

DIGITALLY YOURS

Artificial Intelligence, chatbots and new web platforms are at the heart of digital communications, but are customers engaged?

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DIGITAL communication is more important than ever within the collections and recoveries sector where customer engagement is at a premium. Whether you believe that technology has changed our habits or the other way around, the facts are compelling: 79 percent of adults in the UK now own a smartphone. We spend on average two hours and 34 minutes per day online. More than 70 percent of mobile connections are on 4G meaning we connect wherever and whenever we want.

Customer contact is no longer a matter of loading a dialler and spinning numbers, endlessly carpet bombing a mass of uninspiring plain text letters. To connect with customers today, businesses need to deliver an experience, not just a contact. This means delivering meaningful, engaging content that feels personal and, more importantly, solves a problem with as little customer effort as possible. Digital communications can satisfy all of these needs due to the flexibility of being able to create personal and dynamic content across multiple channels and devices.

Martin O'Donnell, Director of Debtstream, says that a consumer's desire to engage with a company hasn't changed, but the way they prefer to communicate has: "Writing letters and calling from home phones has become somewhat of a rarity, with consumers preferring instead to write an email or use social media channels to connect with a brand. Recent surveys suggest only one in ten customers use a phone to contact a company, therefore, businesses need to provide digital options if they want to engage with their customer base."

CONSUMER BEHAVIOURS

Martin Roseweir FCICM, Managing Director of AIC (UK), agrees, and says there are two very different reasons for the drive towards digital. First and foremost, it's the changing consumer behaviours: "Customers are used to getting things immediately and in the palm of their hands," he says. "They want to talk to you now but not actually speak to you and they want to make a payment without having to go through

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endless questions. They want to manage their accounts on their terms and when they want, including out of hours and at weekends."

David Sheridan FCICM, Operations Director at ARC Europe, has witnessed a rapid increase in digital engagement, and says it is coming at a time when he is seeing a decline in outbound dialling levels: "I personally believe that there is a general trend of people to not answer unknown calls, people prefer the 'professional' distance that digital channels can offer in dealing with organisations. These channels are also convenient to them, providing accessible service options that suit their schedule and this also means organisations benefit in not having to staff a 24/7 call centre to support their use. It's a substantial win/win."

The other really positive gain from digital engagement, David says, is the increased level of data and insight around customer engagement and their journey through the digital channels. This, he says, is something you cannot do with physical letters: "You don't know how many customers read the letters and you don't necessarily know how many customers call in as a result," he explains.

"It's a different story with digital channels. You can instantly understand channel experience across multiple measures, the read rate, the response rate, the drop rate, the payment rate – so many measures and you can also generate a huge amount of behavioural insight from your website with the power of Google Analytics. Collection firms should be paying close attention to online experiences outside of the sector to see how the best digital companies engage and promote better customer experiences. In short, this increased insight is helping us better understand our customer's preferences and allowing us to evolve and improve their experience with us."

NO PANACEA

Another who sees digital communications as enhancing the customer experience is **Eddie Nott**, Managing Director, Intrum UK, although he says that technology isn't a panacea: "While technology is an important part of our business – and we have introduced chatbots,

CONSUMER COLLECTIONS

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speech analytics, real-time surveys and online engagement options – we believe listening to customers is always the best way to connect with them and understand the barriers to engagement.”

This listening approach, Eddie says, includes ‘objective’ and ‘subjective’ methods: “Statistically significant data such as Investors in Customers surveys are invaluable in gauging the experience our customers have with us and areas we can improve,” he continues. “These surveys aren’t specific to the collections space so offer us a way of measuring our service against all business types.

“We also find that face-to-face customer focus groups elicit very detailed feedback that can be used to target specific segments and types of customers. For example, customers who were previously hard to engage share their views on how we can reassure others in the same circumstances. That qualitative information is analysed at a senior level and has a significant impact on the way we approach our business.”

In short, Eddie says, he sees technology as enhancing the service Intrum offers at a human level: “Speech analytics, chatbots and virtual assistance play a

role, but they are part of the picture of customer engagement, not the answer in themselves.”

Denise Crossley FCICM, Chief Executive of Lantern, agrees: “The truth is that every business uses technology in the hope of improving customer services and making communication easier,” she says. “Therefore, although it is important to use digital communications to engage with customers, what is more critical is to know if the communication is improving services, what to communicate and when to communicate as well as over which channel the communication should be sent in order to keep the customer engaged.”

FIRST TO MARKET

Steve Murray MCICM, CEO, Ardent Credit Services, has a very similar view: “Technology is of course important, but just because you ‘can’ do something doesn’t always mean you ‘should’. There has been a clamour within the collections industry to be first to market with certain digital communications tools, chatbots, Apps etc and that is understandable – indeed, Ardent has a well-advanced technology roadmap itself with significant

ongoing investment. Collections agencies need to be able to communicate with their customers using the appropriate channels, and that includes smartphones, tablets, and via the web. But not everyone owns a smartphone and not everyone has access to a computer.”

