



## BEYOND THE BRANCH SERIES

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# Call Centers in the Digital World

## By Mark Chatfield

From their beginning, call centers have traditionally been associated with ringing phones, taking messages and passing them on. But today’s call centers have evolved to become substantial contributors to credit unions’ value proposition of service, convenience and trust.

Call centers in 2013 play an important role in the present and future operation of credit unions and for the credit union industry. In a world where direct human contact seems to be losing ground to email, voice mail and texting, the sound of a real human voice can be a significant business asset when a member calls for help or wants to conduct a transaction such as buying a car.

Speaking of cars, interesting consumer research by Maritz Research titled “New Vehicle Customer Study,” reveals that—contrary to the growing belief that social media will soon replace traditional automotive dealerships—the salesperson at the dealership is still the most-influential source of information for car buyers in making the deal.

According to the study, 21.9 percent of respondents said the dealership salesperson was the most-important information source when it came to selecting and purchasing a car. Next in line was family at 18.4 percent. “People buy from people,” said Chris Travell, vice president and strategic consultant for Maritz Research. “Social media can certainly support the selling effort, but I believe it would be a mistake to believe that social media will usurp it.”

Although a call center is not face-to-face contact with a member, it’s the next best thing and it can be a powerful advantage in today’s digital, arm’s-length, “please leave a message and we will get back you” world. For client credit unions, outsourced call center services can be a

primary conduit for their members to secure auto loans and mortgages as well as conduct other lending and transaction services.

## Call Centers and Gen Y

Another important benefit of an active call center that deserves consideration is the fact that the ubiquitous Gen Y consumer—the child of the virtual age—in many cases actually prefers human over digital touch, according to a study by Fiserv, Inc. While they tend to gravitate toward digital services due to convenience and immediacy of transaction, that preference does not seem to limit their actual usage of “live” channels such as call centers and branches.

In fact, the research shows Gen Y consumers are more likely to contact a call center or visit a branch than any other age segment. In addition, Gen Y consumers represent the highest percentage of high-volume users—five or more visits a month—for these services. Gen Y consumers appear to have an “all the information, through all the channels, available all the time” attitude that values the touch-tone availability of call centers.



*Gen Y members are the largest percentage of high-volume users of call centers and branches.*



Be There Be More

In many ways, call centers give credit unions a big advantage over competitors. Call centers make it easier for credit unions to offer lending and marketing operations as well as other services 24/7, while maintaining a higher standard of service during off hours.

After hours is the prime shopping time for credit union members, especially when buying a car. With a call center, a credit union will most likely capture that loan opportunity, whereas without a call center, it will probably lose the loan and any associated insurance and affiliated fees.

“Members are coming into branches for accounts over loans at a four-to-one ratio,” said Pierre Cardenas of CU Lending Advice, speaking to attendees at the Credit Union Association of New Mexico’s 2012 Call Center Conference. While this statistic may pose questions about the future role of brick-and-mortar, it also highlights opportunities for credit unions to think differently about loan generation. “Five years from now, 80 percent of loan originations will be coming from the contact (call) center,” Cardenas stated. “It’s where all remote channels are going.”

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## Reaching Out

“Call center agents speak more to members in a day than the CEO does in a month,” said Jeff Rendel, former bank regulator and president of Rising Above Enterprises, also speaking to attendees of the same CUANM conference. “Some of your most important business leaders are the ones without business cards.”

Whether it is auto, mortgage and other lending activity, or more Gen Y’ers calling, call volumes have increased steadily along with the improving economy. The majority of daily transactions such as balance inquiries and fund transfers, which often are relegated to home banking, are well suited for outsourcing to an experienced call center service provider.

Also, avoiding unnecessary overhead helps a credit union achieve operational efficiencies that boost profitability and improve member service, convenience and trust.

When all is said and done, call centers are a key differentiator for credit unions versus banks. For a growing number of credit unions, call centers are as much a part of their DNA as low rates and personalized member service. Serving members with a friendly voice from a real human being helps create the trust and loyalty other financial service providers can only dream about. Whether operated in-house or in partnership with a professional organization, call centers are an integral part of credit union success and long-term member loyalty.

### About the Author

*Mark Chatfield is Chief Operating Officer at CO-OP Member Center, a wholly-owned subsidiary of CO-OP Financial Services, based in Fort Worth, Texas.*