

A GUIDE TO ONLINE COLLECTIONS SYSTEMS

As consumers have come to expect 24-hour accessibility to your services, how do you go about providing it?

By Martin Smith

I HAVE spoken to many organisations about their use of online collections systems. Nowadays, they are easy to justify: we are among the most digitally engaged countries in the world, with around 67% of the UK population preferring to bank online; even more in younger demographics.

It is cost-effective too, delivering the collections income of many agents at a fraction of the cost, helping you reach and better understand those segments of customers who are currently out of reach.

Embracing the future

People increasingly engage with all kinds of services online. Gone is the expectation of dealing with an organisation face to face, or through a call centre, whose impenetrable touch-key menus and lengthy queue times have sometimes tarnished the reputations of the organisations they represent.

We see this new expectation in online shopping, where it is always disappointing to discover a retailer's website is a mere shop window.

We see it in the new payday lenders and established lenders alike: vast improvements in internet banking systems, delivering more self-service functions, money management tools, and instant lending agreements.

In short, people want the option to do their thing online and, for many, the personal touch is only needed when transactions get complicated.

Unsurprisingly, collections is no different. Younger debtors are frequently online, and engage more readily by digital contact methods. Just as the call centre was a revolutionary concept 20 years ago, so digital engagement is an increasing feature of the collections landscape.

Collecting round-the-clock

It works, too. No longer constrained by rigid opening hours, the debtor can engage with you around the clock, with more than 25% of online transactions occurring outside core hours.

Your inbound traffic falls as customers make the switch. Some will prefer the relative anonymity of a website or the

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instant availability of a phone app; because it is embarrassing or inconvenient to talk on the phone, or they simply do not want to face up to things. And with more payments and complex data capture handled online, this frees your phone lines and agents for chasing and persuading those harder-to-crack cases. It moves your agents up the value chain and increases your capacity to deal with the tougher cases.

Your site will also generate a stack of unique, useable data. So, by applying analytical techniques you can effectively optimise the experience and treatment of those coming to your site, encouraging repeat visits and future payments. You will probably find them returning more often, making larger repayments, settling their arrears sooner, and taking up much less resource.

Getting it right

Of course, building a system is not easy. You have got to get the repayment rules right, build a payment mechanism, integrate it with your existing function and communicate digitally with your online customers.

The site, and all associated communications, should enable and reinforce repayment promises and encourage an uplift in affordable repayments. Another essential is having a secure site which can uniquely identify your debtors. And for organisations whose main business is not in the nitty gritty of debt collection, such projects are difficult to get to the top of the IT development list.

Naturally, you do not want to create administrative burdens around transactions, or waste effort calling

customers who have already paid online. So, optimising a data strategy across channels and contact points is a key requirement, ensuring online customers can deal with real people when needed. Revised incentives and targets will encourage your agents to direct customers online and collect more from those remaining on traditional channels.

Getting it done

So how to do it? Well, you could of course build it yourself, or engage a supplier to help you. Those of us who have done it have definitely borne the scars, but can testify to the benefits and help you avoid the pitfalls. When seeking a supplier, make sure they can offer rich functionality and tailor the system to your needs; an off-the-shelf product may seem economical, but are you sacrificing effectiveness and control? **CCR-2**



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