

# Engagement in the Mobile-First World

## How effective use of data acts as a business enabler

### A More Mobile World

The world of technology is changing faster than ever before, particularly when it comes to mobile solutions. Mobile devices are more than just handsets that users use to talk or text—they have evolved into powerful computers with advanced networking tools. And with the widespread introduction of 4G connectivity – and the in-development 5G standard – mobile solutions will continue to fundamentally change how people interact with organizations.

While some consumers favour certain channels over others, they still expect organizations to offer multiple channels including voice, SMS, social, chat, or a mobile app when it comes to engaging.

The banking and financial industry has taken on a mobile-first mindset and works to continually improve digital engagement options so that consumers can manage all aspects of their finances through mobile solutions. The British Banking Association's 2016 Way We Bank Now report found that in 2015, consumers interacted with mobile banking apps some four billion times – or more than 7,610 interactions a minute.<sup>1</sup>

A 2016 study by TSYS found that more than half of Brits (56%) used a mobile banking app at least once a month in 2016 – a 12% rise from the previous year.<sup>2</sup> Younger consumers have embraced mobile banking as 88% of 18-24 year olds and 89% of 25-34 year olds use mobile banking app. Additionally, 51% of 45-55 year olds are also using mobile solutions to manage their finances and complete transactions.

This dynamic of mobile technology adoption is seen in other sectors as well. Take retail for example, British shoppers are expected to spend £27 billion via mobile devices in 2017.<sup>3</sup> When it comes to customer service, consumers favour mobile channels such as social to engage with businesses—particularly with younger generations who have grown up with this technology and can't imagine a world without it.

At the same time, businesses have shifted to a customer-centric focus which aims to put the end-user experience at the heart of their operations and how they interact with customers. Customers are more demanding than ever, and they will take their business elsewhere if they feel they aren't getting the service they expect. This reinforces the need for a customer-first mentality at every stage of the journey. Putting the needs of the customer first is essential for success, from

marketing, to on boarding, and all the way to ongoing help and support.

### The Impact of Data on Customer Engagement

A key driver of many customer service initiatives in the last few years – and a trend that's showing no signs of slowing down – is the ever-increasing amount of data that's available to businesses. Ubiquitous penetration of smartphones and social media, and the impact of technology such as the Internet of Things, means businesses have access to more customer data.

Cisco's Visual Networking Index, for instance, forecasts that by 2021, there will be 5.5 billion mobile users around the world, up from 4.9 billion in 2016.<sup>4</sup> This will directly contribute to a huge increase in data created by users and mobile network traffic. By the end of this forecast period, the average mobile-connected end-user device will generate 5.7GB of traffic per month, compared with just 977MB in 2016.

With so much information available, turning this data into actionable insight is a major challenge. For many businesses, the first task is distinguishing which data is useful and which is irrelevant – sometimes described as separating the signal from the noise.

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While the use of data to improve mobile-first and consumer-centric strategies has leapt forward, there are still gaps in how organizations leverage the technology. In a world where real-time responses have become the norm, companies who don't keep up will leave consumers highly frustrated.

For example, when a new customer wants to open a bank account, they must verify their identity. This can be cumbersome and usually involves bringing in paper documentation to a branch, waiting for an application to be processed and a card to be sent before they can start using the account. This process is archaic – and it is a huge inconvenience to the consumer.

But this does not have to be the case. In fact, today's mobile-first technologies and strategies enables companies to access the necessary customer data to personalize the experience and make things more convenient from beginning to end.

Better data management also means businesses can verify who their users are and crack down on fraud. This is only the beginning of what customer data can bring to the table. In the past, verification tools were only seen as a security measure, but businesses are starting to recognize that these tools bring value and help them provide better customer experiences.

### **The Two Sides of the Digital Revolution and Identity**

The impact that data can have on a business in the mobile and customer-centric environment falls roughly into two categories – business enablement and risk mitigation. These two work together to form an individual's digital identity, and organizations must be sure to address both.

It is easy for companies to focus only on the positives of the digital revolution. But if they are not taking steps to address any issues that arise from the use of data, whether this be security worries or regulatory concerns, any activities they undertake to improve their business operations will be compromised.

#### **Business Enablement**

There is a wide range of ways that the use of data can act as a business enabler. Access to authoritative, high-quality data can give organizations a clear, in-depth picture of each individual customer, their own operations and the wider business environment. This in turn lets businesses tailor their offerings, deliver personalized service, and cut down on the inefficiencies of their day-to-day operations.

When a customer engages via mobile, data-driven businesses can access a range of information derived from sources such as mobile operators – enabling them to perform identity confirmation without the user going through multiple authentication steps. Businesses can also access contextual interaction data to ensure the user does not have to repeat themselves to agents or staff.

This improved efficiency saves consumers time and helps consumers get answers quickly. Businesses will also be able to serve more customers, reduce wait times and enable agents to focus on urgent matters and activities that generate more value for the business. Similarly, the use of data can improve customer acquisition by speeding up the on boarding processes and ensuring they receive offers that are relevant to them. This benefits the brand as a whole – happy customers are more likely to evangelise about their positive experiences to other potential customers.

#### **Risk Mitigation**

None of these business enablement efforts will bear fruit unless organizations also place a strong focus on risk mitigation. There are a number of factors including maintaining security and ensuring compliance with regulations.

As the number of touch points between a customer and a company increases, so does the risk of exposure to data loss and identity theft. Therefore, a quality customer experience surrounding fraud touch points – including on mobile self-service – will help ensure customers have positive feelings for the organizations and its brand. A strong focus on security and risk mitigation also helps with customer retention and churn reduction efforts.