Steve also says that not every customer in debt is of an age where they feel comfortable interacting online; some still prefer to speak to an operator or even communicate by mail: “What is actually more important than any single communications channel or platform,” he says, “is having a range of different channels to address your different audience types and communicating with your customers in a way that makes them feel comfortable and protected. A successful customer engagement strategy will take all of these methods of communication into account, of which digital is just one.”

Peter Wallwork MCICM, Chief Executive of the Credit Services Association, agrees: “The vital importance of any communication between a customer and a debt collection agency is that it must be appropriate and proportionate,” he explains. “Whereas



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some customers will undoubtedly be more comfortable communicating online, others will not. Some may see it as an intrusion into their privacy; others that an online conversation is not to be trusted and presents some sort of risk. Some may not even possess a phone or a computer. One size rarely fits all and this is especially true in collections.

“What we don’t want to see happening is a customer being sent down a path they would not want to go down,” he continues. “Companies that only present their customers with a digital option may not be giving those customers the options desired by the Financial Conduct Authority.”

Notwithstanding Peter’s note of caution, most debt collection agencies have been actively pursuing new innovations and technology in the digital space.

RICH COMMUNICATIONS

Hoist Finance, for example, has claimed a ‘first’ in using Rich Communications Service (RCS) – a new messaging technology (replacing SMS on Android smart phones) that provides customers with a two-way conversational and transactional interaction with which to better manage their debt and their interaction with the agency.

Already popular in the retail sector, RCS is enabling Hoist Finance to better engage with its customers via automated chatbots to propose settlement offers, issue payment reminders, and other conversational communications using a channel with which many customers are becoming familiar and prefer to use.

Peter Mounsey, Hoist Finance’s Group Head of Digital, says the early adoption of RCS complements the company’s commitment to provide a full digital customer experience: “Services that were once only available through the call centre or self-service portal can now be delivered through RCS, giving customers the choice in how they wish to engage with us in a way that is most convenient to them,” he says.

“In the retail environment, customers take it for granted that they can interact in this way and they expect us to offer similar solutions. Furthermore, the ability for a customer to self-serve in both our portal and through our messaging channels leads to some customers engaging who would not normally do so. For many of our customers who have originated their loans in a digital environment we believe we need to maintain and further enhance that experience for them with our Digital by Default strategy.”

ARC Europe, meanwhile, has focused much of its attention in recent months on re-visiting its website: “We want to ensure our agents have the tools and systems to do their jobs easily and efficiently and that the communication methods we use with customers provides

them with the flexibility and options that they need to easily deal with the nudge to action we have issued,” says David Sheridan. “Our recent focus has been on our website where we have made a substantial investment to enable customers to manage their account online and we have enhanced a number of existing digital channels on the back of customer and staff feedback.

“Looking at the next 12 months, we are also planning to upgrade our communication platform that will bring all of our digital/telephony channels onto one platform that will help us deliver better efficiencies in managing customer contact regardless of channel.”

MULTI-CHANNEL

At AIC, Martin Roseweir says that over the last two years, the business has gained traction in both its Multi-channel and Digital capabilities and roadmap: “The implementation of our new dialler has allowed us to consolidate our voice, email and text messaging and Payment IVR into the one platform with Web chat and video calling on the roadmap,” he explains. “In addition, we have started our journey towards a ‘Virtual Collections Agent’, an online portal where customers can self-serve 24 hours a day and complete a journey to resolve their debt situation without what can be seen as a difficult step to picking up a phone to a stranger. We plan to allow the customer to engage with this medium and take the same journey as they would over the phone.”

Like ARC Europe, AIC has also spent time revisiting its website design and functionality: “Our customer facing website went under some upgrades a year or so ago and we are well on the way to stage two which is a total revamp of the site to improve even further the customer journey and the level of information that they can get online at their own pace and in their own time. Chatbots to answer their questions will be a key expectation as we move forward in its development.”

