

A Phone Call Isn't Enough: New Survey Shows 89 Percent of Consumers Want Fraud Notification via Multiple Channels

2010 SoundBite Communications Fraud Communications Survey Shows Prompt Notification Can Increase Loyalty; Consumers want Phone, Text, and Email Notification

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Bedford, Mass., APRIL 5, 2010 – A new survey reveals that an overwhelming majority of consumers—89 percent—would prefer to be notified by multiple and various forms of communication, including phone calls, text message, email, and letter if fraudulent activity is ever suspected on their debit or credit cards. The survey also found that when fraud occurs, banks and card issuers may have an opportunity to improve their customer loyalty with up to one-third of their customers who experience fraud by promptly notifying cardholders via multiple methods of communication.

The [2010 Fraud Communications Survey](#) was conducted via telephone by Harris Interactive in March 2010 on behalf of [SoundBite Communications](#), Inc. (NASDAQ: SDBT), a leading provider of on-demand, multi-channel proactive customer communications. The full survey results can be found at www.soundbite.com/fraud-survey-results.

Debit and credit card fraud continues to be a major problem for consumers. The number of identity fraud victims in the United States increased by 12 percent to 11.1 million adults in 2009, according to the 2010 Identity Fraud Survey Report by Javelin Strategy & Research. Javelin also reported the total annual fraud amount increased by 12.5 percent to \$54 billion last year.

“Effective fraud communications is an issue every bank, retailer and card issuer needs to deal with in today’s business environment,” said Matt Edmunds, vice president of Financial Services at SoundBite Communications. “The survey shows that the primary way for banks and card issuers to improve the customer experience when fraudulent activity is suspected is to know the best methods to contact the cardholder. Issuing banks that understand customer communications preferences and customize their communications outreach can increase loyalty.”

Key survey findings include:

- **Phone is the overwhelming choice** — A call to the home phone is the preferred way for consumers to be contacted if fraudulent activity is suspected on their card (84 percent), but a call to their mobile phone is the choice of nearly 60 percent of consumers and is a more popular contact channel than email (54 percent). Receiving a text message is a preferred channel of more than one in three consumers (35 percent), which translates into more than 79 million consumers.

- **Consumer preference disconnect** — About half of consumers aged 18 to 34 (51 percent) indicated a text message was one of their preferred ways of being contacted about fraud, yet currently only two percent in the age bracket who have been victims were notified using that channel. This also applies to calls to a mobile phone, where just 18 percent of all consumers who were victims were notified via a call on their mobile phone.

- **Every crisis is an opportunity** — The survey also showed that issuing banks have an opportunity to increase customer loyalty if they respond promptly to fraudulent activity within a debit or credit card account. Thirty-three percent of consumers who experienced fraud said their experience actually improved their confidence and increased their loyalty to their bank or credit card issuer.

2010 Fraud Cardholder Communications Survey Methodology

This survey was conducted by Harris Interactive on behalf of SoundBite. All data collection was done by telephone within the United States from March 5 - 8, 2010 among 1,017 adults ages 18 and older, of whom 288 have experienced suspicious or fraudulent credit or debit card activity. A full methodology is available upon request.

About SoundBite Communications

SoundBite Communications is a leading provider of on-demand, multi-channel proactive customer communications solutions designed to transform the way organizations communicate throughout the customer lifecycle to build trusted, lifelong and profitable relationships. Clients can leverage SoundBite's proactive customer communications offering and expertise in designing, executing and optimizing communications strategies to engage in relevant customer interactions that deliver long-term business value. Visit SoundBite.com for more information.

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