



# Avaya Solution Increased Revenues at Victoria's Secret Catalogue

## A Coordinated Pairing

Victoria's Secret Catalogue, renowned for its women's lingerie lines, entered the 1999 Holiday buying season with a solution from Avaya that leveraged the strengths of every Victoria's Secret call center agent. The benefit was an increased focus on putting the right agent on the right call—and that led to increased average revenues per call. The Match Rate method, provided by Avaya and adopted by Victoria's Secret Catalogue, is applicable to retail contact centers where natural differences between callers' willingness to buy and agents' abilities to up-sell can be identified and incorporated into the intelligent distribution of calls among agents.

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## The Company

The Victoria's Secret Catalogue operates three call centers in the U.S., handling 22 million calls per year. During peak season, 2500 agents handle sales and service calls for the catalogue division.

VSC Management also evaluated its agents, Fashion Consultants, to determine which Consultants were best qualified to maximize the revenue opportunity from each type of customer. This study led to the creation of agent types of Gold, Sales, New Hire, and Other.

## Opportunity Identified

Victoria's Secret Catalogue (VCS) had developed a significant infrastructure within its call centers, including integrated voice response (IVR) and computer telephony integration (CTI) to boost productivity. But to break through to a new level of effectiveness, Victoria's Secret took a fresh look at its customers and agents. Customer purchasing records revealed the true range of customer value, from high-value customers (those who made sizeable orders) to those who purchased very little. Customer segments of Best, Better, Good, New, and Inquiry were established.

## The Ideal Match

The goal for the Holiday buying season was to distribute calls in a way that sent the most appropriate type of call to every agent, increasing revenue and customer satisfaction. Although the most proficient VCS Fashion Consultants can do well on any type of call, their time can be wasted on calls where the revenue opportunities are less. Additionally, new hire agents should not assist top customers, where both revenue and customer satisfaction could be at risk. Those agents are best used for lower-end customers. Calls answered by the most appropriate type of agent would contribute to the Match Rate at



Victoria's Secret Catalogue. High Match Rate reflects the centers' achievements in handling each caller in the optimum way.

## Solution Details

Achieving the ideal match between agent and caller by dedicating each type of agent to a single type of call was impractical. Dedicating agents not only would raise costs but also make the centers vulnerable to surges in call volume—risking revenue and customer satisfaction. Assigning each agent to field multiple skills and customer sets would reduce agent costs, but typically requires substantial manual adjustments in traditional contact centers to clear problems that naturally develop with deeper (advanced) customer segmentation models.

The Avaya solution enables Victoria's Secret to reap the benefits of its refined customer segmentation without the costs of dedicating agents or the efforts of minute-to-minute management. The Avaya solution makes it possible for agents to remain focused on the most appropriate types of customers unless performance conditions for other call types need their attention. No agents will be diverted from their Ideal Match work if it would put their own best calls in jeopardy.

Match Rate Achievement at Victoria's Secret Catalogue				
Customer Segment	Fashion Consultant (Agent) Type			
	Gold	Sales	New Hire	Other
Best	71.1%	21.5%	2.8%	4.6%
Better	10.2%	71.7%	15.9%	8.3%
Good	0.7%	23.9%	69.4%	6.0%
New	9.7%	87.4%	87.4%	2.4%
Inquiry	0.7%	24.7%	74.5%	0%

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## Results

Distribution of calls across the three call centers dropped wait times for all callers and decreased the demand for reserve agents. The Match Rate, the measure for how much time agents spent handling their Best Match calls, was 80%, well above the 20% baseline range that Victoria's Secret Catalogue measured before it implemented Avaya's solution. On average, revenues climbed, and the results showed that a top Fashion Consultant working with a most-valued customer did generate more revenue than if a mid-tier or new Fashion Consultant handled the customer.

Additionally, VCS Management does not need to monitor the centers to fix problems of long caller-wait times because the Avaya solution monitors and corrects these problems proactively, using few resources.

## Why This Avaya Solution Works

Success with a Match Rate model requires much more than simply knowing what the Best Match is—it requires the ability to deal simultaneously with all the Best Matches that need to be made in real-time. That's where the Avaya solution differs from traditional call routing, because traditional call routing can't adjust in real-time to prevent the problems that ultimately destroy Match Rates. And CTI-based applications, while ideal for deciding what type of customer is calling, can't get to the heart of brokering agent talent in the real-time environment of the contact center.

## Adapting This Solution in Your Contact Center

This Avaya solution is applicable to businesses where differences in customer buying patterns and differences in agent selling abilities exist. These businesses can raise revenues by concentrating agents' time on Best Match calls without the operational penalties that arise from having dedicated agents.

Match Rate at Victoria's Secret Catalogue benchmarks how well its centers execute against a refined customer segmentation model. As Match Rates rise, more callers are speaking to the ideal agent—the agent most suited to the opportunity. Non-match assignments, such as the few Inquiry calls handled by the Gold agents or the few Best Customer calls handled by New Hires, were made in response to specific wait-time conditions, which would have resulted in caller dissatisfaction, abandonment, and revenue loss. Ideal Matches are highlighted. Before installing the Avaya solution, Victoria's Secret earned a typical score of 20% in Ideal Matches.