

# 5 Biggest Collections Trends in 2021



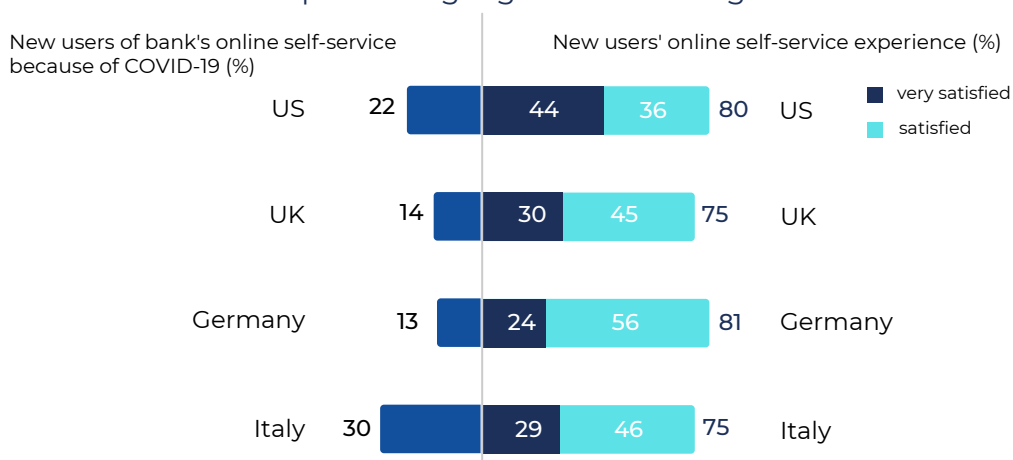
Collections is changing dramatically, with COVID-19 rapidly exacerbating numerous trends that were already beginning to emerge. It's crucial that collections departments move with the times.

## Trend 1. Customer self-service will be mandatory

The self-service revolution has been a few years in the making. Unsurprisingly, it's now beginning to have a profound impact on collections. Collections departments are realising they can be more productive by enabling customers to serve themselves—especially when it comes to low-complexity, high-volume tasks (such as making a repayment).

According to [BCG](#), the use of self-service channels has increased by 20% since the pandemic began—and this trend looks set to continue moving forward. For example, in the time of COVID-19, 13% of customers in Germany had registered for their bank's online self-service and a majority (80%) of them have reported positive feedback. This self-service trend has also shown its popularity in the US, UK, and Italy.

### The lockdown is promoting higher levels of digital self-service



Source: BCG Omnia retail-banking consumer survey, March 25 to April 2, 2020 (n=2,507). Percentages are matched and weighted to each country's general population aged 18 and older. (<https://www.bcg.com/publications/2020/redefining-customer-service-for-the-future>)

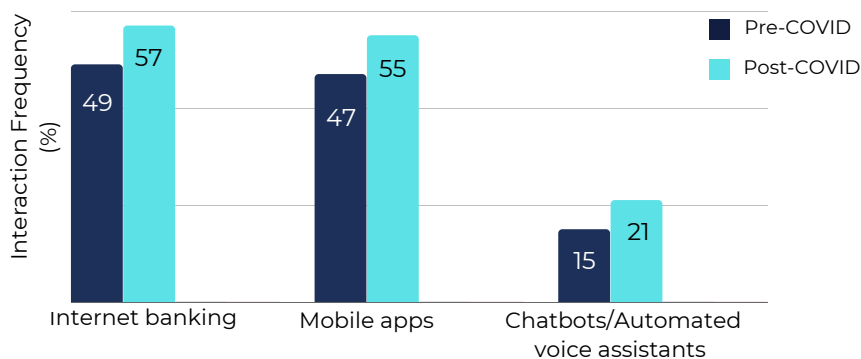
### How to take advantage of this trend

- 1 Identify high-volume, low-complexity, and time-consuming tasks. Do customers really need to speak to a person, or is there another alternative available?
- 2 Build self-service portals that'll help customers rectify these issues themselves (such as repayment landing pages).
- 3 Ask for regular customer feedback, implementing their ideas to create as frictionless an experience as possible.

