



HOW TO GET A COMPETITIVE EDGE WITH: PROACTIVE NOTIFICATIONS



During the last decade, companies large and small have seen their competitive advantages in everything from manufacturing to information technology erode. Business operations that once provided an edge have been copied and commoditized. Blue chip leaders in industries as diverse as media and manufacturing are being challenged by upstarts who sell an equivalent service with a better customer experience.

It's the age of the customer, and companies that offer products and services that are easier and more enjoyable to use are winning. You may be wondering, how can you be one of the winners?

Delivering a winning customer experience is a complex process, involving entire ecosystems of customers, employees and channel partners and careful orchestration of interdependent policies and practices. Success requires many different tools: from customer surveys and ethnographic research to social media listening and customer relationship management systems.

Because of the complexity, tackling the customer experience challenge head-on can be overwhelming. That's why this white paper will focus on a single piece of the puzzle that can help you get started: How to deliver an improved customer experience right away.



Proactive alerts and notifications are a quick and easy way to provide customers with important, time-sensitive information. By delivering critical information in an SMS or voice message, customers get the information they need when they need it. Leaders in customer experience have made proactive alerts and notifications a key part of their multi-channel communications strategy because they reduce the number of calls to contact centers while increasing customer satisfaction.

Mobile, the most important channel

Traditionally, proactive alerts and notifications were delivered to home phones, but this often resulted in a less than optimal experience for recipients. Messages were hard to personalize since they were addressed to households, rather than individuals; they weren't necessarily timely, especially when they were left on answering machines; and there was no obvious way to respond. Sometimes the messages were confusing and ended up triggering additional calls to customer service.

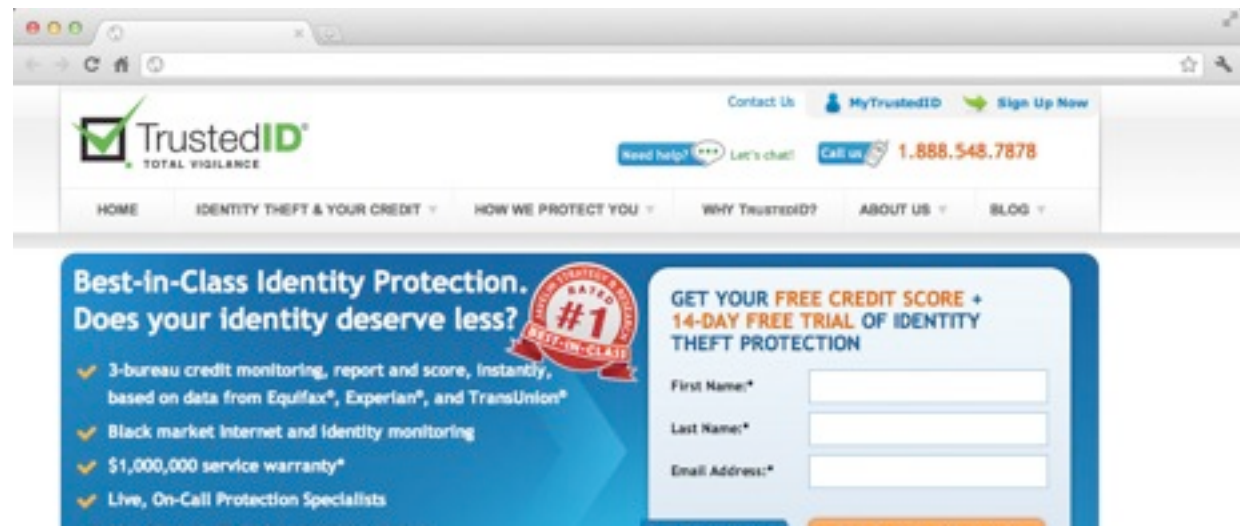
But the mobile revolution gave proactive alerts and notifications new value. By letting customers choose which information they wanted to receive—and which channel they would receive it on, whether email, SMS, or voice, companies were able to show they cared. These new, relevant alerts were not only delivered in real time to mobile devices, they were also personalized, and addressed real or anticipated needs.

Customers responded to the personalized attention with increased loyalty.

