

Financial Services Industry Benchmark

A mystery shopper survey to analyse the web sites of 100 leading financial services providers spanning six sectors: mortgages; personal pensions; home insurance; motor insurance; credit card; and loan products.

Your Call? Or Ours?

Financial services sector fails to integrate online and contact centre channels

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This research focuses specifically on the integration of web sites with the contact centre, in the light of evidence that shows a significant percentage of consumers still want to talk to a human representative as part of the buying process.

Topic

Overview

Research background

What they say

Keeping up with the financial consumer by harnessing search, and linking it with other online and offline channels and finding the correct balance, is key to winning new business in the internet age.

Ian Carrington industry leader, financial services at Google EMEA

Overview

Financial services providers invest an enormous amount of money in search marketing to drive traffic to their web sites. And a growing body of research shows that web sites play an important role in the buying process for a wide range of financial services products. Yet it has also been well documented that a large proportion of financial services providers' web sites are not fully optimised to encourage online sales. This research focuses specifically on the integration of web sites with the contact centre, in the light of evidence that shows a significant percentage of consumers still want to talk to a human representative as part of the buying process. Finally the study examines the benefits of Call Me Back technology in an increasingly difficult, competitive and price-driven marketplace.

Research background

The internet has fundamentally changed consumer behaviour. According to eMarketer, more than 37 million people are now online in the UK, representing 60% of the population. Some 55% of households have broadband installed, and people in the UK are now spending an average of seven hours of their leisure time a week online (Forrester, 2007). The Office for National Statistics reports that two in five (44%) of the adult population have purchased goods online for private or personal reasons other than work.

In the retail financial services sector, where the purchasing process is often more complex than other retail categories, web sites play a very significant role in the buying experience. Research published by Yorkshire Building Society in January 2008 shows that 95% of the nation's borrowers or potential borrowers will use the internet at some stage during their hunt for a mortgage.

Yet it is worth noting that more than half say human contact is key, either in a local branch or through a call centre, and preferable to completing the whole process by themselves.

Similar trends apply across other financial services products. For example, research conducted by Webcredible in 2007 showed that while 68% of motorists use the web to research insurance policies, just one in three are willing to buy car insurance online. The phone remains the preferred buying mechanism for most, with 64% choosing to pay this way.

Much has been written about the need for retail financial services brands to optimise their web sites to increase consumer propensity to purchase online. Given the large financial investment made by the industry in search engine marketing to drive traffic to their sites, and the extremely competitive nature of the industry, it would seem logical for financial services providers to take consumer preferences into account by making it as easy as possible for them to contact a call centre agent while researching products online.

By improving the customer experience in this way, brands have an opportunity to differentiate themselves in a price-driven market and convert a higher percentage of online visitors. Anecdotal evidence shows that sales can increase by as much as 40% when consumers are offered a Call Me Back option letting them request a call from a live agent while they are online. And Autonet Insurance has found that the conversion rate for call back business can be about 25%, compared with quotes completed on the internet at 1%.

Given the increased use of online search - UK mortgage buyers make an average of seven finance related searches (Forrester, 2007) - financial services providers can gain a valuable competitive advantage by offering buyers the opportunity to initiate a conversation with a call centre representative as early as possible in the purchasing cycle.

We commissioned a mystery shopper survey to analyse the web sites of 100 leading financial services providers spanning six product sectors.

Topic

The methodology

Our findings

Key finding

Only **14%** had a Call Me Back facility. Of these:

- 64% called back on or within a few minutes of the allotted time frame
- 29% called back several hours – or even **days** – late
- **7% failed to call back at all**

The methodology

Rostrvm Solutions wanted to find out how easy it is for consumers to instigate a telephone or live chat conversation with brands while they are online; in particular to focus on Web Call Me Back functionality which allows consumers to request a Call Me Back directly from the product pages of financial services web sites.

We commissioned a mystery shopper survey to analyse the web sites of 100 leading financial services providers spanning six sectors: mortgages; personal pensions; home insurance; motor insurance; credit card; and loan products.