## Trend 2. Changing consumer behaviour will accelerate digitisation

According to [McKinsey](#) research, digital adoption throughout Europe consequently jumped from 81% to 95% during the pandemic, with [Capgemini](#) also demonstrating an upward trend of customers adopting digital channels.

Impact of COVID-19 on consumer behaviour changes:  
An increase in use of digital channels (%)



Source: Capgemini Research Institute, Consumer Behavior Survey, April 4-8, 2020 (n=11,281)  
[https://www.capgemini.com/wp-content/uploads/2020/05/COVID-19-and-the-financial-services-consumer\\_V5.pdf](https://www.capgemini.com/wp-content/uploads/2020/05/COVID-19-and-the-financial-services-consumer_V5.pdf)

This isn't to say that digital channels have only emerged as a result of COVID-19—though it has certainly sped up their adoption. Going forward, [70% of European consumers](#) expect to continue to use digital services as much, or even with the same frequency, as they currently do.

[Capgemini](#) research highlights that this sudden rise in digital adoption has been strongest amongst the older generations

### Digital Payments Rate

Age: 61-65

37%

Age: 66+

33%

This means that collections needs to become digital. If you aren't providing consumers with a digital method of managing, repaying, and querying their outstanding debt, then you're making it unnecessarily hard for past-due customers to pay you back.

### How to take advantage of this trend

- 1 If possible, put all your services on digital channels. Make it so that customers never have to call an agent if they don't want to.
- 2 Ensure that your digital channels are "elder-friendly". Provide clear instructions and make navigating your digital channels as intuitive as possible.
- 3 Target older consumers via digital channels too (instead of merely targeting younger segments).

## Trend 3. Increased focus on UX/UI by consumers and employees

Brand loyalty is increasingly rare these days, with 75% of consumers reporting that they've tried new brands since the beginning of the pandemic. There are a variety of reasons why consumers flit between brands. Chief amongst them, however, is the need for an appealing, frictionless, and enjoyable customer experience.

When it comes to collections, customer experience can make the difference between successfully recouping your debts and having to spend weeks chasing up past-due customers.



Having a poor UX/UI isn't just disappointing—it can also be highly damaging. Take Citibank, for example. An overly complex UI design meant that the bank accidentally sent out almost \$900 million to various creditors instead of the \$7.8 million that they meant to send.

### How to take advantage of this trend

- 1 Ask customers what they think of your digital offerings as things stand.
- 2 Implement their suggestions, tweaking your UX/UI where necessary.
- 3 Consider following well-established design methodologies to help guide you along the way, such as Design Thinking.

## Trend 4. Specialised applications of AI/ML

Artificial intelligence (AI) and machine learning (ML) instantly automate manual, data-heavy, routine work. With the heavy lifting (such as data analysis) automatically taken care of, agents can move onto more strategic, high-value work—making them the perfect addition to your collections process.

But that's not all. AI and ML can also produce accurate recovery chance predictions, send automated reminders to agents to aid ongoing case management, and can ensure that agents are complying with both regulations and with your organisation's overarching strategy.

If you're not using AI or ML in your collections process, you're missing out.

### How to take advantage of this trend

- 1 Map out your existing processes and identify areas that could be automated.
- 2 Implement an AI-based collections management software.
- 3 Leverage AI to analyse your customer data and provide next-level case management.

## Trend 5. The rising importance of software and integrations

We're increasingly living in a remote-first world. In fact, it's estimated that a third of all work in Europe could be completed entirely remotely even after COVID-19 is over. The collections process therefore needs to become digital-first—not just for customers, but for employees too.

It's therefore crucial that you work with a cloud-based collections management software that employees can access remotely. There's no need to pack employees into offices if they can be just as productive from home.

### How to take advantage of this trend

- 1 Pick a collections management software that is cloud-based and integrates well with other apps.
- 2 Provide initial employee training to get them up to speed and devise evergreen support guides in case they run into issues further down the line.

