

Collect more, spend less.

An ROI guide to collecting through digital channels.



It's well-known across today's largest collections organizations: You can't predictively dial your way to top dollars anymore

As a collections professional, your main objective is to collect as much money as you can through the least costly channels — or “collect more, spend less.”

The **predictive dialer**, once the industry's highest performing outbound collections tool, is quickly becoming a costly relic. Customers are hanging up in droves, and companies like yours are paying in both hard dollars and decreased customer satisfaction.

In response, many companies are switching to more modern and proactive multi-channel engagement strategies to get customers to pay. But what are the economic benefits? Is it worth the investment? And, how will customers react to it?

In this paper, we'll reveal the significant financial gains — from lower cost-per-contact to reduced first payment defaults and increased cure rates — that companies are achieving by creating more personalized contact strategies that **deliver the right message on the right channel at the right time**.



Predictive dialer

- Costly relic
- Decreased customer satisfaction
- Low Right Party Contact (RPC)



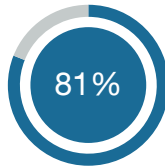
Proactive engagement

- Increased cure rates
- Lower cost per contact
- Reduced 1st payment defaults



Why the “dialer only” strategy is dying

First, some financial facts: Agent calls assisted by a predictive dialer typically cost between \$4 and \$7 per contact.¹ The cost to contact a customer using proactive engagement solutions instead? Just pennies, and as an added benefit, customers prefer it.



Of consumers today want intelligent technology options that allow them to interact with automated messages, not agents.



Prefer to be contacted through non-traditional channels like email, text messages, and mobile devices.

Predictive dialers simply don't deliver the multi-channel outreach customers crave (or will respond to).²

Why the big shift in customer preference? In part, because our attention spans are rapidly declining, dropping by 33 percent since the smartphone revolution began at the turn of the millennium.³ As a result, today's consumers depend on mobile devices to ensure they don't miss appointments, prescription refills, and bill payments — and they expect your outreach strategy to help them stay on top of their payment obligations to you.

In fact, 90 percent of consumers are more likely to do business with companies that send them reminders, according to Wakefield Research. And research shows that the most valuable reminders are critical, proactive notices like reminders to pay a bill or alerts when an account balance is getting low. It's another area where dialers simply can't deliver — while a proactive engagement strategy orchestrating the use of email, text, and smartphone push (and supplemented as needed with traditional channels like phone and mail) can.

1 Nuance Communications, May 2013 – Usage Study

2 The Remind Me Generation, Wakefield Research, 2016

3 “Humans have shorter attention span than goldfish, thanks to smartphones,” www.telegraph.co.uk, May 2015

Real-world results – the proof is in the \$\$\$

So what financial results are companies achieving when they replace or augment their predictive dialers with more sophisticated, intelligent, and personalized cross-channel collections outreach? Here are just a few examples.



Private label credit card servicer

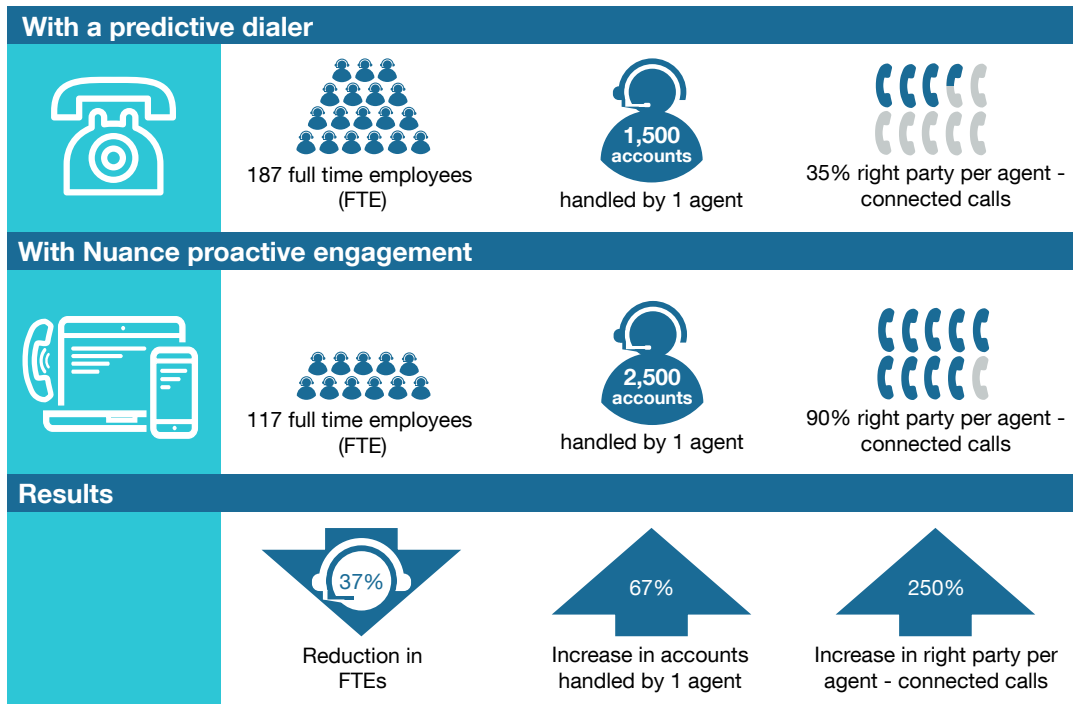
They're saving millions in cost per contact.