We measured how many sites offered a Web Call Me Back, what level of convenience they offered to the time-pressed consumer, and how successfully Call Me Backs were completed.

We also looked at how easy it was to find a telephone number in the absence of a Web Call Me Back facility and whether consumers were offered the option to initiate a Live Chat with a call centre agent.

The findings reveal that a slim minority, just 14% of the sites we looked at, offered a Call Me Back facility, and of these financial services providers, only 64% called back exactly within, or within a few minutes of, the allotted timeframe.

An alarming 29% did not call back when they said they would and a further 7% failed to call back at all.

Only 3% offered a Live Chat instant messenger option.

And perhaps most surprisingly 8% of those that did not offer a Call Me Back facility did not feature an easy-to-find dedicated call centre number for help and support.

Our findings

Only 14% had a Call Me Back facility. Of these:

- 64% called back exactly within the allotted timeframe or within a few minutes of the allotted time frame
- 29% called back several hours – or even days - later than the specified time frame
- 7% failed to call back at all

Ability to schedule callbacks

- 43% offered the option to request several time windows within a one hour time period
- 36% offered the option to specify a day and time window
- 21% offered the option to request a call back and select a time window within 24 hours

Sector comparison

- 25% of mortgage providers offered a Call Me Back
- 21% of personal pensions providers offered a Call Me Back
- 13% of car insurance web sites offered a Call Me Back
- 12% of home insurance providers offered a Call Me Back
- 7% of credit card providers offered a Call Me Back
- 6% of personal loans providers offered a Call Me Back

Of those that did not offer a Call Me Back facility:

- A significant minority – 8% – did not offer an easy-to-find dedicated call centre number for help and support
- Only 3% offered a Live Chat instant messenger option

We identified three distinct approaches offering varying levels of convenience to online visitors looking for more information about a specific product or product line.

Topic

Customer convenience

Summary

43% offered a 30 minute or one-hour callback time window

36% gave the consumer options to select a convenient time slot

The remainder offered a call within 24 hours

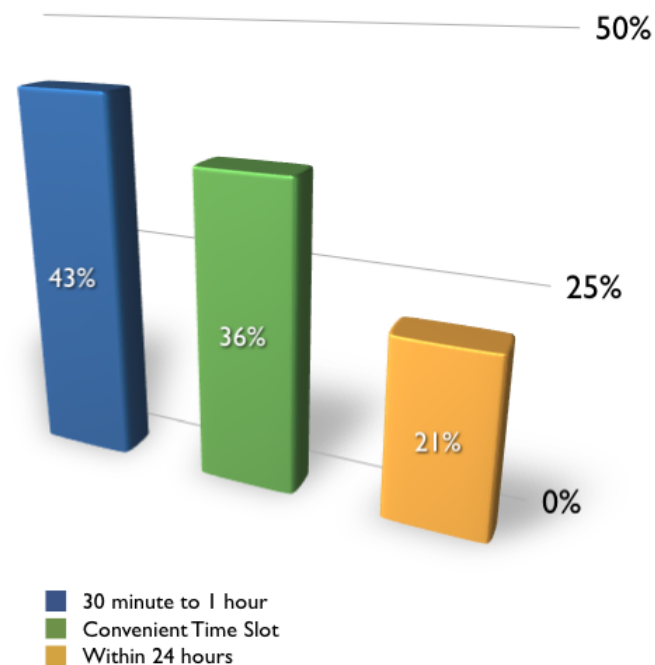
Customer convenience

We identified three distinct approaches to 'Call Me' offering varying levels of convenience to online visitors looking for more information about a specific product or product line

The largest number – at 43% - provided a 30 minute or one-hour time window for the Call Me Back, most commonly offering the consumer the option to select from a series of time options within that time frame, typically: now, 5 minutes, 10 minutes, 20 minutes, 30 minutes or 1 hr

A further 36% gave the consumer more choice to select a convenient time slot, with the option to select a specific day and a time window within that day. The time window was generally fairly generous, typically promising a call within a one-hour or two-hour slot, or alternatively, morning, afternoon, or evening.

