



## Utilizing the XSell Customer Service Marketing Platform to Identify and Execute Additional Sales Opportunities, Strengthen Customer Relationships

*(Note: The following case study represents an aggregation of results from several XSell customers, which include four of the top 15 U.S. lenders. Statements are actual quotes from specific customers. The sales results are representative of results achieved using the platform but have been modified to protect client confidentiality.)*

The need for mortgage lenders to cross-sell and retain their best customers continues to grow as the number of originations continues to decline in the face of interest rates that have gone up significantly in the last couple of years.

The number of originations is expected to fall 11 percent in 2007, following an 18 percent decline in 2006, according to the Mortgage Bankers Association (MBA).

Additionally, as much as \$1.5 trillion worth of adjustable rate mortgages (ARMs) are expected to reset this year. Borrowers holding these loans could experience a “payment shock” of as much as 25 percent. This presents a significant retention challenge for lenders, as borrowers look for ways to avoid this increase in monthly payment.

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So lenders are faced with the complicated task of retaining customers and replacing lost revenue with refinance and home equity lending products, as well as other financial products such as insurance, credit cards, and, in the case of bank owned mortgage companies, bank accounts and certificates of deposit.

Some large mortgage lenders recognized this trend by the end of 2005 and proactively took steps to create and maintain loyal customer bases in order to keep up their levels of business.

“We wanted to move quickly to increase the loyalty and retention of our customers because it was apparent in 2005 that the Federal Reserve was still early in its interest rate increase cycle and the result would be an increasingly challenging lending market,” said an executive of one of the nation’s largest mortgage originators. “But we had to do so in a way that would quickly produce a positive return on our investment.”

So the lender turned to Jacksonville, Fla.-based XSell, LLC, a provider of multi-channel cross-sell and retention solutions. XSell®, founded in 2003, is the creator of the XSell Customer Service Marketing Platform, which enables financial institutions of all types to transform inbound customer service calls, and self service interactions, into sales opportunities by providing the tools to support the creation, exchange and close of customer leads during a customer service interaction. The XSell Service Oriented

Architecture has been engineered to rapidly integrate with existing customer-facing systems, including contact center platforms, Web sites and interactive voice response units (IVRs). The XSell platform enables real-time assessment of opportunities and personalization of offers during a customer service contact – regardless of whether the customer called a contact center, uses an IVR or logs on to a Web site.

The XSell platform assigns a Return on Presentment score for every customer and product to identify retention and cross-sell opportunities. When a customer interaction occurs, a personalized offer is created and presented in real time, containing customer, product and offer-specific marketing messages through the appropriate sales channel

For example, when the customer calls in for a product or service issue or question, the XSell platform analyzes the individual’s unique profile that includes financial information, loan history and other data. The XSell application compares that information to the attributes of each unique product to be offered and creates a qualified offer that is targeted to that customer.

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“The XSell application is very flexible and independent from our operating system,” the lending executive said. “Not only was it a good fit for our current call center system, it was also able to effectively communicate with our direct lending system at a very reasonable cost.”

The quick implementation included several customizations to meet the lender’s unique business requirements.

“XSell was very sensitive to our needs. They listened to our business plan and did whatever they could to help us reach our goals,” a mortgage executive said. “For example, we made several requests for enhancements and XSell technicians were able to accommodate our needs very quickly. In fact, it usually takes less than a week for any enhancement or other change to be incorporated into the platform.”

### **Across All Channels**

Another important factor for the lender was that the XSell platform can be used across all customer communication channels. “Our customers might communicate with us via the Web from work or via telephone from home,” a loan executive said. “We have to make sure that we provide a consistent offer with a consistent message, regardless of which channel or combination of channels the customer chooses to use. The XSell Customer Service Marketing platform provides us with that capability.”

If the customer calls the contact center, the lender’s customer service representative (CSR) has resolved the borrower’s issue, he or she then uses the XSell-generated users

guide to present the cross-sales offer. If the customer expresses interest in the product or service, the call is then transferred to the lender's sales center.

If, on the other hand, the customer uses the Web to communicate with the lender, XSell delivers targeted messages, dynamically delivering offer content to the Web site as soon as the customer enters his or her account information. Customers can immediately access detailed information about the offer and offers can be linked to existing Web-based sales tools for on-line orders and applications.

Web-based offers leverage the XSell Return on Presentment platform to determine customer eligibility, qualification, propensity, economics, strategic weightings, etc. Customer responses are tracked within the XSell Interaction Management Framework.

Like many other leading organizations, the lender also has a sophisticated IVR unit to assist customers with service questions.

"We wanted a system that would enable us to deliver appropriate cross-sell messages to those who prefer self-service channels, such as IVRs and the Web," a loan executive says. "The XSell platform enables us to communicate offers effectively with those customers who seldom, if ever, speak directly to a customer service representative."