## Build a better collections future

The past year has seen increased debt throughout Europe, a growing reliance on digital channels, and the nascent of a remote-first era. Consumers have had to adapt their behaviour, with companies following suit in order to provide consumers with the level of experience that they've come to expect.

There has been plenty of flux, but one thing is for certain:

Collections departments that embrace these changes and constantly seek to reinvent what they do—making their processes more effective and enjoyable for consumers—will win going forward.

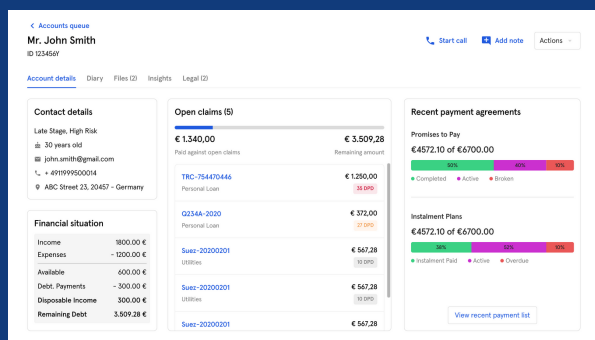


By keeping a handle on emerging debt collection trends to watch in 2021, you can begin building a better collections future. Ready to get started? Check out our [website](#) to learn more about receivee's future-proofed collections management software.

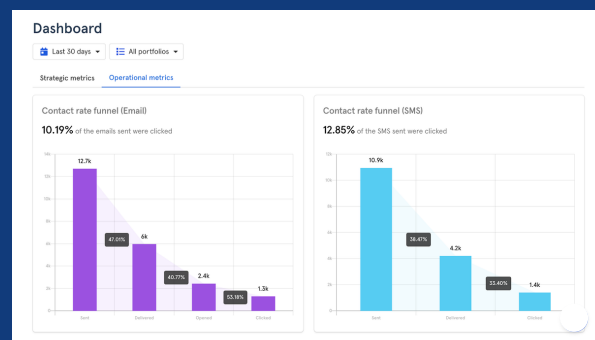
# About receeve

receeve is a fully customisable All-in-One Platform for Collections & Recovery. Fast to deploy, simple to manage and easy to customise and expand.

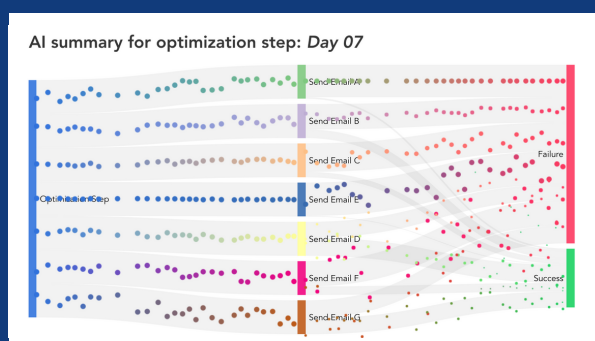
Important information is displayed for you to immediately grasp the context of the debtor during the conversation



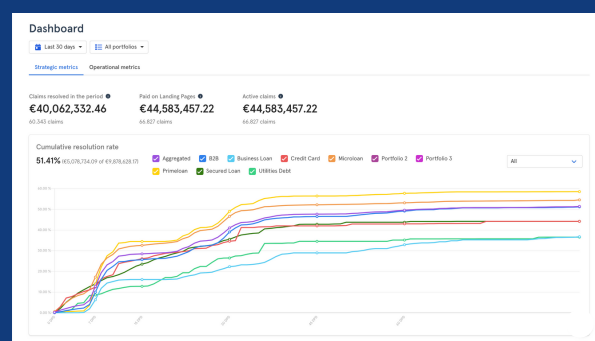
You can easily track customer behaviour via our insightful report and choose your best digital collections strategy



Our software analyses the effectiveness of each messaging and optimises the processes automatically



The performance of your collections rates are shown on the dashboard for you to optimise your approaches



If you want to learn more about leveraging AI to automate collections processes, improve cash flow and create a positive customer journey, [schedule a demo](#) with us today.