

Building business and bucking the trend

Supporting new market entry for Affinion



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Marta Bareño Quintana
Director of Marketing, Affinion Spain

30%
conversion rates

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Affinion is a world leader when it comes to building brand stickiness and customer loyalty. Since it was founded thirty five years ago it has created innovative membership and loyalty programs for 5,000 businesses across North America and Europe. In the last decade alone it has delivered in excess of 46,000 marketing campaigns and signed up millions of new members, year on year. When the company entered the Spanish market in 2009 it chose Transcom as its telemarketing and customer service partner. Since then Affinion Spain has brought hundreds of thousands of individuals into membership programs operated for some of Spain's biggest businesses. In 2011 growth accelerated, as new deals with leading retailers, including Cortefiel, came on stream.

Transcom's experience in financial services was a bonus for Affinion. All five of the world's biggest banks are Transcom clients, including Santander and BBVA in Spain.

“In so many ways our progress in Spain has bucked the recessionary trend,” says Affinion’s Director of Marketing for Spain, Marta Bareño Quintana. “The reason for that is simple: A tough economy has made it all the more important for Spanish businesses to bind customers to them by adding value to their offering. Membership programs such as those we offer are a relatively new phenomenon in Spain. They are being eagerly adopted by companies and warmly appreciated by their customers.”

Affinion’s outsourced business model meant that choosing the right telemarketing and customer service partner for its Spanish business was a vital decision. The nature of Affinion’s work – which is focused on the relationship between companies and their customers – meant that its partner would be far more than just a service provider. “We knew from the outset that the chosen company would become absolutely intrinsic to the delivery of our business goals,” says Marta.

For that reason the selection process was rigorous. Transcom was chosen for its proven ability to manage both sales and service calls; for its objective approach to quality and its experience in financial services. The latter was of particular importance, since one of Affinion’s first Spanish clients was one of the country’s ‘big four’ banks. “Less obviously, but just as importantly, we were attracted by Transcom’s track record in helping multinational businesses break into new markets and by its pan-European network,” adds Marta. “With operations across Europe likely to require telemarketing operations in the near future, the ability to grow our business with a single provider was extremely attractive”.

Sales success

One of Affinion Spain's initial client engagements was with Finconsum, the consumer finance subsidiary of CaixaBank. Today many of its customers are members of Disfruta y Ahorra, the leisure-based membership club that offers dramatic discounts on restaurants, events, travel and a range of activities and experiences across Spain. In addition, tens of thousands have purchased Affinion's low-cost, high-value insurance services, introduced in 2010 as a second source of benefit for Finconsum customers.

"Our success in securing Disfruta y Ahorra members has far exceeded our expectations," Marta affirms. "Transcom has doubled the sales rates we predicted and typically achieves sales conversion rates of around 30% - higher still when the lead is warm. With Transcom's support, Spain has become one of Affinion's best performing markets in terms of sales achievement."

"Member acquisition is, of course, the key to Affinion's success as a business and in the eyes of its clients," explains Transcom's Account Manager for Affinion, Javier Martin. "We have worked with Affinion to develop three routes to acquisition and field appropriately skilled agents to each."

Exceptional sales conversion rates

Disfruta y Ahorra

- Outbound calls 28 – 30%
- Calls to activate credit card plus cross sell 24%
- Transferred calls from Finconsum call center 40%

Insurance services

- Calls to activate credit card plus cross sell 18 – 20%
- Inbound calls to activate and cross sell 33%

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Marta Bareño Quintana Director of Marketing, Affinion Spain

The most obvious route is through outbound calling to the Finconsum customer base. In addition, Transcom takes the opportunity to cross sell Disfruta y Ahorra when they speak to Finconsum customers to activate their credit cards. Finally, Finconsum's own call centers are encouraged to mention the program in its service calls and then transfer the caller to Transcom's sales specialists if they respond positively.

"Over the lifetime of the project we have won increasing trust from Finconsum," says Affinion's Marta Bareño Quintana. "Their agreement in 2009 to let us manage credit card activation calls provided us with a rich cross selling opportunity, but also demonstrated their confidence in the quality of our approach and Transcom's service delivery."

"The ideal membership program creates a win-win-win situation for all three parties," explains Transcom's Javier Martin. "Affinion grows its business, Finconsum's customers get compelling benefits, and Finconsum itself is rewarded by the customer loyalty those benefits generate. Everything depends, however, on the maintenance of a close relationship of trust and commercial openness between those parties."

Compliance and quality

Transcom, in its capacity as data processor, has direct access to Finconsum's customer base and to Affinion's membership base. The arrangement is governed by a comprehensive contract that meets all of the requirements for data privacy and maintains data security for Finconsum and its customers. In addition, interactions are rigorously monitored, not just for compliance, but for the quality and affinity to the Finconsum brand.

"In particular – and in line with our agreement with Affinion – we actively verify every successful insurance sales call and 50% of all Disfruta y Ahorra sales calls," says Javier. "This means we are certain that every sale is brand-aligned and meets the demanding compliance requirements that prevail in the financial services arena."

