

Creating an affinity Supporting the growth of Obsidiana



80%
customer satisfaction

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Antonio Garcia Pages, Director of Customer Services for Obsidiana

Creating an Affinity

Supporting the growth of Bankinter's consumer finance brand, Obsidiana

Bankinter made a strong entry into Spain's nascent credit card market in the year 2000 with the launch of Obsidiana, a bold joint venture with affinity card giant, Capital One. Eight years later it purchased Capital One's share to become sole owners of one of the country's first affinity card businesses. A conservative lending policy, complemented by competitive interest rates, has enabled Obsidiana to weather Spain's recent economic crisis well. Its customer base of around 400,000 card holders remains in tact and the company is confidently poised for growth as new affinity relationships with the car makers Renault and Nissan come on stream, promising an accessible source of stable customer acquisition.

Since 2005, Transcom has been Obsidiana's sole contact center provider, managing what the company acknowledges to be its most important customer channel – the telephone.

Over the years, Transcom has helped Obsidiana achieve its primary business objective: to use the Obsidiana credit card offering as a launch pad into the consumer finance market with a range of services including both payment cards and loans. As new affinity relationships with Renault and Nissan gather pace, its work, both as a provider of customer service and a generator of personal loan sales, is expected to escalate.

“Back in 2000 Bankinter didn’t have a consumer finance operation,” explains Antonio Garcia Pages, Director of Customer Services for Obsidiana. “Today we have a successful credit card business complemented by a highly competitive personal loans business.” Obsidiana’s personal loan product, Credimax, is directly related to the Obsidiana credit card and is primarily sold by Transcom’s Madrid based agents.

Credimax allows Obsidiana card holders to translate their available credit card limit into an immediate cash loan, deposited directly into their bank accounts – whether their account is with Bankinter or not.

High speed personal loans

The customer proposition is attractive, with flexible repayment terms and competitive interest rates. But the most compelling customer advantage is the speed with which the loan can be approved and the cash made available. This advantage is wholly dependent upon Transcom’s ability to analyze a customer’s profile during the call and authorize lending based on rules and practices agreed with Obsidiana.

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Antonio Garcia Pages,
Director of Customer Services for Obsidiana

“This speed of lending is only possible because we have given Transcom direct access to our ‘SAP-based’ customer database,” explains Antonio. “This means Transcom’s agents are able to view a customer’s profile, spending patterns, credit limit and risk rating directly from the agent desktop. Providing the customer has sufficient credit available and a positive risk rating, the loan can be agreed in the course of a single telephone call and the money deposited in to the customer’s bank account immediately, if they bank with Bankinter, and within 24 hours if they are with another bank.

Around 25% of Obsidiana card holders have taken advantage of the Credimax offer since it was introduced in the year 2000.

The benefits of the loan facility are explained to customers by Transcom’s agents during the telephone call in which their new credit card is activated. Sometimes they will take advantage of the opportunity immediately; more often they will store the information away for a future need.

“Credimax loans are typically for relatively modest amounts to be repaid over a reasonably short time,” explains José Luis Sánchez Mancebo, Transcom’s Client Director for Iberia and Latin America. “They are usually taken out to finance seasonal expenditure, such as holidays, or one-off purchases for the home. Our agents – equally skilled in both service and sales techniques – are adept at picking up and responding to buying signals from callers.”

