

ENGAGED TONE

Communication channels, and how we measure future success, are changing

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WITH 95 percent of the UK population owning a mobile device and the explosion of the app-based finance culture, most people now see self-service, smartphone solutions as a necessity. They demand a certain level of customer service alongside their digital conveniences, not least of all in the debt collection space. Today's customers want the online tools to be able to help themselves at a time that is convenient to them, they want to take control of their finances and they want the technology to support it. Historically the greatest obstacle businesses face when dealing with their indebted customers is engagement.

The collections and recoveries industry has traditionally lagged behind many other industry sectors when it comes to technology adoption and evolution. Customer behaviour and demands for engagement in this sector is creating a need for businesses to drive towards improving their technology.

The collections industry now needs to evolve to support the needs and wants of the customers that it serves. Customer behaviour and desire to interact has changed significantly and continues to change at a rapid pace. Not everyone wants to engage in the same way, some customers want to speak to a person and others want to complete all transactions online. For this reason, there will always be a need for agent interaction albeit this is becoming a much smaller demand.

EVOLVING LANGUAGE

Even the phrase 'digital' has evolved, and what we used to consider to be digital is already deemed standard practice today. A decade ago if a business had an IVR or IVM to take customer payments or direct a call, this was considered cutting edge 'digital' technology. Customers, however, often see these as antiquated and more of an annoyance than a good experience.

Digital technology is already beginning to deliver almost humanlike interactions, making smart decisions and delivering up bespoke content to consumers. The use of this technology, however, is often fragmented and used in pockets across customer journeys. We see examples of chatbots helping customers

to retrieve their balance, or details of a recent transaction but their scope is still relatively limited. The future of collections will see smartbots that can interact across the entire lifecycle of a customer account, answering, predicting and resolving all aspects of the customer query whilst also achieving the best outcome for the business. Customer journeys will need to combine all digital technology into one seamless journey; using smartbots to handle customer conversations whilst the web platform reacts to customer responses and business logic to serve up web content to provide a conversation like experience.

Trust, transparency and customer loyalty are not phrases readily associated with the collections industry, however they need to be. 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. Content needs to be tailored and meaningful, and engagement needs to be as fluid and personal as it would be with a human.

Through consistently meeting and exceeding customer expectations you can begin to grow customer loyalty. Customers that trust the companies they do business with will be more likely to engage and transact again in the future.

OPERATING COSTS

The need for digital is clear from a customer point of view, but what does that mean for businesses? Businesses will need to invest in the initial technology solutions and also support ongoing enhancements. This will provide increased automation and result in a significant reduction in operating costs. We will see collection call centres reduce in size and agents will handle more specialised customer conversations. The need for vast office space will become a thing of the past as the remaining digital support staff work remotely.

Over recent years the front-end experience for customers whether banking, utilities, or general online shopping has dramatically changed. We now see the incumbents across the banking industry being disrupted with new companies offering purely digital banking with no branches, and accounts being managed

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entirely from a mobile device. As digital adoption has gathered momentum across these traditional business sectors, we will see collections processes and engagement models emerge that follow a 'digital first' or 'digital only' approach.

Monzo and other challenger banks like Starling have launched consumer credit products, like overdrafts and loans. As they continue to help shape how customers are engaging in the lending space, when customers find themselves falling behind on payments, these new higher expectations need to carry through into collections journeys. This is why companies like Arrow from the debt purchase space, and Fintech businesses like DebtStream from the collections and recoveries digital software sector will continue to have a huge focus on UX to meet these consumer needs.

WORKING COLLABORATIVELY

Over the last 10 years we have seen the debt collection sector working much more collaboratively with a wider group of stakeholders. Government regulators, creditors and the debt advice sector have started to work together to balance the needs of customers alongside the needs of businesses. However, the industry still faces a huge reputational challenge.

In the past, a negative consumer experience could have been confined to a bad press article, but now could go viral across social media platforms in minutes. Managing social media will become a mainstay of collection strategies of the future therefore having key influencers

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on your side will be crucial. Old school contact strategies will be quickly replaced by ecommerce style marketing and social media experts.

BUSINESS CONTINUITY

The current impact from the Coronavirus is demonstrating how critical it is for companies to have a robust disaster recovery plan. Covid19 has already had an unprecedented effect on the world's workforce and poses a significant financial threat to businesses and consumers alike. It is crucial that companies can continue to operate and deliver their services, albeit in a changed operational model.

We have already seen that call centres are at a particular risk due to the very nature of the co-working environments they normally operate within. It's well known that digital products deliver business value due to the efficiencies they bring; however, they clearly also provide crucial disaster recovery options in times of crisis.

When we eventually emerge from the current Coronavirus restrictions, many companies will have found that they were more efficient and effective when operating under the disaster recovery model they were forced to implement. This may cause businesses to re-evaluate their normal day-to-day operating models, including flexible and remote working for much larger proportions of their people.

Importantly, as businesses introduce more remote working, this will require different ways to engage and support their people to ensure the feeling of teamwork is still a large focus.

COLLECTIONS MEASURES

We are all familiar with the common terms used to measure elements of operational and collection performance: dialler spin rate, right party contact rate, average speed of answer, abandon rate, roll rate, impairment rate and many more. These metrics, however, have already started to change.

As online engagement and ecommerce-style strategies emerge across collections, so will the metrics we use to measure performance. Bounce rate click through rate, goal progress, value per visit to name a few, will become terms and measures commonly used in the collections performance review meetings of the future. Simple measures of pounds through the door will not support the complex insights needed in the future.

In the era where data is king, every click, swipe, toggle and keystroke will be collected and utilised to build a detailed picture of each and every customer. Understanding and optimising each customer touch point and behavioural nuance will set the top collections businesses apart from the rest as we move into the future.

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