



IVR Payments The Ultimate Guide for 2021

White Paper

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1 Introduction

As a result of the 2020 Coronavirus pandemic there was a rush for contactless payment methods as never before. The maximum amount for contactless payment was increased by 50% with many shops not accepting cash. 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. On the other hand, the percentage of consumers saying they don't need contactless payments has fallen from 41% in March 2019 to 33% in March 2020. With this increase in more card payments, and more transactions being conducted either online or over the phone, the demand for IVR has also increased in contact centres and remote sales operations.

There are plenty of IVR payment services on the market, which makes it tricky to choose the best one for your business. In this guide we outline what IVR is, how it works and what to look out for to suit your business.

With the right solution aligned to your organisation's business systems, you can give your customers a smooth transaction process and great customer experience.

2 What is IVR and how it does it work?

2.1 What is IVR?

Interactive Voice Response Payments (IVR Payments) is a payment method that allows callers to enter their card data via touch tones. It enables customer 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.

2.2 What is IVR 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.

2.3 What are the best IVR payment solutions?

The best IVR payment solution aligns with your business systems to give customers a smooth transaction process. IVR payments can be integrated with voice systems so that an agent can transfer the customer to the IVR payment once an order has been taken. This allows agents to deal with more customers, spend less time on taking payments and adds value to the customer experience.

2.4 What are the costs of IVR payments?

IVR payments are perfect for companies which 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 ContactBabel revealed that the average cost of a telephony IVR self-service session is 65p, compared to the cost of a live service telephone call where the mean average was £3.55.

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.

2.5 What is needed for IVR payments?

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.

2.6 What about integration with 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.

2.7 How secure are IVR payments?

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 What are the key features of IVR?

3.1 Automation

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.

3.2 Security

IVR card payments are far more secure than the traditional method of agents noting down credit or debit card payment details manually. Plus, with a PCI DSS approved cloud-based system, confidential client data is stored centrally and securely.

3.3 Round-the-clock business operations

With IVR 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.

3.4 Seamless integration

Integrating your IVR systems with accounting and other critical business systems ensures agents always have the latest information to deliver a joined-up customer experience.

4 What are the benefits of IVR?

4.1 Makes the most of agent time, maximise 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**



4.2 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, taking IVR payments out of scope for PCI DSS requirements.

4.3 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.

4.4 Increases your productivity

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

4.5 Enables a joined-up customer service

With your IVR solution connect 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**



4.6 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)
 - Can provide seamless integration with existing business working methods
 - The option to have comprehensive reporting including user behaviour analysis
 - Full system redundancy backup with 99.99% uptime SLA
-

5 A checklist for choosing an IVR payment system



Does it 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.
- 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 the compliance process. Look for a vendor that is 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).
- Choose an IVR payment solution that can authenticate callers prior to taking payments via a unique number like an invoice or a 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.



Is it flexible to manage fluctuations in demand?

- An automated method of payment is perfect for companies which experience seasonal spikes in calls, 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.



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).

They 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.

5.1 Finally - measuring the right metrics

Many contact centres attempt to deflect calls away from live agents to self-service systems such as IVR and interactive web applications but at what cost? It is important to measure how customers react to self-service and the impact on customer satisfaction.

Measuring the right metrics allows adjustments and changes to be made if the required results are not being achieved:

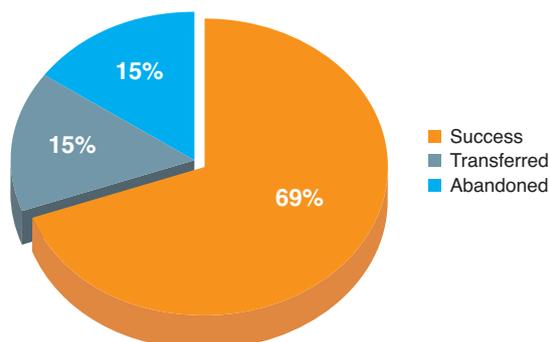
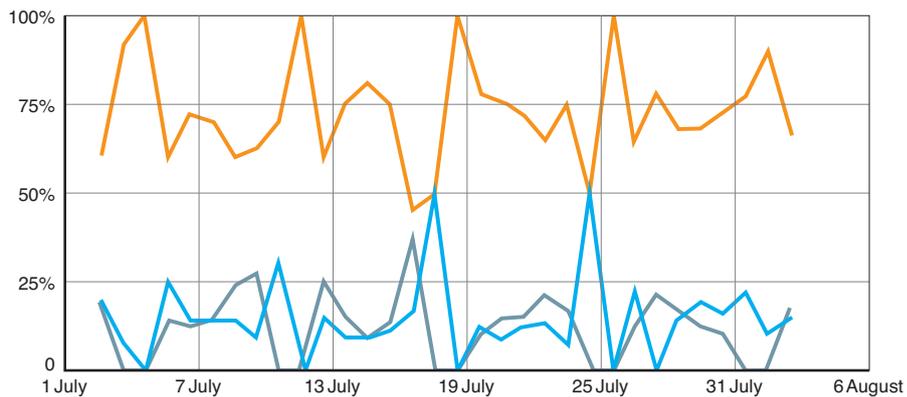
Successful transactions: for example, the number of customers who begin and complete a self-service transaction without live agent assistance. When designed well, IVR self-service payments can result in up to 90% of relevant calls being dealt with automatically representing a massive cost saving, an improvement in customer service and a boost for the company's reputation with its customer.

