Leveraging Modern Communication Strategies for Debt Collections

Challenge:

Consumer tolerance of electronic communication channels for debt recovery outreach has changed faster than regulations. Many consumers in the younger generations who end up on debt collectors' customer lists now *prefer* to receive communications via SMS, voicemail drops, email, or web portals.

Formulating a strategy to exploit the advantages of electronic communication channels, meet customers' needs, and comply with regulatory restrictions is achievable. Establishing processes and integrating technology are key components to a winning strategy.

Process

The keys to successfully staying compliant using methods other than traditional land-line phone calls or snail-mail letters are *permission* and *documentation*. Providing your customers with an opt-in method is preferred because it is self-directed and intentional.

Permission

Assuming you get the consumer on the phone using a land line, ask the question. Recording the call or sending approval requests electronically afterward will all serve as acceptable documentation. If a letter is successfully delivered, include a request to opt-in to acceptable alternative channels by phone or email. There are many ways to effectively approach a customer with options.

Implementation

Now you have permission to use texting, email, voicemail drops, or a virtual agent portal. The next step is to take maximum advantage of this opportunity. Is your software platform built with integrated modern communication channels, or does it accept third-party integrations with vendors that support them? Will your software communicate via API to update your records in real time? Fully leveraging these communication channels will be hampered by software not designed to support them.

What Next?

Do your due diligence. Ask hard questions. Reject options that lock you into branded proprietary platforms. These technologies are changing quickly. New players come into the market all the time, which may offer more attractive pricing strategies, security, and capabilities.

When you move forward with this process upgrade, educate your team on best practices. This efficiency upgrade requires a behavior change that will translate to higher revenues for everyone.