To start, we'll look at a leading servicing company for private label credit cards. This industry giant handles credit card collections for more than 1,000 retail brands, relying on a predictive dialing system for many years to improve collections productivity.

Yet as cardholders became increasingly mobile and digital, their dialer eventually stopped delivering — leading to two transformative initiatives designed to lower their cost to cure delinquent accounts, speed up collections efforts, and improve efficiency.

First, the company decided to supplement its largely phone-based collections efforts by adding text and email messaging to its outreach channels. Second, the company set a goal to lower its overall cost to collect by enabling customers to pay their past due accounts without requiring the assistance of a collector.

To tackle both goals, the company turned to Nuance proactive engagement solutions. Just a year after launching an integrated voice, email, and text outbound collections solution, they're enjoying \$2.8 million dollars in annual savings — requiring 37 percent fewer agents to successfully collect from an enormous portfolio of customers. Agents are now 67 percent more productive, and they've achieved a 19 percent increase in payments through lower-cost digital channels using Nuance solutions.





Public Service Electric and Gas Company (PSE&G)

Cured 188 percent more customers — with an impressive ROI.

PSE&G is New Jersey's oldest and largest publicly-owned utility. With more than 2 million customers, they're also one of the largest utility companies in the United States. With the cost of labor rising, the utility wanted a better way to reach more of their delinquent customers at a lower cost.

Nuance proactive engagement solutions allows them to send personalized, automated, and highly timely reminders and self-service payment options to customers whose accounts are past due — and the results for the utility have been dramatic. With a 6 to 9 percent monthly increase in payment rates, the utility is collecting an additional \$5.3 to \$6.6 million in revenue **each month** since implementing Nuance.

With so many customers now unreachable by phone, PSE&G hoped that digital channels like email would improve their contact and subsequent cure rates as well. By simply adding email alerts and reminders to their collections strategy, they were able to cure 188 percent more customers.

Other results have been equally impressive. Across the board, proactive engagement has improved their live-answer rate by 15 percent. They've enjoyed a 3.27 percent increase in the number of customers that self-serve, and a 34 percent lift in engagement. The investment is paying strong dividends for the PSE&G collections team, realizing a 4.5 percent monthly ROI.



Other enterprises achieving impressive results

With numbers like these, it's no surprise that collections teams are taking cues from their customer service counterparts, where proactive engagement has become an essential part of their strategy.



Bank of America

Bank of America uses a combination of text messaging and voice to improve overall contact rates in their fraud division by 12.1 percent.



Southwest Airlines

Southwest Airlines uses proactive reminders to reach thousands of customers in seconds when flights are delayed or canceled, reducing the number of calls transferred to an agent by 44 percent.



eHealth

eHealth added proactive messages and reminders which has resulted in a 94 percent cost savings per message, with 70 percent of customers choosing to receive text notifications.

Proof in numbers

Every day, organizations use Nuance proactive engagement to orchestrate voice, email and text interactions with customers—and boost the impact of collections treatments. Our experience has consistently reinforced the same lesson: Customer preference has undergone a swift, dramatic, and permanent change. Old contact and collections methods will continue to become even less effective—and the best way to protect your business from increased risk and reduced collections volume is to begin planning or expanding your multi-channel engagement strategy today.

