



DECEMBER 2022

THE CALL CENTER EXPERIENCE

IMPROVING CALL FLOW AND
AUTHENTICATION



PREPARED FOR:

neustar[®]
A TransUnion[®] Company

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INTRODUCTION

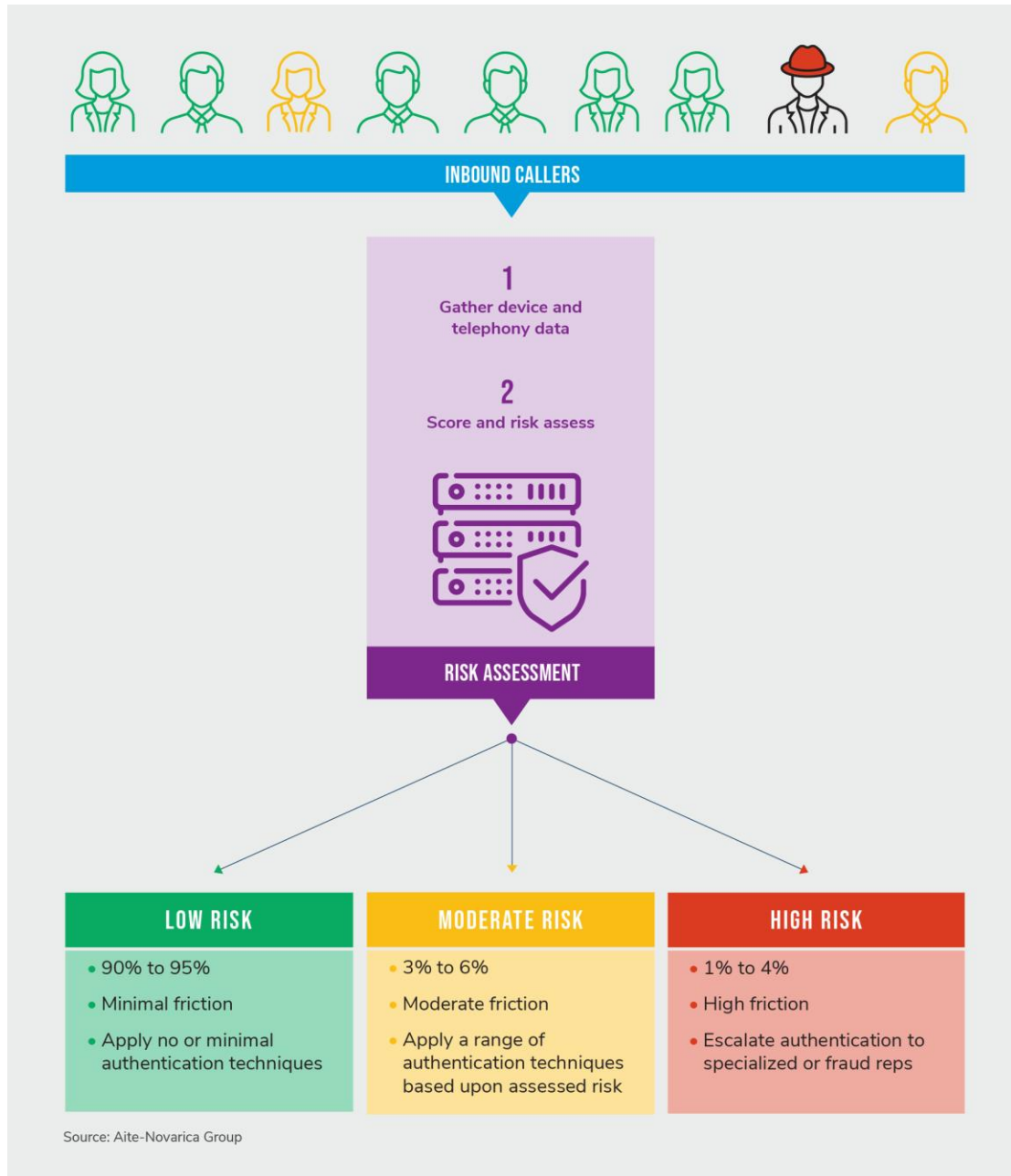
In today's competitive marketplace, it has become increasingly important for organizations to deliver more seamless customer authentication experiences. It's clear, even intuitive, that creating positive moments of truth at every touch point makes for loyal customers, and loyal customers are more likely to return to and recommend a brand. Conversely, customers who have negative or less-than-compelling experiences are less likely to recommend a brand and also have a bias toward being more vocal with others about their displeasure. The authentication process is one of the first opportunities to create a positive impression in a call center interaction. It dictates whether the call will be handled in the interactive voice response (IVR) system or by an agent. Consumers expect that the companies with whom they do business know them well and desire to be authenticated in the easiest way possible. At the same time, consumers expect companies to place security and privacy as paramount values, and they demand their personally identifying information (PII) and account-related data be protected, along with their financial assets.