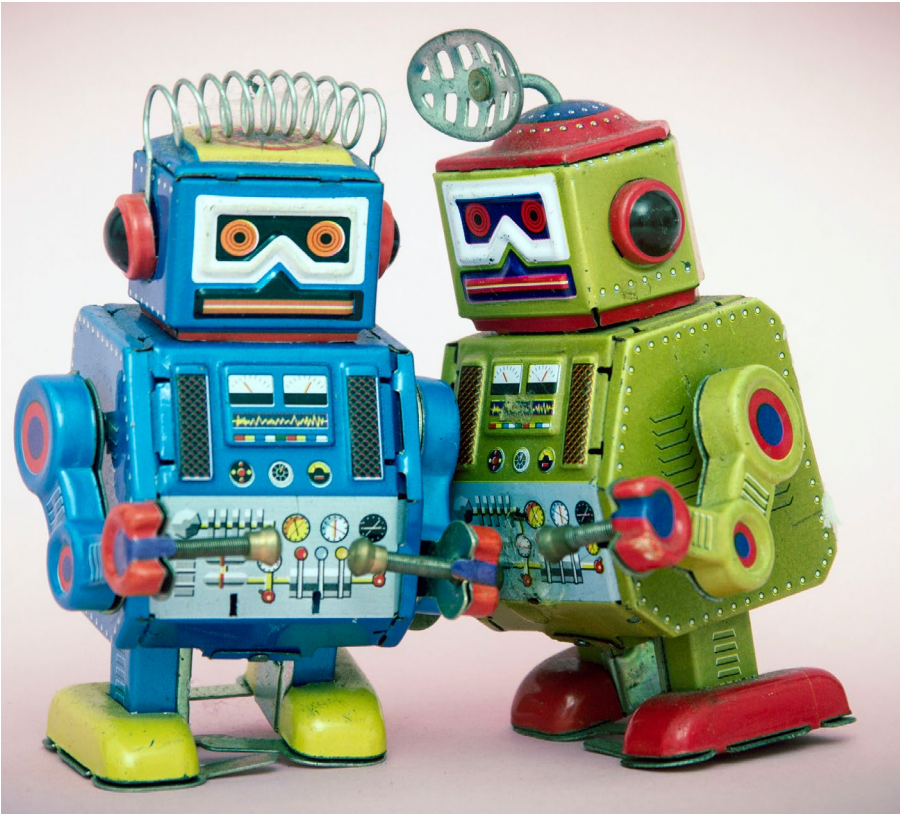
DebtStream has drawn upon the experience of its founders to bridge the gap that it says currently exists between digital communication and the debt recovery space: “Our experience has found that customers in financial difficulty have been reluctant to engage through the traditional call centre channels, therefore, we created DebtStream to deliver a digital experience that provides the same level of personalisation and support that a customer would normally expect when dealing with an agent,” Martin O’Donnell explains. “Through our portal every customer will receive a personalised and bespoke journey.”

The DebtStream portal has been designed to be fluid and highly configurable meaning that it can deliver highly personalised online experiences: “This level of flexibility also

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provides companies with the ability to deliver their business strategies directly to the customer, reacting to real time events or changes in customer behaviour,” Martin adds.

At Lantern, Denise Crossley and her team have also recently implemented a new IVR system which allows customers to pay direct over the phone without speaking to an agent: “Although this might sound like ‘old news’ to companies who implemented this technology as much as two decades ago, most organisations with an established IVR miss the opportunity to analyse customer engagement and behaviours,” she says. “By reviewing the change in customer behaviour when not dealing directly with agents it allows us to review the IVR journey for the customer, making it easier to use and more responsive.”

It is not just the IVR customer journey that Lantern is analysing however: “Throughout 2020 we will review all our channels allowing us to provide the best possible experience for our customers whether their preference is to be contacted via phone, webchat, SMS or email. This constant analysis will ensure all our channels will be simple and easy to use, providing the best possible customer journey and outcome. We are also introducing improved analytics to enhance quality and compliance in

our telephony channel. The richness of the data will enhance our customer proposition further and will improve colleague training.”

MEASURING SUCCESS

Measuring the success of digital communication and acting upon the findings is an interesting challenge, as is analysing the nature of engagement. Peter Mounsey of Hoist Finance says that an analysis of the content of Hoist’s inbound calls and existing two-way omni-channel interactions has highlighted that a significant percentage of its customer conversations are information-only requests: “It has therefore been a natural part of our Digital Strategy to find ways to automate this,” he explains. “This both provides a quick and efficient service to the customer, as well as allowing our agents time to be more focused on the more complex customer interaction and needs.”

Within the first month of being launched in the UK, the Hoist Finance chatbot helped customers complete enquiries in 65 percent of cases without requiring any agent intervention. “The chatbot provides the customer with answers to a range of questions including help on accessing and logging-on to the Hoist Finance self-serve portal,” Peter adds. “Any chats that cannot be

successfully handled are automatically routed to the appropriate agent during contact call centre operating hours.”

Martin Roseweir says AIC also closely monitors the engagement with customers across all of its platforms: “We monitor what web pages they visit, and whether they get stuck or fail to continue at certain points in the journey. We also track what medium the customers respond to from using unique identifiers for calls, text, emails and both manual and digital letters. This helps us drive the right communication method on each of our clients; it’s not an exact science but we have seen success where we measured the client engagement on one portfolio and it led us to completely change how we interacted with them, which drove increased performance.”