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These IVR contacts can be a valuable opportunity to present a targeted sales message to a customer. The more targeted the message, the better the response. XSell's Service Oriented Architecture allows efficient integration with leading IVR systems. When a customer enters account information into the IVR, XSell's opportunity request and real-time personalization services are accessed to trigger the correct offer message.

Regardless of the channel, when a customer indicates interest in the product offering, the platform facilitates straight-through processing to the appropriate internal or third-party product fulfillment center. This automation decreases processing time, increases close rates and reduces expenses.

### **The Results**

The quick implementation also meant quick additional revenues from cross-sales of additional products and services.

"We are delighted that we began seeing improved sales results immediately after deploying the XSell Customer Service Marketing platform," said an executive with the mortgage division of a major national bank shortly after the XSell solution was installed and operational. "We implemented XSell into our mortgage servicing environment for

both the customer service representative and IVR channels in 2006 and targeted home equity lines of credit and refinance opportunity,” a lending executive said. “Soon after installation, we experienced a significant increase in qualified leads from current customers. As a result, we plan to continue adding product options to XSell.”

Since installing XSell, the lender has seen exponential increases in several key performance areas:

- Actual sales has grown
- The number of applications is up
- The percentage of leads transferred to sales has grown

Another important advantage is that the XSell platform enables detailed tracking of sales opportunities, presentments, total interested customers and interested customers requesting follow-ups. No tracking was possible with the previous system.

“The XSell platform has become the top source of new leads coming into our centralized service center, surpassing direct mail and referrals as well as business generated from radio and television advertising,” a major lender said. “The customer is much more open to listening to an offer after they’ve made an inbound call than they are if we were to call them during dinner time with a product that does not meet their needs or to offer a plain vanilla radio or television advertisement. By using the XSell Customer Service Marketing platform, we empower the customer to decide when they are most open to talking to us.”

The XSell platform enables the lender to offer “an array of first purchase, refinance and home equity lending products as well as insurance, credit card and banking products.”

“Using the XSell platform is helping us turn our customer contact center from an expensive customer resolution center to a profitable revenue center,” a lending official said.

### **Training Advantages**

Any tool designed to increase sales must actually be used for a lender to see the full promise of benefits. So the lender created financial incentives, based on performance indicators to encourage its call center and lending staff to learn about and effectively use the XSell platform to cross-sell to inbound callers.

XSell presents targeted, pre-qualified offers to the loan representative in the form of an easy-to-read sales guide, so no time is wasted rehearsing a sales pitch and no sales are lost because the loan rep didn’t know how to effectively pitch another product or service.

“The XSell guides are very effective,” the lender says. “They provide color-coded scripting to identify areas of emphasis and highlight the customer’s personal, variable data. The XSell cross-sell scripts flow very well, are consistent and are easy to change if we want to alter the pitch a little.”

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Just as important is tracking the effectiveness of employee use of the XSell platform. XSell's sophisticated reporting system provides mortgage executives with the information necessary to determine which customer contact employees need additional training in order to be more effective in using the cross-selling platform.

Additionally, scripts can be changed frequently to adapt to the strength and weaknesses of employees, to create an optimal sales environment.

Daily, weekly and monthly reports enable mortgage executives to analyze employee performance by site, customer contact team and individual, which helps identify when additional training will be most effective.

"The reporting gives us the capability to track a call all the way through to the performance of the sales staff in a different location, every day," the lender said.

### **Looking Ahead**

The success of implementing the XSell Customer Service Marketing platform has encouraged the lender to start looking for additional products to offer and additional delivery channels to work through.

"We will continue to anticipate additional products and services that will meet the needs of our current customers and new prospects," the lender said. "We will use a combination of internally developed and third party mortgage products and services to address those needs. The beauty of the XSell platform is that we can add and change our product and service messages as we see fit."

#### **Key Advantages of Using XSell**

- *Affordability*
- *Ease of Implementation*
- *Compatibility*
- *Multi Channel*
- *Speed to Market*
- *Management Information*

#### **About XSell, LLC**

XSell, LLC helps financial institutions of all types, identify additional sales opportunities by providing a multi-channel sales platform that creates unique customer offers, which are presented through customer service touch points such as call centers, Web sites and interactive voice response (IVR) units. The XSell platform

enables both financial institutions and service providers to sell a wide array of targeted products, including those provided by the institution and those provided by third party sources. The XSell Customer Service Marketing platform is currently deployed by four of the top 15 U.S. lenders and received the 2006 Annual Call Center Exhibition Best of Show Award for its innovative technology.

*For more information about XSell, please visit [www.GoXSell.com](http://www.GoXSell.com).*