Proactive alerts and notifications started out being used for either emergency contact or bill collection, but they are now embraced by industries of all kinds as a way of engaging customers and increasing their positive feelings toward a brand. In many cases, they're viewed as a competitive advantage.

An example of a company that uses proactive notifications to differentiate its service is TrustedID, which offers consumers more than a dozen different ways to protect their identities. Unlike more traditional credit monitoring services that notify customers after their accounts have been breached, TrustedID seeks to alert customers to threats before the damage is done. Proactive alerts and notifications aren't just a thoughtful add-on to their service, they're core to its value.

While TrustedID offers both email and voice notifications, Chief Marketing Officer Lyn Chitow Oakes said that she found SMS to be the channel of choice for many customers. "Email is not always the most efficient mechanism and phone calls require significant resources," Oakes says. With SMS, customers immediately receive the alerts and have the option of responding right away.



The image shows a screenshot of the TrustedID website. The header includes the TrustedID logo with the tagline "TOTAL VIGILANCE" and navigation links for "Contact Us", "MyTrustedID", and "Sign Up Now". There are also buttons for "Need help?", "Let's chat!", and "Call us 1.888.548.7878". The main navigation menu includes "HOME", "IDENTITY THEFT & YOUR CREDIT", "HOW WE PROTECT YOU", "WHY TrustedID?", "ABOUT US", and "BLOG".

The main content area features a promotional banner with the following text:

Best-in-Class Identity Protection. Does your identity deserve less?

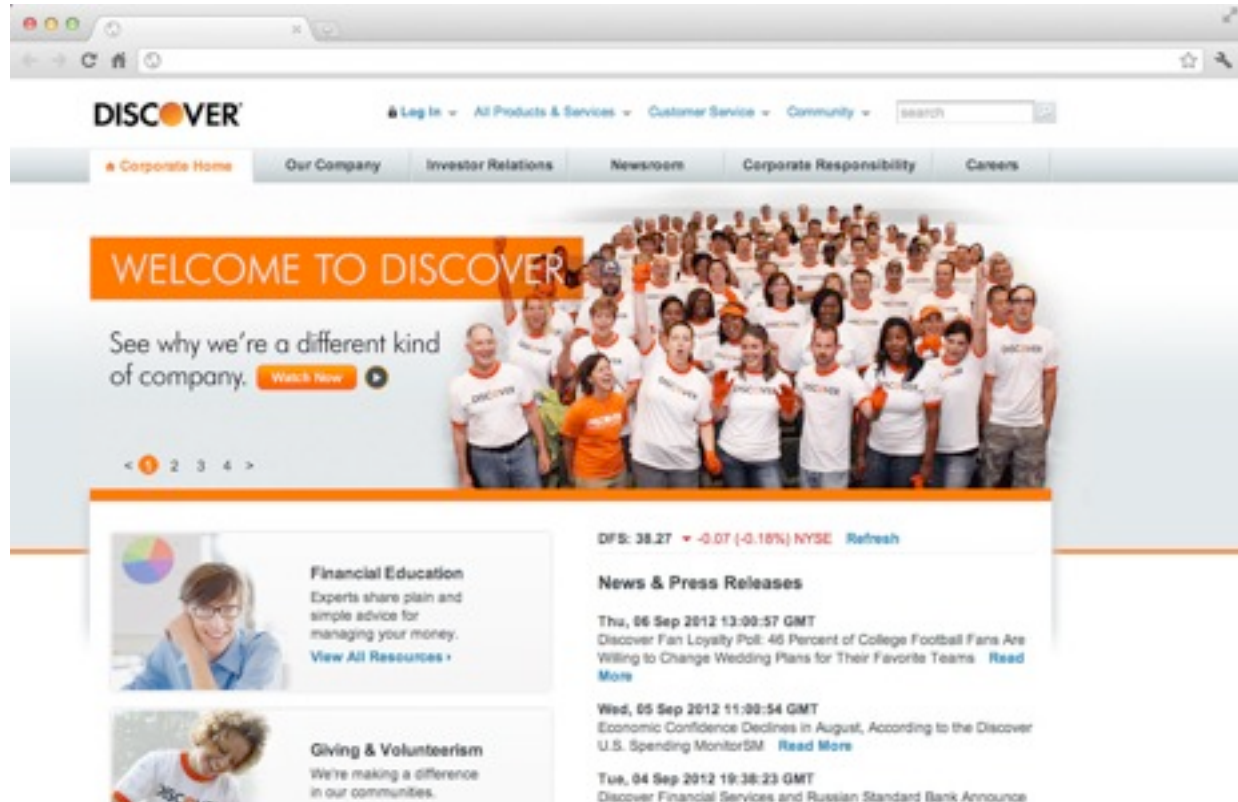
- ✓ 3-bureau credit monitoring, report and score, instantly, based on data from Equifax®, Experian®, and TransUnion®
- ✓ Black market Internet and Identity monitoring
- ✓ \$1,000,000 service warranty*
- ✓ Live, On-Call Protection Specialists

