

Self-Service: The New Normal in Debt Collection



Self-service functionality empowers customers to solve issues themselves through dedicated software or platforms. Employees aren't needed at any step of the process. Companies like Netflix, PayPal, and Canva all operate under this same model.

Why self-service is especially important right now

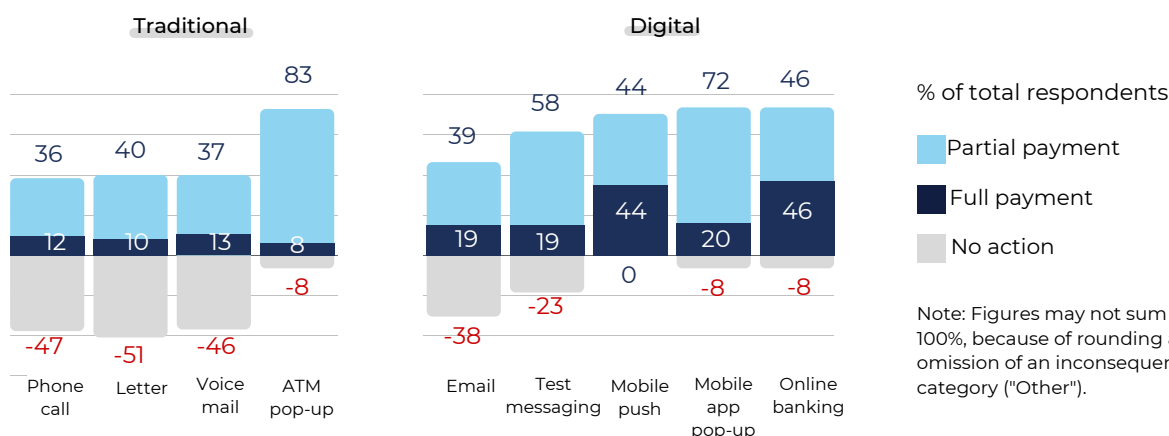
With the economic fallout of COVID-19 laid bare for all to see, there's understandably widespread anxiety surrounding people's personal finances. Whether consumers want to plan for the future or seek financial aid, it has never been more important for people to access quick and simple financial support.

However, many physical branches have closed their doors over the past year—either temporarily or for good. This means that customers are either forced to wait for hours on end to speak to increasingly busy call centre agents, or instead, they can simply serve themselves.

The evolution of customer behaviours

Today's customers prefer to be contacted and to act through digital channels. However, McKinsey reports that banks routinely use ineffective means to reach past-due customers.

Payment action, by last-contact channel, for accounts 30+ days past due



Source: McKinsey survey of credit-card customers at North American financial institutions, 2018

Customers want to feel empowered to manage their own time and not have to waste part of their working day repaying debts. The need to exert control or agency in life is a recognised psychological need. Ignoring a customer's need for agency can trigger "reactance", whereby they refuse to pay to assert control. This causes an unnecessary delay in settling accounts. Decisions are subject to biases and require you to understand this dynamic to create interventions and positive touch points to change this customer urge to react.

Benefits of self-service functionality

- **Internal: for employees**

Self-service functionality frees customer-facing employees from endless hand-holding. Customers can be directed towards self-service portals that guide them through the process of solving their issues themselves. This means that the customer support department will simultaneously become more productive, yet will require less manual effort from its employees.

The introduction of self-service functionality will also drive the development of a data-driven culture within your organisation.



Customer-facing employees will now focus on key metrics to highlight areas for improvement moving forward. For example, why are so many customers visiting your repayment landing page but so few repayments are actually coming through? How can this portal be further improved? By leveraging self-service solutions, employees are allowed to take care of other urgent projects and bring more value to your business.

- **External: for customers**

Gartner states that nearly 89% of companies are competing based on customer experience, with self-service functionality playing a key role in this.

Self-service functionality improves customer satisfaction, giving customers control over managing their own affairs. Instead of having to wait indefinitely in a call queue, users can simply log into their account on any device, from wherever they want, at a time that suits them and solve their issues themselves. This by and large leads to quicker resolution time—which unsurprisingly also improves the customer experience.

