



IVR Payments The Ultimate Guide for 2024

How IVR can be a game-changer
for payments and customer
experience (CX)

White Paper

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1 Introduction

Today's consumers expect customer service to be faster and more efficient, whichever channel they choose. Following the Coronavirus pandemic there was a rush for contactless payment methods as never before, the maximum amount for contactless payment was increased by 50% and many shops not accepting cash at all.

According to financial services and information management consultancy Futurist Group, about 38% of consumers now see contactless as a 'basic need' feature of payments, up from 30% a year ago. With this increase in more card payments, and more transactions being conducted either online or over the phone, the demand for Interactive Voice Response (IVR) has also increased in contact centres and remote sales operations.

There is no doubt that IVR phone systems can be a game-changer for business. They help customers resolve their issues without needing to be transferred between departments. IVRs can provide 24/7 support for common problems - and prioritise callers based on their customer status.

According to Call Centre Helper Research Paper (2021)ⁱ, "What Contact Centres are doing right now", Self-Service is described as the Golden Goose of Customer Experience. The published report states that "well over a third of respondents (36.2%) believe that advancing self-service capabilities within the customer experience will likely achieve the biggest return on investment (ROI)".

With the right solution aligned with your organisation's systems, you can give your business a boost, delivering a smooth transaction process to increase sales and provide great customer experience.

1.1 A game-changer - six reasons why IVR is good for business

1

Makes the most of agent time, maximising resources

IVR can help to free agents from boring and repetitive work, reduce staff attrition and improve staff morale. Automated systems allow agents to spend time providing value added services, ensuring better use of their skills, while all the time improving the customer experience (CX).

"We introduced the IVR solution from Encoded a number of years ago and cannot praise the system highly enough. Dramatic improvements in efficiency and call flow have boosted agent morale and tangibly enhanced the overall customer experience. What is more, Encoded IVR is a valuable tool that has helped us streamline our business processes and maximise our existing resources at no extra cost. It's a win, win situation."

Head of Customer Support at First Port Property Services

2

Enhances customer payment and data security

Typically, IVR card payments are far more secure than the traditional manual handling of customer data. Choosing a cloud IVR solution from a PCI DSS approved provider means that confidential client data is stored securely. It takes IVR payments out of scope for PCI DSS requirements.

3

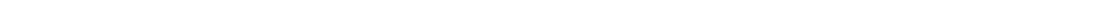
Improves your customer experience

Capturing customer data means the latest information can be directed and displayed to agents with the best knowledge and expertise. Queries are resolved faster with greater customer satisfaction, helping to maintain the best possible ratings for those all-important customer feedback surveys.

4

Increases productivity

IVR means your customer service is available 24x7x365, without any agent involvement. This means your customers can self-serve and make payments at any time and from anywhere.



5

Enables a joined-up customer service

With an IVR solution connected to your finance and other critical business systems, your agents always have the latest information to deliver a joined-up customer experience.

“At the beginning of the Coronavirus pandemic in 2020 Milk & More was inundated with calls and registered thousands of new customers. Fortunately, the simplicity of Encoded’s IVR and Agent Assisted Payment solutions meant we could quickly train our advisors and educate our customers to the benefits of automated payments while maintaining customer loyalty. It’s been a really positive experience working with Encoded and I recommend the team 100%.”

Head of Customer Service at Milk & More

6

IVR can deliver significant cost savings

IVR payments are perfect for companies that experience seasonal spikes in calls, which would normally involve hiring extra temporary staff or paying costly overtime. IVR costs five times less than a telephone call - with the right design and technology IVR can produce significant savings.

Research from ContactBabelⁱⁱ cites that the cost of a live service telephone call varies considerably, but has a mean average of £5.42, while historically, the average cost of a telephony self-service session is estimated to be around 30 - 70p.

Some IVR solution providers only charge for successfully processed transactions, which keeps prices transparent. It rewards both the third-party provider and its customers on success, keeping an active working relationship focused on service improvements.

1.2 Choosing the best IVR payment solution

There are plenty of IVR payment services on the market, which makes it tricky to choose the best one for your business. The best IVR payment solution is one that aligns with your business systems to give customers a smooth transaction process.

In this whitepaper we outline what IVR is, how it works and identify what to look out for when choosing an IVR solution.

2 What are IVR Payments?

Interactive Voice Response Payments (IVR Payments) are a payment method that allows callers to enter their card data via touch tones. It enables customers the option of self-service to:

- make 24/7 payments without any agent involvement
- provide a secure ID to find information
- make payments from anywhere, at any time, using a telephone.

3 How do IVR Payments work?

IVR can be easily integrated with existing systems used in the contact centre to offer a smooth customer journey. Below are some of the key features of IVR payments:

3.1 Integration with existing business systems

Most business telephone systems can route calls to IVR payments using recorded voice prompts and avoiding connection with a live agent. Integration with your other business systems means that IVR payments can be configured to reconcile automatically with accounting and other systems.