A red seal on the banner reads "TRUSTED ID RATED #1 BEST-IN-CLASS". To the right of the banner is a form titled "GET YOUR FREE CREDIT SCORE + 14-DAY FREE TRIAL OF IDENTITY THEFT PROTECTION" with input fields for "First Name*", "Last Name*", and "Email Address*" and a "Sign Up" button.

Case study: Discover Financial Services

Discover Financial Service has been putting customer experience at the heart of its business for decades, and the results show in the stellar ranking it receives in third-party independent customer satisfaction surveys year after year.

Along with other efforts to improve customer satisfaction, Discover became the first company to do email notifications in September 1999. Steve Furman, Discover's director of design, customer experience and social media, says email alerts are still popular, especially with older customers, but younger customers often prefer a more immediate channel.



The screenshot shows the Discover Financial Services corporate website. At the top, there is a navigation bar with the Discover logo, a search bar, and links for "Log In", "All Products & Services", "Customer Service", and "Community". Below this is a secondary navigation bar with links for "Corporate Home", "Our Company", "Investor Relations", "Newsroom", "Corporate Responsibility", and "Careers". The main content area features a large group photo of Discover employees in white and orange shirts, with the text "WELCOME TO DISCOVER" overlaid. Below the photo, it says "See why we're a different kind of company." with a "Watch Now" button. The bottom section contains three columns: "Financial Education" with a pie chart icon and a "View All Resources" link; "Giving & Volunteerism" with a photo of a child and a "View All Resources" link; and "News & Press Releases" with a list of recent news items, including "Discover Fan Loyalty Poll: 46 Percent of College Football Fans Are Willing to Change Wedding Plans for Their Favorite Teams" and "Economic Confidence Declines in August, According to the Discover U.S. Spending MonitorSM".



About five years ago, Discover began offering proactive alerts and notifications via SMS messages. In response, the company saw some customers turn off email alerts altogether in favor of receiving only SMS alerts.

Providing customers with that kind of control is important, Furman says, and Discover continues to work to offer customers more choices about the notifications they can receive. For example, some customers like to be notified whenever their accounts reach a certain amount. Others want a text message whenever they return an item to a merchant and a credit is posted to their account.

While this information is available on the web, customers still appreciate receiving it on their phones, "They're busy and their credit card is only one aspect of their life," Furman said.

Thanks to its relentless focus on the customer experience, in 2011 Discover Financial Service ranked first in credit card satisfaction in a study by Keynote Competitive Research and led the credit card industry in customer brand loyalty for the 15th consecutive year, according to a study by Brand Keys, Inc.

Discover also ranked second in a J.D. Power and Associates study on credit card customer satisfaction that was released in August 2012. On a thousand-point scale, Discover received a score of 799, just a few points below American Express, which won

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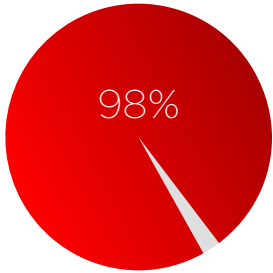
the top honors with a score of 807. The industry as a whole scored 753—below the leaders but the highest level since the study's inception.

