Messaging system means faster payments, lower overheads

Jacaranda Finance (Jacaranda) is an Australian-owned financial company which offers a digital online platform for clients to access quick cash whenever and wherever they are. Founded in 2013, the company is proud of its in-house underwriting platform that creates a unique and extremely fast scoring system for prospective borrowers.

Jacaranda is always looking to adopt new technologies that will improve client communication, further increase the speed of their service, and provide a better and more convenient overall experience for customers, while training this technology to do the work of humans in half the time with double the accuracy.

With 75 percent of the millennial generation preferring SMS to phone calls, Jacaranda chose SMS messaging for its effectiveness, efficiency, and ability to drive a higher response rate from clients. However, SMS messaging with Jacaranda's previous provider proved unreliable, with messages getting lost or delayed. With just minutes of downtime costing thousands of dollars, Jacaranda turned to SMS Central, part of the MessageMedia Group, for a solution that would prove reliable and accommodate the growing scale of the business.

Jacaranda implemented SMS Central's API in April 2018, integrating a wide spectrum of features and modules. As a result, Jacaranda has completely automated its client outreach system as well as implemented real-time SMS authorisation.

The benefits of the new system are numerous.

Faster customer payments: Jacaranda has found that timely reminders are definitely the most effective way to increase the payment speed of those customers not on direct debit. In fact, Jacaranda has found that by using SMS to remind clients of payments, there has been a 66.6 percent increase in clients making on-time payments.

Faster message delivery: SMS Central's services provide faster delivery of messages and have enabled real-time SMS in order to deliver contracts and notices, and ask for additional documents to speed up loan processing.

Improved capacity: Jacaranda can send a larger amount of SMS messages, faster. The new system can handle the volume of messages distributed, which is up to 300,000 per month across the company's three entities.

Automation for better efficiency: As a fintech company, Jacaranda is heavily tech-based and aims to automate its processes as much as possible. By replacing manual processes throughout the company, including SMS scheduling and dispatch, the company has reduced spending on staff wages by 40 percent.

A better customer experience: Jacaranda Founder and CEO Daniel Wessels believes that text messaging has led to better communication with clients and an enhanced and more convenient overall customer experience.

"The demographic that we target – the millennials – has forced us to adapt to an entirely different way of doing business compared with traditional lending models. Our tech-centric lending platform has a core focus on people on both sides of the fence: the consumer and our loan operators. Our goal was to make communication as seamless and easy as possible. In most cases, our clients prefer communicating via text," says Wessels.

A high number of return customers (55 percent) clearly indicates customers' high level of satisfaction with their experience.

Higher customer response rate: Jacaranda confirmed text messaging has increased its customer response rate more than previous methods, such as email and phone calls. The company has experienced low open rates of emails but found that customers are more likely to open and read texts.

Improved accuracy: With the new system, all messages are delivered to the right clients at the right time. Automation has eradicated human error in both the message number and wording. Under the previous provider, inaccuracies frequently occurred, which reflected badly on the company.

Transparency of account spend: With three entities, Jacaranda has several accounts with dedicated outbound numbers and subaccounts to allow for inbound SMS. All accounts are easily managed from a single platform, which also offers a granular view of SMS spend across campaigns and departments. Clear insight into each account enables Jacaranda to easily track and manage its return on investment.

Cost-efficiency: "A large percentage of our communication is via automated text messaging which allows us to keep overheads low while delivering a service that our clients want to use. The cherry on the cake was the competitive pricing. These days, every cent counts," says Wessels.

Working with the team at SMS Central has been an extremely positive experience, adds Wessels:

"The team at SMS Central has been a dream to deal with. I was hesitant at first to make the switch. It's not as simple as flicking a switch in a large operation like ourselves. But a great deal of time and money was invested into integrating via API with SMS Central, so the API plugged seamlessly into our custom-built platform (Mimo). We had no downtime during the switchover and we have not had any in live operations. With speedy delivery, real-time SMS authorisation, powerful API and subaccount options, the whole SMS Central system works perfectly for Jacaranda and our everyday operations."

"I would recommend any business that communicates with their customers via SMS to speak to SMS Central."

There are plans for Jacaranda to implement SMS Central's automated payment, called MessagePay:

"Jacaranda is excited about MessagePay, the automated payments system that is coming to the market," says Wessels.

"Adding this feature to our automated message services will offer an extra level of convenience for our clients which should also help to increase the collection of due and late payments."