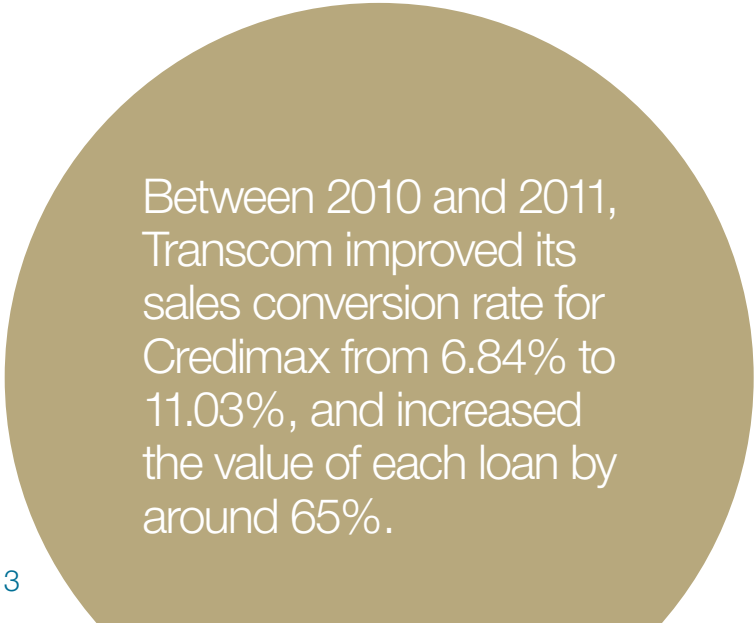
On occasion Obsidiana customers call directly to request a loan. More frequently, Obsidiana relies upon Transcom to identify customers with a need for additional finance and to cross sell the loan facility on the back of a traditional service call. “Transcom’s agents talk directly to our customers more than any one within Obsidiana,” says Obsidiana’s Antonio Garcia Pages. “Without question, they are our primary route to market for Credimax. Agents have become astute at recognizing the appropriate moment to make a loan proposal and the best way to pitch the offer successfully.”

Credimax loans appeal most to card holders who typically have a low credit balance, or who tend to pay off their full credit card balance at the end of every month. “That accounts for around 40% of our card holders,” says Antonio. “Credimax gives them an alternative route to financing that feels comfortable for them and diversifies Obsidiana’s revenue sources.”

Affinity demands quality

Because most of Obsidiana’s cards are offered on an affinity basis – the company’s affinity partners include market leaders such as Vodafone and Direct Line as well as Nissan and Renault – the quality of the customer service delivered by the contact center is of paramount importance.

“It isn’t only the Obsidiana brand that is at stake here, but our partners’ brands, too. They take a very active interest



Between 2010 and 2011, Transcom improved its sales conversion rate for Credimax from 6.84% to 11.03%, and increased the value of each loan by around 65%.

in the quality of the customer experience we deliver,” says Antonio. No doubt those partners are very much reassured by the fact that Obsidiana uses an external third party company to evaluate customer satisfaction on a quarterly basis. And they are even more reassured that Obsidiana’s satisfaction scores are consistently well above the market average. “The market average score among our competitors is around 70%,” says Antonio. “Transcom’s scores are consistently 10% higher. I would love to tell you that Transcom’s scores have improved over the time we have worked together, but the truth is they haven’t. Transcom’s performance has been outstanding from day one and has never faltered.”

Transcom’s José Luis Sánchez Mancebo, believes this is largely due to the approach Transcom takes to quality management within its business. “Unlike many contact center providers, we maintain an independent quality and training team, which operates across all clients within the business,” he explains. “We agree quality definitions and standards with each client at the start of every contract. These are then formalized as elements of the Service Level Agreement (SLA) that governs our performance. We rely on the quality team’s objectivity and independence to verify that those SLAs are met.”

The seriousness with which Transcom views quality is mirrored in Obsidiana. “Across the whole of Obsidiana and, indeed, Bankinter, there is a strong commitment to high-quality customer interactions,” says Antonio Garcia Pages. “So much so that we encourage our whole management team – whether they are professionally involved in the customer management process or not – to listen to and score Transcom’s calls. Their feedback is given directly to Transcom.”

Transcom welcomes this input. “After all,” says Jose Luis, “every employee of the bank is a consumer, too, and has valid views about how they would like to be treated.”

More particularly, of course, Antonio Garcia Pages and his team have an in depth and dedicated process for monitoring calls and reviewing performance with Transcom’s quality team. “The team is then able to give objective feedback to each agent about how we think they are performing.” Transcom’s Service Level Agreement with Obsidiana demands that they achieve quality targets of 85% across a range of measures. They consistently achieve 88%.