Leveraging a risk-based approach to authentication mandates fully understanding diverse customer attitudes regarding security and the level of friction that they expect or are willing to endure. Not all consumers share common views. Some consumers who are less concerned about security and privacy tend to be comfortable with a completely frictionless authentication process. Others are less comfortable with less visible authentication routines—absent the knowledge of the background authentication processes—and may think that their sensitive data may not be properly secured and managed. Hence, appreciating the diverse nature of servicing personas is key. By assessing the risk of the call and linking the authenticated call data to the customer account, contact centers can recognize who they are servicing, better assess how they can assist each specific customer, and ultimately improve the customer experience while enhancing authentication efficacy.

Bringing to bear everything an organization knows or can know about its customers—even before it answers a customer call—and segmenting those calls for the appropriate handling can become a significant tool for improving the overall customer call center experience. As an added benefit, segmenting calls based on risk can improve the efficacy of the authentication process and ensure the security of sensitive company and customer data.

Figure 1 shows a call center, pre-call assessment, and the segmentation approach.

FIGURE 1: CALL CENTER PRE-CALL ASSESSMENT



THE CALL CENTER EXPERIENCE

When customers contact a call center, their objectives are simple. They want their calls to be answered promptly, they want to be recognized as a valued customer, and they want their inquiry or request handled as quickly as possible and by the fewest number of representatives. There are, however, a number of ancillary expectations surrounding the handling of the call, such as the assumption that their agent is knowledgeable and that the customer would like simple and well-organized IVR options, but those previously mentioned three primary objectives are key.

CALL CENTER AUTHENTICATION

Outside of consumers, the call center is a key target of fraudsters desiring to gain access to customer information, compromise accounts, and monetize their efforts. By virtue of their roles, call center agents have access to a tremendous amount of sensitive and vital customer information and assets. This makes them ripe targets for social engineering attacks, especially given the amount of information, gained from countless security breaches, involving PII and related data that fraudsters can use as a starting point. Also, call center agents are often viewed as a weak link within a company's financial crime defense. Agents are human and have multiple objectives when handling a call, including customer satisfaction, call handling time, and caller authentication.

Call center authentication methods have advanced over the years. Initial approaches asked the caller to reveal a phrase or code. Yet, that information could be easily discovered. As a result, contact centers developed new approaches and techniques that leverage the call data to improve both the authentication process and the customer experience.

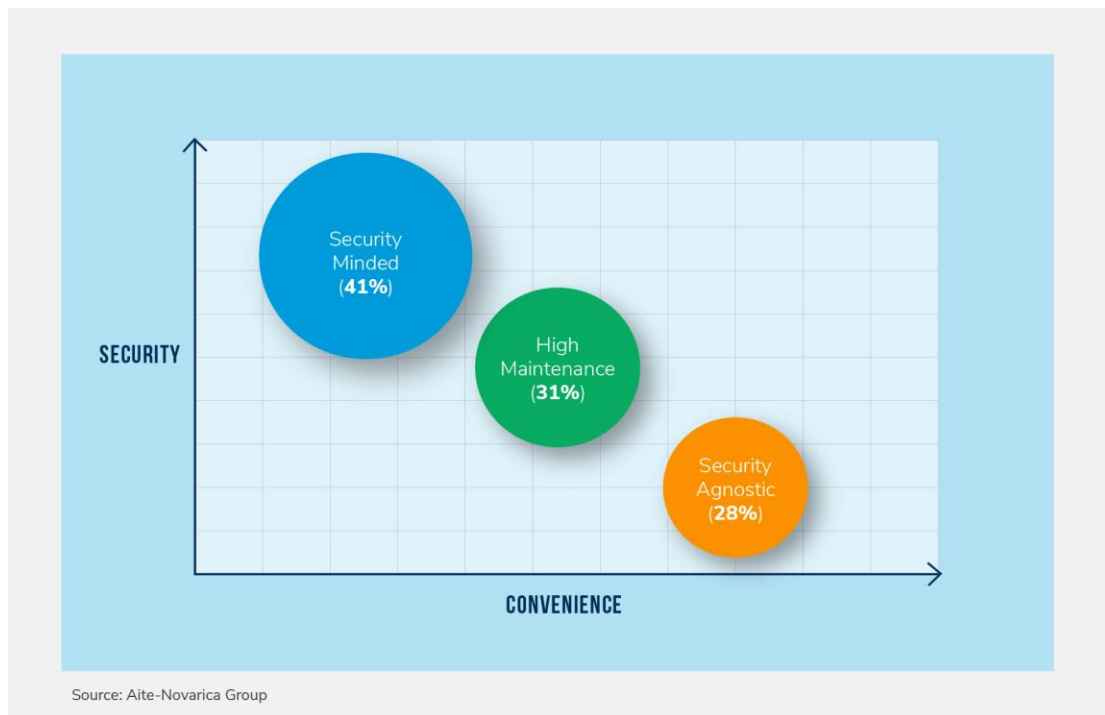
Today, the majority of callers now contact the companies with whom they do business through mobile phones as well as residential cable numbers and landlines. Because phones are unique, physical, and traceable devices, and difficult to obtain anonymously, fraudsters rarely use them to initiate calls. Instead, fraudsters will spoof calls or use virtualized apps or software tools to call, so they are anonymous and untraceable. Now, solutions can confirm the calling phone is engaged in a call with the contact center and identify the patterns that indicate normal calls vs. patterns used by criminals. For trusted calls, these solutions allow for the matching of the inbound number and the assurance that the number is not spoofed, hacked, virtualized, or manipulated. Calls can also be