The mistake many companies make is thinking mobile is simply another channel to add to their multi-channel portfolio. Smartphones are a platform supporting multiple methods of communication – including social, phone, SMS, email – and each has its own benefits and reasons to exist. Therefore, when it comes to addressing mobile risks, companies must develop specific best practices for this channel.

### **The Six Key Opportunities for Engagement**

Effective use of data can improve activities across all parts of the business, and at every stage of the customer journey. We have identified six key areas and contact points upon which organizations should focus their efforts when engaging customers by making good use of data and analytics.

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## 1. New Customer On boarding

The on boarding process can set the tone for the customer-business relationship. Make a poor first impression and customers will not need much of an excuse to leave. Strong use of data at this stage also benefits businesses by protecting them against fraud and helping identify potential red flags.

The use of mobile data can help verify a person's identity by comparing the details given by the user to known records, such as names, dates of birth, addresses and locations.

## 2. Authentication

Being able to rely on this data is useful not only at the on boarding stage, but any time a customer wants to get in touch – regardless of channel. Tools such as two-factor authentication and engagement profiling can combine with third-party data sources to protect businesses from fraud.

## 3. Inbound Call

Voice remains one of the most-used channels, so businesses drawing on data from sources such as mobile operators and location data can help agents offer more personalized interactions. In addition, biometrics such as phone fingerprint scanners offer another level of security. Being able to leverage multiple layers to gain insight provides a more complete picture and enables organizations to resolve interactions faster.

## 4. Change of Personal Details

Changing personal details such as addresses or phone numbers is a necessary and tedious process with many businesses still insisting on written confirmation through white mail. But again, drawing on data from mobile providers can make the process much more user-friendly, so consumers only have to confirm data gathered from these sources. By matching a user's phone number to related records, organizations can centre their insight around an individual's digital mobile identity.

## 5. Product Application

Pertinent mobile insight is increasingly relevant when a user is shopping or purchasing, because it allows organizations to make much more personalized offers. For instance, organizations can analyze previous purchases and contracts to make the best recommendation, taking into consideration the status of their mobile account. This is in conjunction with comparing their activity to known fraud vectors and understanding behavior to create a frictionless engagement.

## 6. Card Transaction

Whenever an individual makes a card transaction at a point-of-sale terminal, they're likely to have their phone in their pocket. And, the growing use of tools like Apple Pay and Android Pay turns the mobile device into a credit card. Therefore, associated mobile data such as location details, device status and known user behavior can be used to proactively flag potential fraud in real time.

## A Transparent Layer of Trust

A critical factor in making these interactions a success will be ensuring that authentication and verification efforts are as frictionless as possible, so both consumers and businesses can be confident in the security and efficiency of their engagement, without having to go through numerous extra steps, a branch or offline systems.

We call this the 'transparent layer of trust', and it's about how we use the data generated as part of people's everyday activities to build trust and complete transactions without the customer having to do anything outside of their normal behavior. From the end-user perspective, they may not even notice that steps are being taken behind the scenes, as we draw on existing data to confirm their identity. By the same token, for the consumer to feel comfortable using mobile services, they must trust that such behind-the-scenes efforts are in fact being made. By performing these actions in the background, trust therefore becomes a by-product of all interactions between an organization and a consumer.

For example, one particularly pertinent security and verification technology for the mobile channel is SIM-swap detection. This type of fraud is still relatively new, but it is becoming increasingly prevalent as mobile banking usage grows.

Many high-profile cases of account takeover begin with a criminal taking over someone's mobile persona. Obtaining a duplicate SIM card and inserting it into another device changes someone's mobile life for the worse. Therefore, being able to detect this is critical in keeping the mobile channel secure.

Similarly, tools exist to spot when a fraudster is seeking to redirect communications from a bank or other business. Services that can identify the location of a mobile device helps businesses build customer trust while staying transparent and frictionless.

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Importantly, these solutions can reassure and protect both consumers and businesses without requiring users to go through additional steps to prove their identity. With so much of our personal data now stored on and accessed via mobile phones, focusing on these devices must play a vital role in protecting digital lives. Using the data generated as a by-product of our daily actions not only enhances trust and security, but enables businesses to offer improved services that support revenue growth.

### Conclusion: How Businesses Benefit from a Frictionless User Experience

Ultimately, effective use of data across the mobile channel offers businesses much more than just improved authentication capabilities. In the past, this functionality has been viewed to mitigate risk. The increased capabilities and data source varieties that mobile channels provide means

organizations must evolve with technology to meet consumer demand and gain trust.

Leveraging data gleaned from mobile devices – from sources such as mobile operators – enables organizations to authorize and complete any number of transactions through the mobile channel, eliminating any delays or inconveniences caused by the need to request further information directly from a customer, or asking them to switch to another channel.

In today's mobile-oriented, customer-first environment, being able to offer frictionless, transparent services is about much more than stopping fraud. It's about delivering the solutions customers want, on the channels they want to use—and delivering results in real-time. Embracing new data sources enables the very transformation of the customer experience.

1. <https://www.bba.org.uk/news/press-releases/bba-reveals-a-consumer-led-revolution-in-digital-banking/#.WSPpwWjyvlU>
2. [http://tsys.com/Assets/TSYS/downloads/rs\\_2016-uk-m-payment-and-p2p-payment-consumer-study.pdf](http://tsys.com/Assets/TSYS/downloads/rs_2016-uk-m-payment-and-p2p-payment-consumer-study.pdf)
3. <http://internetretailing.net/2017/02/uk-shoppers-set-spend-27bn-via-mobile-devices-2017-study/>
4. <http://www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/vni-infographic.html>

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