Proactive engagement for collections from Nuance

\$10
Billion

Treated over \$10 billion in early, mid and late stage delinquencies.

2,000
Apps

More than 2,000 outreach applications created.

12
Billion

Handled over 12,000,000,000 customer interactions to date.

1 in 5
Reach

Reached 1 in 5 Americans at least once every year.

3 steps to collecting more and spending less at your company

1 Add digital channels to your collections strategy, cutting costs by 40 to 60 percent.

Remember, only one in three connections made by a predictive dialer result in a Right Party Contact — and agent calls assisted by a predictive dialer cost \$4 to \$7 per contact, versus just pennies using modern proactive engagement solutions.

While some creditors will replace their predictive dialers altogether, others may choose to augment their dialer by incorporating interactive voice and text messaging, email, and push notifications into their collections campaigns. Either way will achieve significant gains in collections results and customer satisfaction.

2 Incorporate customer preference and predictive analytics to engage customers in the right channel at the right time, improving self-service cures.

The most effective multi-channel collections solutions capture the outcomes of individual interactions as well as individual customer preferences (like their preferred channels, language preferences, and even the time of day they are most responsive) to deliver an optimized message mix.

3 Manage compliance through configurable rules that automatically keep you inside the guard rails you set.

A critical component of collecting more money and spending less is preventing costly fines or lawsuits for violating state and federal regulations.

Look for a proactive engagement platform that allows you to quickly respond to changing rules and policies without waiting for IT resources. And don't overlook the importance of being able to easily generate a detailed internal and external compliance audit trail. By simplifying and automating the compliance process, you save time and gain peace of mind.

Collect more, spend less...it is possible

Today, nearly 42 percent of Americans would prefer companies contact them via text message, including 59 percent of Millennials.⁴ And 93 percent of Americans prefer nontraditional methods of communication from the companies they do business with — including email, text, mobile app notifications, and social media interactions.⁵ Yet only 7 percent report being contacted via text by the brands they do business with,⁶ and a large percentage of collections divisions are still dependent on outdated predictive dialers.

That presents a huge but timely opportunity. By reallocating dollars from costly failing predictive dialers to more personal, proactive, and customer-pleasing digital collections strategies, you can enjoy dramatically lower costs, far fewer defaults, and improved cure rates with an almost immediate ROI — while substantially improving key customer satisfaction measures.

There's no question that the entire collections industry will follow suit. The biggest spoils, though, will go to the companies that get ahead of the adoption curve.

Ready to learn more? Contact one of our collections experts at collection-experts@nuance.com.

4 The Remind Me Generation, Wakefield Research, 2016

5 The Remind Me Generation, Wakefield Research, 2016

6 The Remind Me Generation, Wakefield Research, 2016



Resources to help you make the business case

ROI CALCULATOR

Collect more, spend less. Here's how.

See how Nuance proactive engagement for collections outperforms predictive dialers – at a fraction of the cost.

[Go to ROI calculator](#)

GUIDE

Improving Collections in the Age of the Digital Consumer

Discover how to improve collections in the digital age, and learn four “must-dos” for building customer loyalty.

[Download Now](#)

VIDEO

Automated Collections

See how proactive engagement, conversational text messaging, and personalization powered by Natural Language Understanding deliver an enhanced customer experience and higher cure rates.

[Conversational Text](#)

[Omni-Channel Engagement](#)

WHITE PAPER

Dialers Don't Do Digital: 4 Strategies to Modernize Outbound Customer Engagement

Find out why coordinated, multi-channel proactive engagement has become the preferred way to reach and engage customers.

[Download Now](#)



About Nuance Communications, Inc.

Nuance Enterprise is reinventing the relationship between enterprises and consumers through customer engagement solutions powered by artificial intelligence. We aim to be the market leading provider of intelligent self- and assisted-service solutions delivered to large enterprises around the world. These solutions are differentiated by speech, voice biometrics, virtual assistant, web chat and cognitive technologies; enabling cross-channel customer service for IVR, mobile and web, Inbound and Outbound; and magnified by the design and development skill of a global professional services team. We serve Fortune 2500 companies across the globe with a mix of direct and channel partner selling models.