IVR payment integration is made possible with a payment gateway which integrates with most providers, carriers, telephony systems and CRM systems to provide total flexibility for secure omnichannel payments. Integration with other critical systems ensures agents can access the latest information for a joined-up customer experience.

3.2 Ensures customer authentication

It is important to identify a customer using IVR payments and the first place to start is a telephone number. Using a customer's telephone number for IVR payments authentication is a speedy method of Identification & Verification (ID&V) and improves the customer experience.

The second method of authentication is a customer ID number (i.e. invoice or customer reference), entered using touch tones on the telephone into the IVR payments system prior to taking their payment.

3.3 Offers a high level of security

IVR payments are far more secure than other traditional methods, which sometimes may include agents noting down credit or debit card details manually. Choosing a cloud IVR service payment solution ensures everything is fully automated and confidential - client data is stored within a secure cloud infrastructure.

Using IVR to accept payments from a trusted third-party provider is also an easy way to achieve PCI DSS.

3.4 Automates operations to free up agents

An IVR solution automates many time-consuming processes, freeing up agents to give them more time to spend up-selling and cross-selling, or managing complex customer care and loyalty work, which means better use of critical talent and resources.

With IVR as part of your business, systems can be available 24x7x365 without any agent involvement. Customers can serve themselves using IVR to find the information they need and process payments at any time and from anywhere.

3.5 Supports an omnichannel strategy

IVR can help support an omnichannel customer experience strategy. With an omnichannel approach to CX, a business can consolidate information from a variety of channels - including the phone, live chat, and email. This can be used by multiple departments, including sales, customer service and support teams.

With an integrated IVR payments system, customers can choose to pay securely using their phone or be routed to the most qualified agent to assist with their query. Combining self-service options with other channels in this way frees up agents time to provide a faster and more personalised experience, leading to happier customers and improved CX.

4 Questions to ask when selecting an IVR payments system

4.1 Does the system provide secure customer authentication?

Customers expect a speedy check-out service without their card details falling into the wrong hands. The latest IVR payment solutions allow contact centre users to enter their debit or credit card data via touch tones any time of day or night, quickly and securely.

Choose an IVR payment solution that can authenticate callers prior to taking payments either via a unique number like an invoice or customer reference. Then, shortlist those that integrate easily with in-house telephony, accounting and CRM systems. This means agents can deal with more customers and spend less time on taking payments. While customers feel secure in the knowledge that their card details are protected.

4.2 Can it manage fluctuations in demand?

An automated method of payment is perfect for companies which experience seasonal spikes in demand, normally requiring temporary staff or costly overtime. How a provider charges for successfully processed transactions is also important in your selection.

There are also new advances in IVR, which include text-to-speech options for multiple languages. The choices mean that modern IVR solutions give customers the opportunity to choose between self-service and talking to a live agent. Either way, you can reduce your costs and enhance customer service.

4.3 Does it integrate with your existing systems?

IVR payments have grown in popularity and importance as a result of the recent COVID-19 pandemic and an increase in the number of people working from home and MOTO (mail order/telephone order payments).

IVR payments can work for both customers and remote workers as they are accessible from anywhere whether in the office, at home, across time-zones, providers, carriers and telephony systems. Using one single solution, organisations can streamline their critical payment processes by centralising their IVR payments across multiple contact centres and link to different CRM systems to enhance customer service.

5 Choosing the right technology partner

When looking for new technology, rather than choose a vanilla software vendor which may sell you a solution and leave you to it, consider a partner that will work with you throughout any compliance processes.

Look for a vendor happy to advise and educate, while offering solutions that will help your contact centre to comply with the latest PCI DSS or GDPR legislation and the newly introduced Payment Services Directive (PSD2).

The following are the key benefits of choosing IVR from a trusted third-party provider:

- Reduced cost in comparison to agents taking payments
 - Level 1 PCI DSS accreditation (with approved PCI DSS provider) to help with compliance regulations and keep your organisation safe
 - Can provide seamless integration with existing business working methods to improve CX and reduce average handling times (AHT)
 - The option to have comprehensive reporting, including user behaviour analysis to enable changes and enhancements to your services
 - Full system redundancy backup with 99.99% uptime Service Level Agreements (SLAs) to maintain customer service and security measures.
-

6 IVR in action – customer success

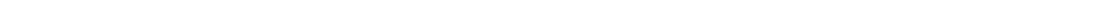
6.1 Meeting seasonal demand

Appreciate Group plc is one of the country's largest multi-retailer voucher and prepaid gift card businesses, focused on the corporate gift and Christmas savings markets. It operates through an extensive network of agents and increasingly, online.