Finally, 21% offered a Call Me Back within 24 hours, although this option generally gave the consumer a fairly broad time frame within that period, such as morning, afternoon or evening. Our research revealed that this type of approach was least likely to succeed, with two out of three call centres failing to respond within the requested time period.



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In our opinion...

Each of these approaches offers benefits to the consumer, depending on how they approach the online research process.

Online buyers or potential buyers of complex financial services will most likely be spending more than a few minutes on their research. According to Forrester, online mortgage buyers make an average of seven finance related searches during their research. So it would seem to make sense to offer potential buyers the option of a Call Me Back, so that the human agent can help guide their online research – and hopefully help to complete the transaction.

Equally important is the fact that time-pressed consumers may well only have a finite period to carry out their online research. Again the option to select a conversation on a specific day and a convenient time slot could work well, letting customers schedule another occasion to research their purchase. The majority of mortgage providers in our survey adopted this approach.

In more price-driven markets, with higher online purchasing propensity, an instant call back, or at least one within a very short time frame, allows financial services providers to engage with the online visitor before he or she moves to a competitor site. Not surprisingly, this approach was favoured by motor and home insurance providers.

While both these approaches offer advantages, does one necessarily preclude the other? Ideally consumers should be able to choose either an instant call back or to schedule a call at a date and time convenient to them. Technology is available to facilitate and automate this process by serving the call to an agent at the requested time.

The third option seems to be the least useful to consumers since it gives them less control over their time and also makes it harder to guarantee their availability for the call. Few people have the luxury of waiting for a call for several hours without needing to turn their attention elsewhere.

Many of those financial services providers that offer a 'Call Me' facility have failed to get their act together. There's no guarantee that the request will be handled successfully!

Topic

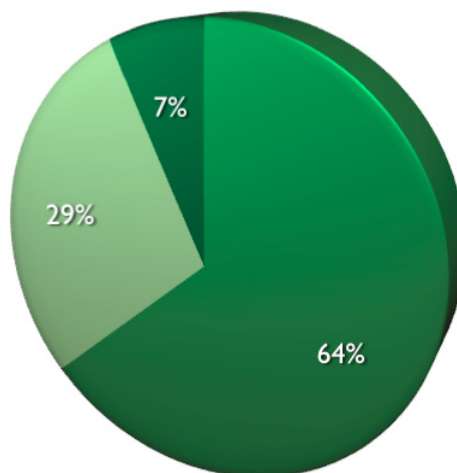
Success rate

Summary

More than one in three – **36%** – of providers we surveyed were unable to call back at the promised time, or worse **failed** to call back at all.

Success rate

Not every financial services provider that offers the 'Call Me' option has put a process in place to guarantee that the call is delivered successfully.



- Called back exactly within the allotted time frame or within a few minutes of the allotted timeframe
- Called back several hours – or even days – later than the specified time frame
- Failed to call back at all

More than one in three – 36% – of providers we surveyed were unable to call back at the promised time, or worse failed to call back at all.

Sites that promised a call back within one hour or less were unanimously successful in achieving that time frame. The reason for their apparent efficiency could be that they have the technology in place to support such requests, or might simply be that there is less time for requests to be forgotten.

However, the least successful option is also the least convenient - two out of three providers who offered a call back within 24 hours failed to deliver on that promise, with delays of up to three days.

On the evidence of our mystery shopping research alone, it is difficult to assess the impact of this failure upon brand perceptions, but common sense tells us that these potential purchasers have plenty of time to go elsewhere.

Finally, one in five web sites offering the option to schedule a Call Me Back on a specific day, failed to call back at all.

Our mystery shopper survey analysed the web sites of 100 leading financial services providers and identified variation across six product sectors.

