



Communications Data Services Subscription Services Leader Uses E.piphany® Interaction Advisor to Increase Call Center Revenues

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Marc Francisco

Product manager for the information services technology group
CDS

The use of technology to drive call center efficiencies is nothing new. In fact, for years companies have used call center solutions to increase agent effectiveness, reduce call times, and implement other cost-cutting issues. However, more companies are looking to shift the role of the call center to boost customer retention and drive revenues. And, with pending legislation such as the “do not call” lists, more organizations are realizing the strategic value of an “inbound” inquiry from a customer. Customer-initiated interactions, such as service requests, product inquiries, and order placements, present call centers with excellent opportunities to deliver cross-sell, up-sell or loyalty offers, enabling the call center to become a highly effective point of customer interaction.

Communications Data Services (CDS), a wholly owned subsidiary of the Hearst Corporation, is an international data management company that provides outsourcing and fulfillment services to publishers and direct marketers. In business since 1972, CDS boasts a multitude of leading national publications as clients including Architectural Digest, Better Homes and Gardens, Bon Appetit, Glamour, GQ, Vogue, Wired, National Geographic and Library of America.

Looking to provide its customers with a level of service that its competitors could not match, CDS was focused on transforming its inbound call centers into proactive selling machines. Each year CDS performs hundreds of millions of customer “contacts” across multiple customer touch points. Last year alone, the company engaged: 250 million incoming pieces of mail; 465 million mailings

to customers; 48 million Website interactions, 27 million product shipments; and 8 million inbound customer service-related telephone calls. To handle the call volume, CDS has over 400 agents across seven call centers in the U.S. and Canada.

Driving Incremental Revenues— Offsetting Call Center Expenses

Given the significant opportunity created by this volume of customer interactions, CDS was looking for a CRM solution that would help drive incremental revenue and improve customer value through its call centers. Additionally, CDS’ clients wanted a solution that would help offset their customer service expenses. Marc Francisco, product manager for the information services technology group at CDS, sought a solution that would fit the company’s needs.

“From our perspective, we wanted to do something that would fit hand in hand with our current call center technology and our legacy applications, and not have to replace our systems in order to implement this particular solution,” recalled Francisco. “We also wanted to provide a service to our clients that our competitors were not providing.” CDS’ clients commonly used very complex marketing techniques in direct mail. CDS wanted to allow its clients to use similar marketing techniques to present targeted up-sell and cross-sell offers to segmented groups of customers through the call center, without distracting from the caller’s purpose.

What CDS wanted was a CRM solution that would allow its reps to know exactly what offer to present to any given customer, and provide



COMPANY PROFILE

Company

Communications Data Services

E.piphany Solution

E.piphany Interaction Advisor
for the Call Center

Number of Contact Centers

7

Number of Users

400 Users

Systems Integrator

Wheelhouse

Hardware Platform

IBM® AS/400®

IBM® CICS®

DBMS

Microsoft® SQL Server®

a smooth transition from service to sales. “We started investigating various CRM solutions when our clients told us they wanted us to increase revenue in our call centers,” says Francisco. “That eventually led us to E.piphany Interaction Advisor, which has helped us succeed very rapidly.” CDS chose E.piphany Interaction Advisor because it leveraged CDS’ existing technology and training, while delivering targeted offers that CDS could use to cross-sell or up-sell new and existing product lines.

Tackling the Transition from Service to Sales

Driving incremental revenue through the call center channel was no doubt a strategic project for CDS. However, one of the biggest challenges to success involved change management. Some of CDS’ customer service reps (CSRs) were resistant to the idea of selling during a customer service call. Moreover, CDS did not want selling to get in the way of the CSR’s first priority—serving the customer’s need. “It’s very important for us to remember that these customers are calling us and we are trying to provide a high level of customer service to them. We wanted a solution that wasn’t going to jeopardize that level of service,” Francisco says.

Joan Coady, process improvement specialist in CDS’ customer service group, was focused on making sure that the cross-sell/up-sell solution was one that the reps would be comfortable with. “We knew from the beginning that there would be some CSR resistance,” said Coady. “We faced the challenge of trying to be as flexible as our many magazine clients wanted us to be and yet as automated and easy as our 400 reps wanted us to be.”

So aggressive was CDS about ensuring that customer care remain a primary focus, the company created a mantra for its reps. *No matter how good the offer, if you don’t take care of what the customer called about, you don’t have a sales opportunity.*

Another challenge facing CDS was ensuring the effectiveness of the sales offers extended by their CSRs. Prior to E.piphany Interaction

Advisor, some CDS reps could receive a call from a customer about any one of 400 different magazines. It was nearly impossible for the rep to manually determine an appropriate offer to present. But even more difficult was the transition from the customer service portion of the call to the sales offer, which often took the focus away from the customer’s reason for calling. Combined, these challenges resulted in low offer acceptance rates and a growing apprehension on the part of the CSRs to deliver offers.

The final challenge was that CDS had no accurate means for measuring and reporting key performance data. There was no way to centrally report which offers were being accepted and who was accepting which offers. As Francisco states, “This information just did not exist for us.”

Optimal Offers Now Appear Instantly— So Do Results.