The Park Christmas Savings Club is the leading Christmas savings organisation in the UK and Ireland, helping thousands of families budget for the festive season. Managing fluctuating call volumes in the run up to Christmas Appreciate Group implemented an interactive voice response (IVR) and automated payment solution from Encoded which is linked to the busy call centre operation managing the Christmas savings part of the business. The call centre is open between 9am and 5pm, Monday to Friday.

Head of Customer Contact at Appreciate Group, "As a very seasonal business, our call volumes fluctuate wildly especially during peak times like Christmas, when our calls can rise dramatically from approximately 1,000 to 5,000 per day. Encoded helps to deliver the high level of personal attention our agents deserve by taking care of straightforward payment calls and balance enquiries 24 hours a day, 7 days a week."

appreciate
group plc



6.2 24/7 customer service

The goal is to enable customers with customer service around the clock. With IVR, 24/7 service is possible, no matter how big or small your company.

First Port, the UK's premier property management company, is using interactive voice response (IVR) technology from Encoded to offer customers a round-the clock automated payment option when paying service charges, ground rents and other items, such as a new key or security fob for communal entry doors.

More than 50 per cent of the 115 strong customer service team work in the contact centre handling calls from customers reporting maintenance or repair issues and requesting parking permits, to paying for service charges or new keys. Customers can make self-service payments 24 hours per day, 7 days a week and obtain accurate, up-to-date information about the balance of their account. Today, 20% of all payments are handled by Encoded's IVR automated system.

Head of Customer Support, Bespoke and Property Services, First Port, commented, "We introduced the IVR solution from Encoded a number of years ago and cannot praise the system highly enough. Dramatic improvements in efficiency and call flow have boosted agent morale and tangibly enhanced the overall customer experience. What is more, Encoded is a valuable tool that has helped us streamline business processes and maximise existing resources at no extra cost.

It's a win, win situation."



7 Summary

There are many benefits of IVR payments. Implemented well, IVR can help businesses deal with high call volumes, reduce cost and improve customer service.

Using an automated secure payment system in your contact centre helps you to achieve more by paying less. Accepting credit and debit cards via IVR is a cost effective and secure way of taking payments. It allows customers to make payments quickly and accurately while reducing agent transaction time and improving security both for you and your customers.

Business hours can be extended to provide a round-the-clock response, every day of the year, and seasonal spikes can be managed to take payments which would normally require temporary staff or costly overtime. Seamless integration with existing systems enables personalised service and can free agent time to allow them to focus on more productive services to add value to customer experience.

8 Glossary of terms

Payment gateway

A payment gateway is a tool that securely validates a customer's credit card details, ensuring funds are available for the merchant to get paid.

Payment gateways authorise credit card payments for online and offline businesses. It is the equivalent of a physical point-of-sale (POS) terminal in a shop or restaurant. It enables customers to submit their credit card details and then securely passes this information from the customer to the merchant and then between the merchant and the bank.

PCI DSS - The Payment Card Industry Data Security Standard (PCI DSS) is a widely accepted set of policies and procedures intended to optimise the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information.

MOTO - Mail Order Telephone Order - payment when the customer is not present.

Customer authentication - aims to make sure that the person requesting access to an account, or trying to make a payment, is authorised to do so. The rules, introduced in 2019, are intended to further enhance the security of payments and limit fraud.

Payment Services Directive (PSD2) is legislation designed to force providers of payment services to improve customer authentication processes.

ⁱ What Contact Centres Are Doing Right Now I (2021 Edition)

ⁱⁱ The UK Contact Centre Decision-Maker's Guide 2022 (19th edition)

9 About Encoded

The payments challenges that your organisation faces may be complex, but the solutions don't have to be. Encoded specialises in providing innovative solutions and expert guidance to our clients and partners to help make the complex.... simple.

Encoded is an independent payment services provider and payment gateway, with secure and innovative solutions for all of your organisation's payment channels - Payment Gateway Services, IVR Payments, Agent Assisted Payments with Fraud Prevention Platform, eCommerce Payments, Mobile Apps, Open Banking and PayByLink - to increase your payment acceptance rates, Encoded has the solutions and experience to help your organisation.

Encoded's solutions and expertise are trusted by many of the world's leading brands including Mercedes-Benz, BMW, Mini, Toyota, Lexus and retailers such as Samsung, Lush and The Wine Society plus a host of UK utility companies such as Shell Energy and Severn Trent Water.

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Automated Card Payment Solutions

Encoded specialises in solutions that reduce costs, increase profits and improve customer experience.

Encoded solutions include:

- Agent Assisted Card Payments
- E-Commerce Payments
- IVR Payments
- Mobile Apps
- PayByLink Mobile Payments
- Encoded Gateway Services

For more information about how Encoded solutions can help your business or contact centre please speak to one of our payment experts on 01293 229 700