Topic

Sector comparisons

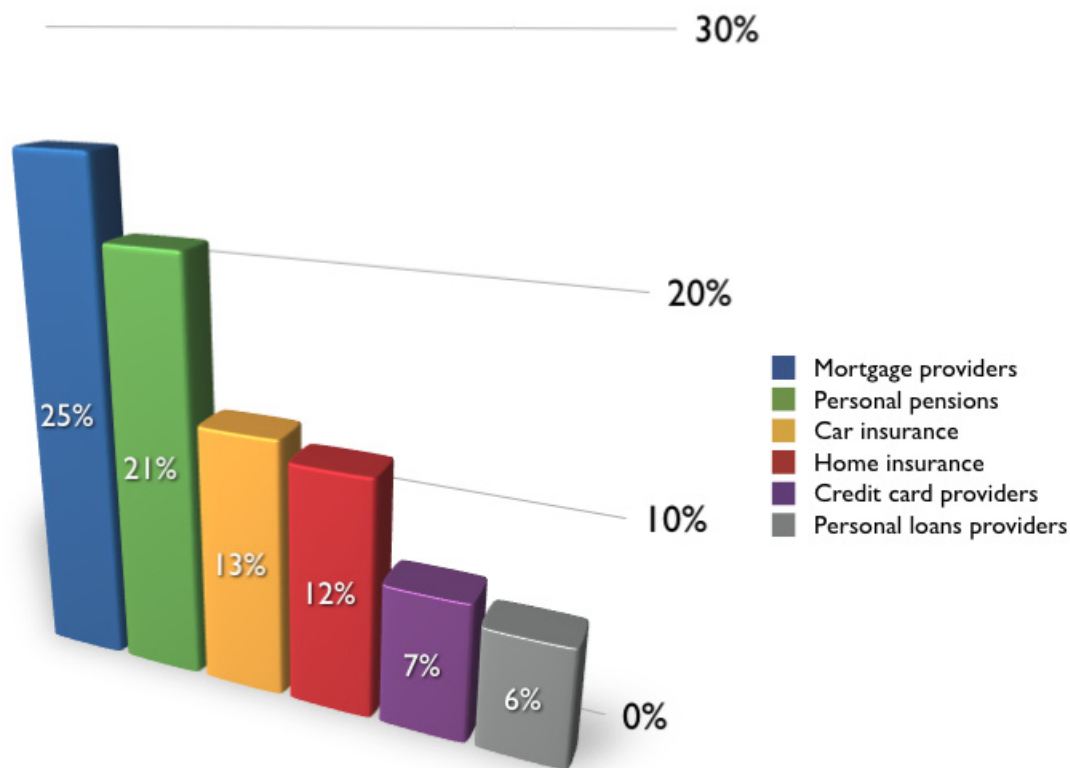
What they say

While the Internet is a cost-effective channel for driving new customer acquisition, it is well-documented that a significant percentage of customers still want to speak to a human representative as part of the buying process.

Dr. Max Blumberg,
Customer Management Strategist
and Visiting Researcher
University of London

Sector comparisons

Which financial product sectors offer web to call centre integration?



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Mortgage sector - 25% of mortgage providers offered a Call Me Back

The mortgage sector boasts the highest proportion of sites with a Call Me Back option at 25%. This is perhaps not surprising given the complexity of a mortgage purchase and the fact that almost all borrowers will use the web to help find a mortgage. However, the mortgage sector was also the **least successful at delivering the call within the requested time-scales**, with just 50% of Call Me Backs arriving on time; 25% being two days late and 25% of mortgage sites failing to deliver the Call Me Back at all.

With industry reports showing that more than half of mortgage borrowers say human contact is key, and just two in ten fully prepared to complete the whole process online, our study suggests that by failing to offer a Call Me Back, 75% of mortgage providers are missing an important opportunity to engage consumers at the point where they are ripe for conversion. Given today's difficult market conditions this is a serious omission. In addition, while borrowers who already have a mortgage are more likely to use the internet for research and quotes than first time buyers, they are also less likely to apply for an online mortgage.

A Call Me Back option may increase their propensity to buy. And of course, person-to-person contact is very desirable in a market where lending policies have tightened up; a Call Me Back allows call centre agents to assess the prospect's suitability for a loan and make an instant offer accordingly.

While this sector offered the highest percentage of sites with a Call Me Back, only two mortgage providers – Cheltenham & Gloucester and The Woolwich – called back at the specified time. Barclays didn't call back until two days after the request, which, given that it is part of the same group as The Woolwich indicates inconsistency within a single organisation.