With E.piphany Interaction Advisor, the best offer to extend to a customer now appears instantly on a CSR’s screen, as soon as the customer’s information is entered. “So our reps no longer have to worry about what offer they are going to present. They can focus on transitioning the call to a point where an offer can be made,” says Francisco.

CDS built their marketing programs around individual customer profiles, relying on a host of individual customer attributes such as current products, channel preferences, demographics, value scores, churn scores, credit scores, and recent activity. Drawing from this customer information, E.piphany Interaction Advisor predicts which campaigns, offers and messages have the highest statistical chance of success with each individual customer—at the moment of contact. Moreover, by tracking real-time behavior and context as part of the customer’s profile, E.piphany Interaction Advisor can deliver the most relevant and timely offers.

In addition, CDS obtained the results analysis it craved. “It is so advanced compared to what

we were doing in the past,” says Francisco. “Now our clients can look at reports on a weekly or even a daily basis, especially when they launch a new campaign. This was something we couldn’t do before.”

CDS also discovered that E.piphany Interaction Advisor was a fast and efficient way to test offers for outbound marketing channels such as direct mail and e-mail. “When we started this project, we weren’t expecting this solution to help us test offers,” added Francisco. “But because the cost of creating an offer and putting it in front of customers was so low—and we got results so quickly—our clients loved it and they now take advantage of it frequently.”

Seamlessly Improving CSR Effectiveness

The deployment of E.piphany Interaction Advisor into the existing CDS call center system went as smoothly as anything Francisco had ever seen. “We were very impressed with the implementation,” says Francisco. “Our team attended training at E.piphany in October of 2001 and we presented our first offer to the first customer on January 21, 2002. There were just 54 business days from the official kick off to the first offer.”

One of the major concerns for the CSRs was that they felt they were hired for service—not sales. So, instead of training CSRs to be sales reps, the focus of the training was on how to turn a service call into a cross-sell/up-sell opportunity, thereby creating a natural transition from service to sales. E.piphany Interaction Advisor quickly gained CSR acceptance with its “no pressure” offers and relatively high success rate.

Prior to the E.piphany Interaction Advisor implementation, CDS had no formal incentive program for its reps. To increase CSR interest in selling, CDS initiated both individual and group incentives. While individual monetary incentives were based on offer acceptances, the vast majority of contests were based on the number of times a rep actually extended an offer. This helped to keep the call center focused on good service rather than on high-pressure sales.

These incentives have boosted results beyond CDS’ expectations. The current call center program includes 575 campaigns and 1,800 offers, and the results have been more than Francisco or CDS could have hoped for. To date, there have been 2.5 million offers presented to customers, with an overall average acceptance rate of 7.9% since inception. So far the program has generated \$3.5 million in sales. “That’s the bottom line for our clients,” says Francisco. “They want to know how much revenue this call center generates for them every day.”

And the reporting information that Francisco so needed is helping him to understand both CDS’ successes and areas for improvement. Currently, there are 28 reports in use today, including CSR performance, CSR manager performance, Offer/Campaign performance, Quality monitoring, and a one-page, Key Indicator Report. With near immediate availability of results data, CDS is able to effectively measure sales and offer performance and provide insights back to its clients.

Interaction Advisor Eliminates the Guesswork

For CDS, Interaction Advisor has taken the guesswork out of the CSR sales effort and allowed for very complex offer qualification criteria, while generating enough client revenue to cover its implementation costs in 14 months. In addition, it has proven to be a very fast and efficient way to test offers for outbound marketing efforts.

But perhaps most important to CDS has been the response from its customer service reps. They are able to extend cross-sell/up-sell offers without impacting the quality of the service provided—and call length did not increase as originally expected. In fact, CDS has found that the offer extension is a good control tool for call wrap-up.

As for the future, Francisco sees using E.piphany Interaction Advisor to help generate more offers that are not necessarily for products. “One of our happiest clients wanted us to offer a branded credit card application,”

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says Francisco. “Another wanted us to get e-mail addresses for them. These are some of the things that our clients are considering for larger marketing campaigns. It’s easy to put an offer in front of a targeted group of people and see instant results.”

Since its implementation of E.piphany Interaction Advisor, CDS has exceeded its goals while using its existing technology and data infrastructure. With E.piphany Interaction Advisor, CDS has helped its CSRs to maintain an excellent level of customer service and helped its clients retain their customers by delivering relevant, non-invasive sales offers.

About E.piphany

E.piphany (NASDAQ: EPNY) provides CRM software solutions that increase profitability at the largest consumer-oriented companies by making every customer interaction intelligent. With over 475 customers in financial services, insurance, retail, communications, and travel & leisure—including nearly 35 percent of the Fortune 100—E.piphany powers deep customer insights and optimizes each relationship from both a revenue generation and customer retention viewpoint.

With a suite of blended marketing, sales and service solutions, E.piphany enables global organizations to align touchpoints, processes and technologies around the most valuable enterprise asset—the customer. Built on the industry's most advanced, service-oriented architecture, E.piphany solutions address problems that span business silos, departmental functions and geographic locations, and result in rapid, measurable ROI. With worldwide headquarters in San Mateo, CA, E.piphany serves customers in more than 40 countries worldwide.



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