scored for the level of risk, and the appropriate level and type of authentication can be applied to drive lower fraud losses and improved customer experiences.

CONSUMER AUTHENTICATION PERSONAS

Aite-Novarica Group surveyed 3,171 U.S. consumers 18 years or older on their recent experiences with financial services and retail contact centers in the first half of 2022. The survey revealed three distinct persona segments with differing attitudes about security and convenience, as shown in Figure 2. Appreciating these distinct personas can help companies in designing a call center authentication approach that can serve all segments well and improve the customer experience, while also enhancing authentication efficacy.

FIGURE 2: CUSTOMER PERSONA SEGMENTS



The Security-Agnostic Customer

Consumers in the Security Agnostic segment lack a good understanding of ways to protect themselves from fraud attacks and possess a willing ignorance of needed security techniques. For example, almost all of them carry their Social Security card in

their wallet, and they don't seem to have any major security concerns. The Security Agnostic segment comprises about 28% of U.S. adult consumers.

The Security-Minded Customer

Consumers in the Security Minded segment are sensitive to security issues and understand the importance of taking appropriate measures to protect their identity and accounts. They understand fraud risks and related prevention methods. For example, they are highly likely to shred account statements, and they are more likely to create stronger passwords than consumers in the Security Agnostic segment. The Security Minded segment is the largest group, as it is composed of about 41% of U.S. adult consumers.

The High-Maintenance Customer

Consumers in the High Maintenance segment understand security, but they expect a balance between the friction they endure and an effortless contact center experience. They appreciate the risk of fraud, but do not think that it should overshadow the efficient handling of their inquiry. They tend to be higher maintenance and compromise about 31% of U.S. adult consumers.

Recognizing these distinct segments is important in terms of understanding differences across customers' preferences and expectations. Technology that enables the triaging of inbound calls based upon the underlying call information, including the fact that the device is on a call with the call center, becomes essential to applying a tailored customer experience and ensuring an appropriate amount of authentication friction. Customers will be happier, and call center agents will be able to focus on the core of their job, meeting and exceeding the customer's needs.

RECOMMENDATIONS AND CONCLUSIONS

Meeting and exceeding customers' call center expectations in today's increasingly digital world is challenging, especially given their different preferences and the ultimate importance of properly authenticating every caller. Balancing the dual objectives of providing an exceptional customer experience and ensuring strong security need not be at odds with each other. Capabilities now exist that can greatly improve these moments of truth by understanding the call risk, recognizing the customer, and leveraging this data to apply the right authentication approach that affords the least amount of friction. The following are key recommendations for companies embarking on a journey to optimize their call center and authentication operations:

- Continually, evaluate every call center customer journey to consider the caller's trust. Use this understanding to guide the following:
 - **Authentication treatment:** Apply step-down subsequent authentication requirements for trusted callers, while introducing increased barriers and friction for high-risk callers.
 - **Permissions:** Identify transactions that can be uniquely performed by trusted callers, such as accessing identity information, changing accounts, or making transactions.
 - **Routing:** Develop strategies for handling high-risk callers, such as routing to agents specializing in high-risk calls or into an IVR process designed to fatigue criminal callers.
- Design a call center flow that leverages inbound call data to properly risk assess the call and tailor the level of authentication accordingly.
- Recognize that consumers have different personas for servicing and varied authentication predilections.
- Select a tool that leverages call data prior to answering the call and confirms the calling phone is engaged in a call with the contact center. Match the inbound number to customer records to maximize automatic caller identification and improve operational efficiency.

ABOUT NEUSTAR

Neustar, a TransUnion company, is a leader in identity resolution providing the data and technology that enable trusted connections between companies and people at the moments that matter most. Neustar offers industry-leading solutions in marketing, risk, and communications that responsibly connect data on people, devices, and locations, continuously corroborated through billions of transactions.

ABOUT TRANSUNION

TransUnion is a global information and insights company that makes trust possible in the modern economy. It does this by providing an actionable picture of each person so they can be reliably represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. A leading presence in more than 30 countries across five continents, TransUnion provides solutions that help create economic opportunity, great experiences, and personal empowerment for hundreds of millions of people.

ABOUT AITE-NOVARICA GROUP

Aite-Novarica Group is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms—as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base, leveraging deep insights developed via our extensive network of clients and other industry contacts.

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