Antonio believes that the combination of a rigorous approach to quality and independently conducted customer satisfaction surveys accounts for Obsidiana’s strong performance. “The quality process, of course, tells us whether Transcom is meeting Obsidiana’s expectations. But, more importantly, it is the independent survey of customer opinion that tells us whether Obsidiana is meeting its customers’ expectations. Because the customer’s view is paramount, this is our most vital measure.



At 80%, Obsidiana’s independently evaluated customer satisfaction scores are 10% above the competitor average.

Preparing for growth

Because of its diligent lending policies and high levels of customer loyalty (the Obsidiana card has a churn rate of less than 12%) Obsidiana has weathered Spain's financial crisis well. "Over the past year we have seen modest growth in our credit card and personal loan business," says Antonio. "And we expect that growth to be accelerated by the launch of the Renault and Nissan affinity cards." Obsidiana expects these new relationships to contribute towards a 25% growth in its customer base over the next twenty-four months.

Transcom is intrinsically involved in the drive to build sustainable long term business for Obsidiana among the car companies' customers. "Buyers of Nissan and Renault cars are offered finance arrangements for their purchase via Obsidiana, which include an Obsidiana card that offers them 6% discount on card purchases," explains Antonio Garcia Pages, Director of Customer Services for Obsidiana. "Transcom will be responsible for activating those cards, ongoing customer service and cross sales of personal loans to card holders."

"I have every confidence that Transcom will continue to meet Renault's and Nissan's high service expectations. I know of no other contact center company that can achieve the same level of brand affinity and dedication to the work. The Transcom agents working on my business believe they work for Obsidiana, and they have my client's best interests at heart," concludes Antonio.

Catching debt early

Transcom is also using its experience in credit management and debt recovery to help maintain a healthy revenue stream for Obsidiana.

"Although we have our own collections operation," says Antonio, "we were very interested when Transcom came to us in 2010 and suggested that they could help us capture debt at an early stage as part of their service operation."

"The process is simple," explains Transcom's José Luis Sánchez Mancebo. "If a customer calls to query their balance and our agent can see that there is an outstanding debt, we simply offer the client the opportunity to settle that debt immediately over the telephone." Today Transcom is processing a payment on approximately 13% of all of the service calls it takes.

Transcom's comprehensive customer lifecycle management portfolio includes early, contingent and legal collections as well as customer acquisition and all areas of multi-channel customer service.

“This shows a very neat cross over between customer service and revenue management,” says Antonio. “Often late payments arise because of some sort of service issue. If Transcom can resolve the service issue and collect the payment in a single call, this clearly represents a win-win situation for both Obsidiana and the customer.”

The long term relationship between Transcom and Obsidiana looks set to flourish, thanks to the mature approach taken by both companies to sustainable growth, service excellence and careful revenue management.

About Obsidiana

Obsidiana is the consumer finance division of Bankinter, Spain’s sixth largest banking group with revenues of €1,102 million. Obsidiana and Bankinter are both headquartered in Madrid.

www.obsidiana.com

Results summary

- Supporting growth of the Obsidiana credit card to 400,000 card holders
- 11.03% cross-sell conversion rate with a 65% increase in loan value over 12 months
- Consistent customer satisfaction scores of 80% - 10% above competitor average
- Consistent quality scores of 88%
- Collection of overdue balances on 13% of all service calls

Key numbers

- Every month...
- 35,000 calls
- 1,600 emails
- 6,000 back office tasks
- 64 agents in Transcom’s Madrid based contact center

Service summary

- Credit card sales and activation
- Customer service for Obsidiana card holders
- Real time personal loan sales
- Active cross selling
- Customer retention
- Outstanding balance collections
- Supporting the brand values of Obsidiana and its affinity partners

Appointed in 2005, Transcom is Obsidiana’s only provider of contact center services



Find out how working with Transcom
could transform your customer and
credit management performance.

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