Affinion also regularly listens in to calls to ensure their quality and brand consistency. "Quality measures are agreed between the three parties – Transcom, ourselves and our client," says Affinion's Marta Bareño Quintana. "We listen to calls regularly to ensure those standards are rigorously adhered to. We have never had cause for concern. Indeed, Transcom's quality scores are not only high, with an overall score of 95%, they are consistently so. And it is that consistency – day in and day out – that we, and our clients, most value."

Affinion is supportive of Transcom's approach to quality, where standards are maintained by a dedicated training and quality team. "This is not usual in Spanish contact centers," says Marta. "Typically team leaders – who work very closely with agents – are responsible for quality

assessments. That creates a system that is prone to subjective judgments and, on occasion, favoritism. Because the quality team in Transcom is independent, it is both expert and objective."

Beyond the sale

Transcom's work doesn't end when the sale is complete.

Transcom also handles customer service calls from Disfruta y Ahorra members and purchasers of Affinion's insurance services. Around 11,000 telephone calls and 1,200 emails are received each month in Transcom's Seville contact center – and the numbers are growing month by month. Transcom also performs vital administrative tasks that allow the Disfruta y Ahorra program to run smoothly. At the end of each month all of the theatres, restaurants and other providers who take part in the program send in the coupons and receipts they have received in payment from members. Transcom's team of back office business process specialists reconcile the accounts for each and prompt Affinion to make the appropriate payments. "This is a significant administrative task that has to be completed with speed and accuracy, since the cooperation and good will of our extensive network of leisure partners is vital," says Alberto Ibañez, Affinion's Operations Director. "Again, Transcom has never let us down." In all, Transcom carries out around 8,000 back office tasks each month for Affinion, from financial reconciliation to data capture and managing different channels, including phone, email and white mail.

Transcom achieves exceptional sales conversion rates, says Affinion's Marta Bareño Quintana.

Consistent high quality delivery

- Customer rapport 87%
- Call control 95%
- Quality of advice 99%
- Quality of sale 100%
- Customer experience 100%

Transcom's service maps the lifecycle of Affinion's members – from sales and service through to back office support and financial reconciliation.

Building the business

The comprehensive nature of Transcom's service offering makes the company an ideal partner for Affinion, which operates on a fully outsourced business model. However, in the view of Marta Bareño Quintana, Transcom's real value lies in its ability to support a growing business that is continually experimenting and testing the market. "As we build our portfolio of membership offerings in Spain, it is vital that we understand how consumers react and which products and services will bring the best response," explains Marta. "We began with Disfruta y Ahorra and have gradually introduced a range of insurance services. In every instance Transcom has been able to give vital input as to how each offering should be positioned and sold."

"New products and campaigns are introduced to small test groups first before being rolled out across the total member base," explains Javier Martin. "This allows us to give fast and accurate feedback to Affinion about the potential for each and to recommend tweaks and changes before any particular campaign is fully rolled out."

"This input is invaluable," confirms Marta. "And, to my mind, is the essence of the partnership between our two companies. Transcom's consistent delivery of strong business results makes them a 'top class' provider, but it's their willingness to strategize with us, to challenge our thinking and share their experience that marks Transcom out as a true business partner."

In recent months, joint strategizing between the two companies has focused upon the issue of retention. With a strong member base now established, Affinion and Transcom are working together to develop fresh approaches that will drive retention, extend average member lifetime and increase their use of the benefits on offer. "As part of its customer service activity Transcom is now handling calls from individuals who call to cancel their membership. By testing and evaluating alternative retention strategies they are achieving a save rate of 30%."

Growth and expansion

Affinion's new deal with Cortefiel, which launched successfully in May 2011, is expected to fuel healthy growth for both Affinion and Transcom. "By growing its team flexibly to match our growth step by step, Transcom is helping us build a sustainable, long-term business in Spain," concludes Marta.

Service summary

- Membership program sales to customers of Affinion's commercial partners
- Personal insurance sales by specially certified sales agents
- Inbound and outbound sales
- Active cross selling
- Customer service and support
- Customer retention
- Back office support for financial reconciliation

Results summary

- Sales targets exceeded by 100%
- Sales conversion rates of up to 40%
- Consistent delivery of 95% quality scores

Transcom's global network was one of the factors that captured Affinion's attention from the outset. In 2011, its true value has been realized as Transcom extends its services to other European markets. Transcom now operates sales and service operations for Affinion's German customer base from its centre in Rostock and Italian customer base from its 'Italian speaking' contact centre in Pula, Croatia.

About Affinion

Affinion is the global leader in designing, marketing and servicing comprehensive customer engagement and loyalty solutions that enhance and extend the relationship of millions of consumers with many of the world's largest and most respected companies.

- 70 million members worldwide
- 800 million direct marketing pieces mailed annually
- 46,000 marketing campaigns in the past decade
- 80 million telemarketing contacts every year
- Over 1 million new online members added each year

www.affinioninternational.com

Key numbers

- Every month...
 - 11,000 calls
 - 1,200 emails
 - 3,200 financial reconciliations
 - 1,700 data capture
 - A total of 5,000 back office tasks
- 70 agents in Transcom's Seville based contact center providing service in Spanish and English



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

contactus@transcom.com
www.transcom.com