Fraud alerts, such as the proactive notifications that Discover uses, appear to be playing a significant role in increased customer happiness. According to J.D. Power, overall satisfaction among customers who received a proactive fraud alert increased to 784. Customers who didn't receive an alert before they discovered they were victims scored 724—significantly lower.

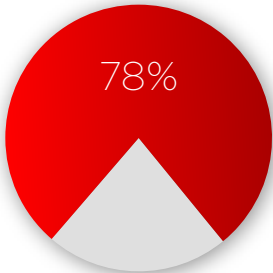
Case Study: Geisinger Health System

Geisinger Health System, an integrated health system serving 2.6 million people in central and northeastern Pennsylvania, is often highlighted as an example of high quality, affordable care. In an industry often known for its ambivalence toward adopting new information technology, Geisinger stands out for embracing innovations that end up reducing costs and increasing customer satisfaction.

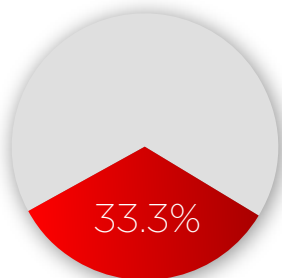
In 1995, Geisinger became one of the first health systems to implement an electronic health record (EHR), a move that laid the foundation for delivering better care at lower prices. Since then, Geisinger has proven the benefits of everything from electronic patient portals to interactive voice response systems—which ended up slashing 30-day readmissions by 40 percent.



participants say text messages help to remember an appointment



participants would consider using text messages for medical reminders



of participants would consider using text messages for smoking cessation

As part of its mission to continuously improve quality, Geisinger launched a pilot program to test the use of proactive notification for appointment reminders in January 2012. Missed appointments created costs for the hospital and hassle for patients. Geisinger had been leaving patients phone message reminders, but that was very labor intensive. “With SMS, we can accomplish the same thing, and it’s quicker,” said Michael Hess, the developer who implemented the project. “If we want to, we can send a couple of reminders a day with very little effort.”

After three months, the 300 participants in the pilot were surveyed about the benefits of proactive notifications. An overwhelming majority—98 percent—said the text messages had helped them remember an appointment. More than three quarters—78 percent—said they would consider using text messages for medication reminders and surgery confirmations. One third of respondents said they would consider using text messages for for smoking cessation.

“LOVE LOVE LOVE this feature!!!” one participant wrote. “Awesome! I loved having the text reminder sent and being able to save it to my phone if needed. So much more convenient than a call!” stated another.

Hess said not a single participant chose to opt out and that Geisinger is now planning a full rollout of proactive notifications. The organization will also start using proactive notifications for medication adherence. “The first medicine we’ll be dealing with is cholesterol,” Hess said. “The people in the program generally have a serious issue with cholesterol and missing their medications could be significant.”

Geisinger also intends to provide bariatric patients with proactive notifications—if they want them. Hess noted that all programs will be opt in. Unlike appointment reminders, which save hospitals the money that is wasted when patients fail to show up, proactive notifications for medication adherence represent a slight increase in cost.

But Geisinger believes the expense is worth it. If the notifications help keep patients healthier, everybody wins.

Small gestures, big impact.

Nowadays, it doesn't take a lot of resources to implement a proactive notifications program. With cloud communications, a single developer can prototype a simple notification app in a few hours and integrate it with complex customer information management systems in just a few weeks. Platforms like Twilio are pay as you go and don't require any upfront investment at all.

Indeed, IT managers who are used to purchasing expensive telecom equipment and leasing lines to address peak capacity are amazed at how easy it can be to deploy a communications app by leveraging the cloud.

Instead of seeking a competitive advantage in large IT investments, companies can get the same benefit with small programs, like proactive notifications, that have an outsized effect on customer satisfaction. As Steve Furman from Discover noted, customers have



busy lives, and they appreciate being reminded about things they care about—including the status of their credit and the medications they need to take.

If your company is filling a critical need, proactive notifications can significantly improve how your customers experience your product or service. All it takes to roll them out is a few lines of code—and a commitment to providing your customers the information they want when they want it.

It may seem like a small gesture, but consistently showing customers you care will not only set you apart from the competition, it will set you up for ongoing success.