Bank of £70K, and within a year had resulted in a 60% reduction in missed appointments. This service has now rolled-out nationally as part of the Bank's common customer communications strategy based on Infracast's Managed Text platform, and it is estimated that it will save the Bank £1.8m in the first year of operation.

Managing the release of large batches of SMS messages over the course of a day or a week allows the flow of follow up calls to be managed into the contact centre maximising operator utilisation proactively by managing demand. This is possible with SMS because the customer response is more immediate than for email and mail. Managed Text batch handling functionality is rich and allows a wide range of release criteria.

In some areas of High Street Bank, Managed Text is linked directly to the Bank's core systems using our API with the messages passed in real time. It is increasingly cost effective for the Bank to manage opt in/opt out and de-duping processes using managed Text rather than their core systems, because messages from many areas of the Bank now pass through a common messaging platform.

Registration Services

In cases where the SMS services contain confidential information the Bank require the explicit opt-in of the customer. In this model the customer registers for the service via a website and the messages are only sent to those customers with and active registration. Current live examples include:

- Account balance updates
- Scheduled balance & mini-statements
- Card limit warnings
- Potential card fraud alerts

Balance & mini-statements and limit warnings in particular have had a marked positive impact on the Bank's customer satisfaction ratings as well as helping to fulfil obligations to improve information to customers.

Interactive Services

Interactive services typically require the customer to reply using a keyword, this simple mechanism can be used in a host of different ways and the replies can be routed depending on the keyword:

- Registering interest for a marketing message (e.g. with replies routed to outbound operators as leads)
- Opting out of registration services (e.g. 'Reply with STOP to 80010')
- Confirmation or cancellation of an appointment

When used in combination with registration, interactive services allow customers to take control of many straightforward transactions and can add security when the customer is on the move:

- Request bank or card balance
- Request new PIN
- Request new cheque book
- Request new paying-in book
- Credit card activation
- Card limit increase requests

Credit Card Collections

High Street Bank's Card Collections operation has combined a cross section of SMS services: card limit warnings, card limit increase requests and interactive payment. Amongst registered customers this combination has significantly increased both collections and card usage while reducing missed payments and costs.

Fraud and LBS

High Street Bank are now exploring a range of ways to exploit Location Based Services (LBS). Using their experience from retail distribution, Infracast are developing a fraud prevention registration service.

High Street Bank's core systems screen for potential fraudulent transactions and where they involve a registered customer, the location of their handset is established using LBS. If the handset and the transaction are not in the same location an SMS message is sent automatically to the customer requesting that they confirm the transaction, or call the appropriate contact centre.

Mobile Banking

With Smartphone penetration in the UK still at less than 30%, High Street Bank are keen to offer mobile banking services which are handset agnostic. Infracast have developed two simple services allowing customers to log in securely when without their normal authentication method, and an effective interactive payment process:

- **Two part authentication** – customer requests access using keyword; SMS sent with one-time authentication key; customer logs on to secure service using one-time key.
- **Interactive payment** - customer registers payment mechanism (eg Debit or Credit card) along with secure keyword and mobile number; customer texts for outstanding balance and minimum payment details and receives info; customer sends part of secure word, PIN and amount; payment is debited when text is acknowledged by the handset.

Group-wide MI and Insight

Currently over twenty distinct business areas within the Bank all generate, send and receive Text and Email messages to customers using dedicated instances of the Managed Text platform. In many cases an individual customer will have relationships with multiple business units within the Bank (e.g. Mortgages, Electronic Banking, Insurance services and Debt Recovery services), and hence can potentially receive communications from several different channels.

There is little or no consolidation within the Bank of the communications with a given customer: Mortgage Operations will typically not see messages that have been sent from Electronic Banking or Insurance Services. Similarly, Debt Recovery services will not have access to Branch Diary Appointment reminder messages.

The Managed Text platform provides consolidated customer communications reporting and MI analytics across all business units group-wide. By collecting, collating and feeding this information back into the core banking systems and individual business units, Managed Text is able to help the Bank tailor its overall communications profile with individual customers and gain valuable insight into all aspects of the customer's banking activities. This insight can form the basis of new product development, targeted marketing and cross-selling activities, significantly enhancing the lifetime value of individual customers.

Furthermore, from the customer's perspective, they are dealing with a single entity that is High Street Bank plc, and want to be able to set communications preferences, schedules and opt-outs on a Bank-wide basis, rather than have to manage settings for each of their individual banking services.

Summary

Managed Text is now extensively embedded in High Street Bank's processes and provides them with significant sales improvements and substantial cost savings, however despite the impressive ROI's, it is mobile communication's impact on Customer Satisfaction ratings that has driven much of the activity outlined in this case study.