So how does Martin reach those who seem the most reluctant to engage? “By trying different channels, and measuring what works,” he says. “Gone are the days where the customers who didn’t answer the phone or respond to a letter (if they even opened it) fell into a black hole of a cycle of dialler calls and letters through the door. An email or text now allows them to choose when they respond and how they respond. Giving them as many options to allow them to choose how we communicate is for me the best way to engage customers that may not want those traditional methods. You can’t drive people to digital that don’t want to go there. You have to give them a choice and let them decide. Ultimately, on their terms, customers will engage more and stay engaged.”

RELUCTANT CUSTOMERS

By the very nature of the collections industry, says Martin O’Donnell, agencies are often dealing with customers who don’t want to engage through traditional contact channels: “We found that by providing customers with other digital contact options we experienced higher levels of engagement,” he says.

“Our experience has shown that the most powerful customer engagement comes from building trust between a business and their customers. Trust can be built by consistent and relevant ongoing interactions and messaging which should always have a clear purpose.”

Online analytics tools are an essential part of building an effective digital solution: “Measuring page to goal conversation rates, page stickiness metrics and failure metrics like inbound call volumes can all help to provide a valuable assessment of customer experience,” Martin continues. “Use of tools like

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hotjar allow us to see exactly how a customer interacts with our web portal, where they flow easily and any potential points of friction that need to be improved.”

Martin also believes customers have a base level of customer service expectation when they interact with any company: “When engaging with a customer within the collections and recoveries space it is even more important to make the interactions as easy and compelling as possible. We need to deliver an ease of engagement and seamless journeys that are aligned with the best products they deal with in their day-to-day life.”

ARC Europe has end-to-end management information and analytical tools that helps it understand customer navigation through their journey with the agency: “This helps us assess and target elements of the journey that for some reason have low take up for deeper assessment and testing,” says David Sheridan. “This insight can range from page load times on our website (are they too high?) to a recent email campaign and the response rate in great detail.

“We also complement the detailed channel level MI with Customer Survey data (Net Promoter Score approach) that targets feedback from all customers regardless of their experience with us to rate that experience and provide commentary. This broader insight enables us to keep abreast of the general experience of our customer base (good or bad) and helps us target any issues that can arise for a variety of reasons.”

PERSISTENT DRIVE

David says that this combined insight leads to a persistent drive to improve customer engagement levels: “Fine tweaking channel experiences bit by bit on their own doesn’t necessarily amount to huge increases in engagement levels, but overall they do contribute to improving the level of engagement. In our business we have seen a near doubling of customer engagement levels through digital channels in the past 12 months alone and it has not required a substantial increase in resources to support this increase.”

But is the collections industry learning lessons from other industries when it comes to customer service, or could it be said that other industries could learn from the agencies?

David Sheridan: “The Collections Industry, I believe, struggled initially to buy into the customer service mind-set and lagged behind the latest trends in customer service as it didn’t qualify itself as that type of sector. This has undoubtedly changed in recent years, helped greatly by the increased awareness within the industry of the powerful and supportive role that Collection Agents do day in, day out helping people understand their options

in dealing with debt and in many cases signposting customers to Debt Advice and other supportive organisations.

“Today the industry embraces Net Promoter Score, the commitment to meet the standards set by Investors in Customer assessments and has, I feel, bought into the need to meet service standards that customers expect to see in their daily transactions with other organisations. Consumers are more informed and they have high expectations so it is important that firms pay attention to what is going on outside the Collection bubble. Customer engagement habits are changing and paying attention to these is essential as what is a new norm in customer engagement habits with main stream service providers will be an expected norm from Collection firms! Firms who don’t have an eye to what’s going on outside their own sector are going to struggle to recognise and adapt their business to these new/emerging trends.”

Martin O’Donnell agrees that the industry was initially slow in coming forward: “The collections industry has historically been slow to adopt new technology and until recently didn’t focus too heavily on providing good customer service,” he says. “It is clear if you don’t make life easy for your customers, they won’t engage with you. That being said, the quicker and more efficient you make your journeys, the more value your customers will deliver.”

Customer service is important across all industries regardless of the product, Martin says: “Within the collections space we need to deliver the most compelling experience, better than any interactions the consumer has had before because we are selling the hardest product.”

Martin Roseweir agrees, and says AIC has been fortunate in being able to take learnings from the other clients it has in the customer service space: “For a number of years now we have grown our experience in customer service and other non-collection activities and used that experience to influence how we approach collection campaigns” he explains. “Whether that be in the customer interaction and how they want to engage or, in our non-voice communications that we see having a significant impact on customer behaviour, we are continually challenging our practices and evolving our strategies.”

Denise Crossley also concurs: “We have great ambitions in 2020 and in order for these to be realised we will need a single-minded approach to customer service and engagement. As an organisation we feel it is vital that all employees are given the support and training they need in order to unlock their potential and give them the tools to recognise ways of improving service, reducing risk and reducing costs.”