Needs for self-service

79 % of consumers now expect organisations to provide at least some level of self-service functionality.

Gartner suggests that “customer effort”—the ease with which a customer solves a particular problem—is 40% more accurate at predicting customer loyalty than customer satisfaction.

Self-service in collections

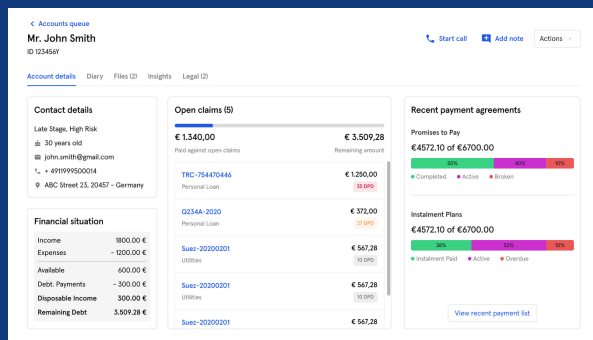
According to McKinsey, the benefits of self-service functionality are especially prominent in collections: “Online banking and virtual collections agents could increase payments and reduce costs for call centers, while improving customer satisfaction. Most customers prefer to engage through an impersonal channel: if alerted by email and text, they can then take action by themselves.”

Self-service functionality allows your employees to be more productive, reduces the cost per interaction, increases your customer satisfaction, and skyrockets your collections department’s ROI. If you’re not leveraging self-service functionality, you’re unnecessarily pouring money down the drain.

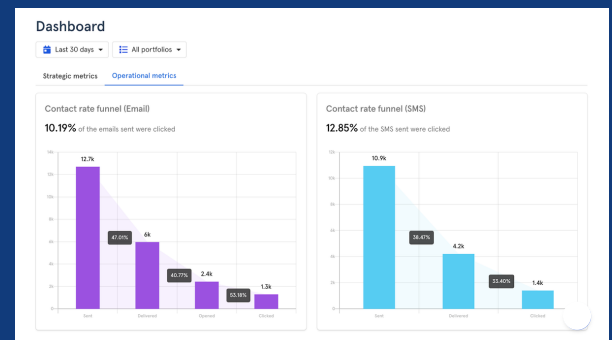
About receeve

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

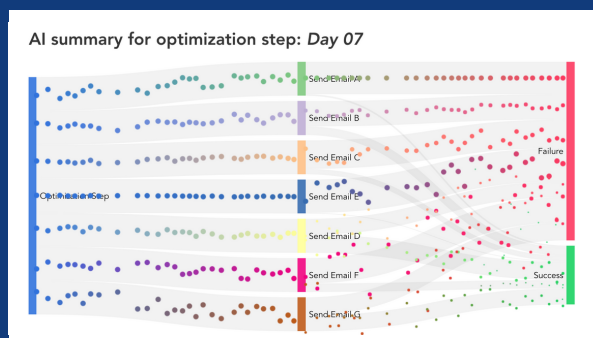
Important information is displayed for you to immediately grasp the context of the debtor during the conversation



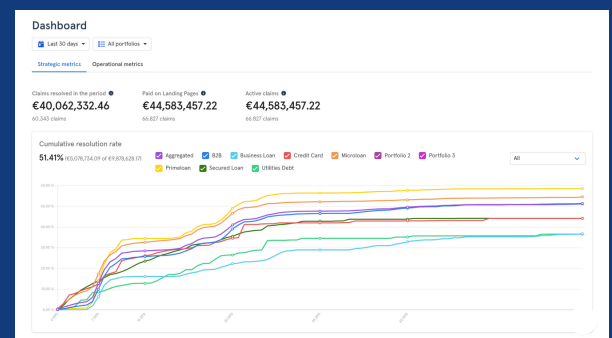
You can easily track customer behaviour via our insightful report and choose your best digital collections strategy



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.