Personal Pensions Sector - 21% of personal pensions providers offered a Call Me Back

According to Data Monitor, many life companies are pouring resources into online offerings that, while not necessarily giving investors an all-inclusive online experience, nonetheless grant them access to a plethora of analytical tools and market guides.

So it is surprising that they are not maximising this investment by offering potential buyers the opportunity to engage with a customer service representative directly from the web site. Just one in five personal pensions providers offered a Call Me Back and two out of three failed to make the calls at the scheduled time. RBS The Royal Bank of Scotland did call back the same day, but Fairfax Life and Pensions called back three days later than scheduled (the request was on Friday and the call on Monday evening) and explained that **'the email got lost in our system'**. Scottish Widows called back on Tuesday afternoon instead of Monday afternoon.

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Car Insurance - 13% of car insurance web sites offered a Call Me Back

Not surprisingly given the highly competitive nature of this sector and increasing propensity to buy online, those car insurance sites that did offer a Call Me Back in our survey offered call backs within a relatively short time frame, varying from 20 minutes up to an hour.

However, with just 13% of motor insurance sites offering a Call Me Back option, the vast majority of insurers are **missing out an important opportunity to differentiate their brand** in a price-driven market.

Today's consumers view service as a key component of brand value and are often willing to pay more – and more likely to remain loyal - if their service expectations are met.

Swinton says its branches and call centres continue to be the most profitable means of personal lines distribution, as internet customers look for the lowest possible price, squeezing profit margins. "In April (2008) Swinton received more motor quotes offline than ever before," says Smith

Insurance Times, 2008

The sales conversion opportunity offered by Web Call Me Backs in this sector has been proven. One insurer (Autonet) found that the conversion rate for call back business can be 25%, compared with online quotes at 1%. Our survey also found that 100% of online car insurers made call backs at the scheduled time, suggesting those providers that do offer the option, are well aware of its value.

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Home Insurance - 12% of home insurance providers offer a Call Me Back

The home insurance market is the second largest product area in the UK after motor insurance. And it is ripe for innovation: the AA recently reported that home premiums have barely risen since it started measuring them in 1994; yet a market report by Defaqto revealed that marketing for home insurance products continues to be focused on price rather than on service or product features, making it even more difficult for the public to make an informed purchasing decision.

Online purchasing is less mature in this market than in motor insurance, offering a huge opportunity for forward-thinking providers to differentiate their service in a crowded marketplace by introducing Call Me Backs. Scheduled call backs offer a means to attract customers who tend not to value the product and have little brand loyalty. Yet just two home insurance providers - Hiscox and MORE TH>N – in our mystery shopping survey are currently taking advantage of this opportunity. Like motor insurers, our mystery shopper survey found no failures to call at the scheduled time in this sector.

Currently 68% of standard home insurance policies are available online, with 47% purchased online within the UK, according to Defaqto.

Credit Cards - 7% of credit card providers offered a Call Me Back

The credit card market has burst into life as a result of the credit crunch, and competition in the balance transfer market has reached boiling point with providers seeking 'high quality' business. Lending criteria in this market have tightened in a similar manner to the loans and mortgages market, with lenders turning down around 20% more card applications than they were before the onset of this financial crisis

Those affluent consumers with a desirable credit profile are also the most likely to consider service as a key component of brand value, rather than price alone. Yet only one in fifteen lenders' sites, in the case of our survey Abbey National, offers a web Call Me Back option.

Loans - 6% of personal loans providers offered a Call Me Back

Like the credit card market, the UK unsecured personal loans sector has shifted away from mass customer acquisition, a process intensified by the credit crunch. From a total of 57 unsecured personal loan providers in May 2007, this number has fallen to just 46 in May 2008, a contraction of 19%. A Call Me Back option on the web site offers an important opportunity to initiate person-to-person contact to qualify prospects and capture a larger share of good quality lenders. Yet this was the **worst performing sector** in our survey, with only Barclays offering a Call Me Back.

