

Case Study

Using Logistics Solution to Balance Call Volumes and Improve Sales

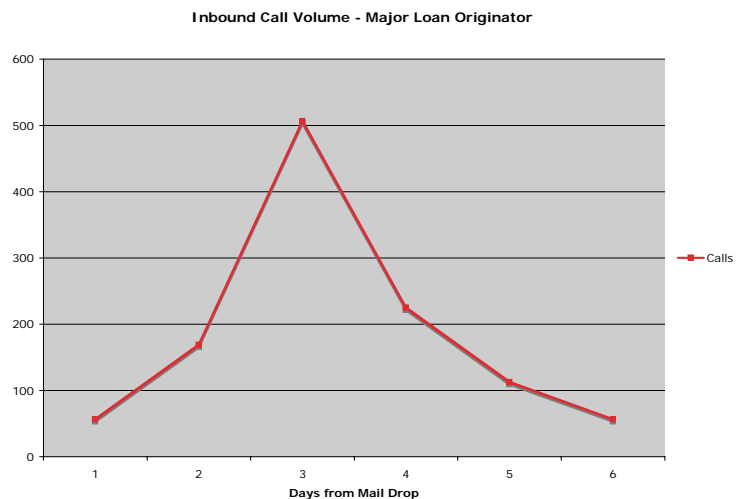
Background:

A consumer finance company specializing in debt consolidation loans to the prime credit market was experiencing difficulty in efficiently handling responses to its direct mail campaigns. The company directly employed 22 full time loan officers in its offices at base salaries of \$50,000 per year. The company was mailing approximately 750,000 direct mail solicitations per month, with all responses being driven to the call center or to the web. Customer from all web respondents was routed into the call center for an outbound dialing campaign to further develop the loan. Because the client was seeking average loan balances of \$18,000, and because the sale was being done in a consultative manner to achieve the best possible payment plan for the customer, each customer contact was expected to average 30 minutes.

Challenge:

Using a large, east coast print and direct mail fulfillment center, the client was dropping their mail (which was national in scope) in two separate drops of approximately 375,000 pieces. For production efficiencies, the mailhouse produced each lot separately as each was a different creative. This mail plan was resulting in significant peaks and valleys in the client's inbound call center. The heavy call load during peak receipt times created difficulties in the client's abilities to efficiently handle each call, creating call back situations which did not close as well as direct, first time calls or call backs from web responses.

Exhibit A – Call Volumes



Understanding that ICS provided customized production and logistics solutions, the client came to us with the challenge of maintaining production efficiencies and creating a nationwide delivery schedule that would better load balance their call volume.

Solution:

ICS analyzed the entire client mail file of 750,000 names and suggested a mail plan that was predicated on their being no difference in response rates to each creative package based on geography. Because the client indicated that achieving a national distribution in each creative package was not as important to them as controlling the call flows, ICS proposed an “nthing” strategy that enabled a random selection into each creative lot while maximizing the volumes into Sectional Center Facilities for national mail distribution. Using compiled historical knowledge of in-home delivery timeframes, we were able to create a daily in-home mail plan that called for an average of 34,000 pieces to reach homes each day over a 22 day period.

Results:

By implementing a mail plan that was predicated on “in-home delivery” dates rather than pure mail dates, the client effectively achieved its goal of receiving a more even distribution of response calls.

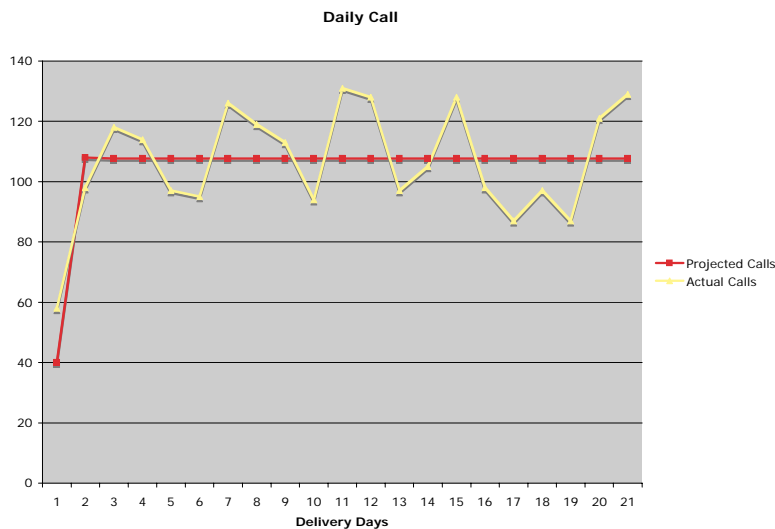


Exhibit B – Daily Call Plan

Further, seed data within the mail file that our plan delivered calls from each SCF within 24 ours of our initial estimate. This has allowed the client to revise staffing times as mail is delivered in different time zones to better match inbound flow. In future campaigns, we will continue to take actual response data to each offer at the SCF level to determine any more granular fluctuations in response

timing, and drive that data back into the planning phase to continue smoothing the response curve.

The client has also reported an increase in their conversion rates on inbound calls due to their ability to handle the calls without the pressure of call queue build-ups. This increased efficiency in sales coupled with lower postage costs driven by greater SCF saturation has led to a 7% decrease in acquisition costs – an annual projected savings of close to \$450,000.