IVR abandonment rates: usually the most common metric, this reflects the number of customers that drop out, prior to choosing an option in the IVR system. This number should be very low because customers tend to have the patience to navigate the system in the first instance before giving up. Typically customers do not drop out but instead transfer or "zero-out" to a live agent.

Transfer or Zero-Out rates: this is where a customer will "select zero to speak to an agent". According to ContactBabel research carried out in 2015, the mean zero-out rate is 18%, however, with the correct set-up of IVR payment systems can reduce this number.

It's vital to measure and report on the right metrics. Here's a few questions to consider:

- What are the right key performance indicators (KPI's)?
- What has your previous experience been?
- How can IVR payments help with PCI DSS* compliance?



6 Case studies

6.1 Milk & More

Milk & More strives hard to preserve its traditional milkman legacy while embracing modernity and future expansion. In addition to fresh milk and everything dairy, the company offers a huge and ever-expanding range of essentials delivered to nearly 500,000 homes across the country. At the beginning of the 2020 Coronavirus pandemic Milk & More was inundated with calls and in just 3 days, registered around 30,000 new customers. This tremendous surge in demand forced the company to prioritise calls including encouraging customers to use automated methods instead. Fortunately, the simplicity of Encoded's IVR and Agent Assisted Payment solutions meant advisors could quickly be trained to educate customers to the benefits of automated payments while maintaining customer loyalty.

The Milk & More organisation and its customers have benefited from the Encoded implementation. For advisors, the Encoded Agent Assisted Payment solution is far easier to use than their previous ticketing system and with minimal training, they can use it and then educate customers about the benefits of automated payments. In turn, customers have greater confidence and enjoy swift payments while knowing their sensitive card details are safe and secure. With no cash or cheques to collect, roundsmen are also safer and get to spend more time with their friends and families.

Head of Customer Services at Milk and More explained, *"It's been a really positive experience working with Encoded and I recommend the team 100%. The service they provide has been outstanding and they have delivered on everything we ever wanted and more. We look forward to having them by our side as we move to the next exciting stage of our business."*



6.2 Virgin Holidays

Virgin Holidays, is the UK's market leading long-haul holiday company specialising in holidays to the USA, Caribbean, Africa, the Middle and Far East, the Indian Ocean and Australasia.

Virgin Holiday's busy Customer Service Department operates seven days a week. The team's customer service representatives handle a wide variety of enquiries ranging from adding excursions to a booking, making a payment to requesting an invoice.

Encoded designed and implemented a totally new customer payment solution capable of handling large call volumes and enabling Virgin Holidays customers to self-serve their payment requirements at any time from any place. Encoded built a brand-new framework that could automatically process customer payments and reconcile important client data in real-time.

Operations Analyst at Virgin Holidays said, *"As call volumes increased to the Virgin Service Centre we had to find new and smarter ways to handle payment transactions swiftly and securely. At Virgin Holidays, we take client confidentiality very seriously and customers can trust us to keep their data safe when paying for tickets, weekend breaks or all-inclusive holidays, online or over the phone. That is why we invested in the latest Interactive Voice Response (IVR) payment solutions from Encoded to give our team and our customers complete peace of mind."*



6.3 First Port Property Services

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 for 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."*



6.4 Appreciate Group

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."*

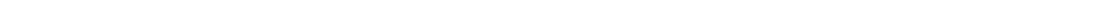
appreciate
group plc

7 Summary

There are many benefits of IVR payments. Implemented well, IVR solutions 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.





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



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About Encoded

Encoded is a leading Payment Service Provider and pioneer of new and innovative secure payment solutions for contact centres. Encoded offers a range of card payment solutions designed to help organisations comply with PCI DSS, GDPR and the newly introduced Payment Services Directive (PSD2).

Encoded's solutions are trusted by many of the world's leading brands including, Samsung, Mercedes-Benz, BMW, Müller and Virgin, as well as a host of UK utility companies such as Green Star Energy and Severn Trent Water.

Solutions include:

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

For more information please visit
www.encoded.co.uk