Autonet Insurance Group, one of the country's largest independently owned insurance brokers, monitors customer activity online and initiates a call back to customers who don't proceed with a quotation.

Topic

Autonet Insurance

What they say

The agents and sales team are very enthusiastic about the speed in which the software works, and as everything is commission based, the agents love the experience. The atmosphere and output is nothing short of phenomenal!

Mark Hill, Systems Manager,
Autonet Insurance Group

Autonet Insurance

Call Me Back technology can be deployed in a variety of ways to help increase the conversion rate for online visitors.

For example, Autonet Insurance Group, one of the country's largest independently owned insurance brokers, monitors customer activity online and initiates a call back to customers who don't proceed with a quote immediately. Mark Hill, Systems Manager explains:

"We inform the prospective client that although he or she didn't proceed with the quotation given online, we can then look for ways to reduce the price using our off-screen insurance rates. The conversion rate for call back business can be about 25%, compared with quotes completed on the internet at 1%."

In one campaign, **rostrvm** software has been set up to display high priority calls, as defined by Autonet. These calls are a response to customers that have used the Autonet website. Agents are alerted to these calls and given a target call back time of 10 minutes. The agent usually calls the customer back on average within between six and seven minutes.

You can learn more about Autonet Insurance and the technology deployed at the Rostrvm Solutions web site www.rostrvm.com

Combining the internet experience and the call centre offers a number of key benefits including the ability to differentiate products and increase profit margins on a wide range of products.

Topic

What have we discovered?

What they say

By offering easy access to person-to-person communication channels such as telephone, online chat or VOIP, financial services brands have a clear opportunity to maximise conversion rates, even if the customers were initially acquired online

Dr. Max Blumberg,
Customer Management Strategist
and Visiting Researcher
University of London

What have we discovered?

Given the credit crunch and widespread uncertainty in today's economic market, financial services companies, like other sectors, need to focus on being competitive and profitable.

To achieve these goals they must gain customer loyalty and achieve brand differentiation within the various sectors covered by this research. It is essential that they understand the web as a strategic tool and 'the way that you do it' online can mean the difference between success and failure in winning new business.

Today's online customers are becoming ever more sophisticated and demanding in their use of web sites. They expect a high quality of service which they typically value as much as price and product when buying from the financial services sector via the internet.

Call Me Back offers a number of key benefits including the ability to differentiate products and increase profit margins on a wide range of products. It lets providers personalise their service, a particularly useful advantage when targeting affluent customers with good credit history who don't always buy on price. It helps avoid commoditisation.

The ability to engage with customers at a critical point in the buying process, before they go elsewhere, can be crucial in winning their business. And it enables organisations to gather key information about customer needs and preferences.

Our survey shows that there isn't just one way to implement a Call Me Back facility. The financial services companies we targeted have developed a variety of methods to respond to their online customer by phone. There are differences in the way web sites invite customer to request call back facilities, and in the time frame within which call back is available – anything from instant, or one hour to whenever you like! Some companies offer an online form; others monitor online activity and initiate the contact themselves.

Another varying factor is the location of call back facilities on web site pages. Some companies highlight the service on virtually every page, others only on specific product pages, and there are often links on pages featuring related information such as Frequently Asked Questions (FAQs).

But wherever and however the Call Me Back facility is provided, it seems certain that it is a powerful factor in attracting and winning business from existing customers, those currently with a competitive provider, or indeed those who may be making their first online enquiry

Dr. Max Blumberg, Customer Management Strategist and Visiting Researcher at the University of London, who specialises in motivating workforces, leadership teams and sales forces said:

"While the Internet is a cost-effective channel for driving new customer acquisition, it is well-documented that a significant percentage of customers still want to speak to a human representative as part of the buying process. This is particularly true for areas such as mortgages or health insurance which require complex user decisions and the penalty for buyer error is high; but it also applies to insurance products. In fact, even in more commoditised market-places high-value consumers regard service as a key differentiator, alongside product and price. By offering easy access to person-to-person communication channels such as telephone, online chat or VOIP, financial services brands have a clear opportunity to maximise conversion rates, even if the customers were initially acquired online."