

Retail Banking Case Study



Client

Regional Bank

Challenge

- Meet list penetration goals and intensity levels with constrained resources. Improve upon dialer limitations while keeping costs in check.

Solution

Implement Varolii Interact to help manage collections for delinquent customers, enabling agents to focus on later stage accounts.

Results

- 50% reduction delinquency rate
- Reduced agent overtime
- No additional FTEs required after more than 1 year since deployment

Leading Regional Bank Improves Collections, Bottom Line, and Customer Experience

Reducing delinquent accounts and overcoming strained agent resources using Varolii's Billing, Payments, and Collections application.

This leading regional bank differentiates its products and services through superior local service and a quality customer experience. When it comes to collections, the bank found it challenging to achieve optimum results given constrained agent resources, a legacy collections system, and the limitations of a predictive dialer. Interactive customer communications proved to be the right direction for augmenting their collections strategy. By extending their brand and unique cultural attributes into customized, interactive communications, the bank achieved superior results, including a reduction in delinquency rates of over 50%.

Universal Challenges

LIMITED AGENT RESOURCES

Like all collections operations, the bank faced high turnover and inconsistency among its collections agents, resulting in an understaffed operation. This resulted in low list penetration, leading to higher roll rates – the bank felt it could do much better.

LEGACY COLLECTIONS SYSTEM

Treating each customer appropriately based on payment/delinquency history was challenging with a legacy collections system. Segmentation of customers was limited to dollar amounts and FICO scores while reporting posed a major challenge. The legacy collections system did not enable the degree of segmentation and reporting necessary to treat customers effectively.

"VIRTUAL DIALER" FALLS SHORT

Based on these resource and system challenges, the bank identified the ability to reach more customers effectively as a key component of improvement. Initially, they tried to leverage their existing automated dialer by building an in-house "virtual dialer." While the dialer satisfied some efficiency requirements, it did not prove effective as an automated collections agent. The dialer delivered a generic, non-customized message, which many customers simply ignored. Further, there was no way to manage the resulting inbound calls from messages left on answering machines. These inbound calls frequently overloaded the team.

Looking for a solution that combined increased efficiency and effectiveness, this leading regional bank turned to Varolii.

“With Varolii, we cut our delinquency rate in half, lowered overtime expenses, and haven’t had to hire more agents in more than a year – all while our collections portfolios have grown.”

SVP and Manager
Collections and Recoveries

Driving Results

The bank uses Varolii Interact for Collections to provide early reminders to its customers across loan portfolios. A personalized and friendly, but firm message is delivered specifying the number of days the payment is late and the amount past due. Customers are then given several options they can take immediately from within the notification: pay by check via Automated Clearing House (ACH) or transfer to an agent, promise to pay, indicate a payment has recently been sent or transfer to a customer service agent.

The bank’s collections team is more effective, able to focus on later stage delinquencies while treating all early stage accounts. They are able to increase intensity and achieve list penetration day in and day out. Delinquency rates, as a result, have dropped by more than half, from 6% to 2.9%. Labor costs have also improved: overtime expenses have reduced and the bank has not had to hire any additional FTEs.

A Better Customer Experience

The bank operates in a culturally diverse region that ranks 4th in the nation for foreign-born residents. The region also boasts a wide range of surnames uncommon in other areas of the country. Even the most advanced text-to-speech technology does not have the capability to pronounce these names correctly.

The bank identified over 600 complex customer surnames, which Varolii then recorded using local voice talent and added to its pre-recorded library (currently ranging in the tens of thousands of names). Varolii concatenates the surname with the first name to create a customized, fluid, and pleasant customer experience. Using natural-sounding pre-recorded names in conjunction with script tuning, the percentage of customers interacting with the communication jumped 42% since deployment.

Building on Success

The bank found that integrating Varolii into their existing collections process was fast, efficient, and cost-effective. Best of all, the impact on the bank’s IT resources were minimal. The SVP and Manager of Collections and Recoveries summed it up: “Bottom line, within several weeks Varolii adapted quickly and easily into our environment, leading to a rapid ROI and immediate results. As a result of their commitment, execution, and results, we are currently evaluating the use of Varolii beyond just collections.”



About Varolii

Varolii provides on-demand communication software and services that enable organizations to more effectively reach and interact with their customers and employees, getting the best result from every interaction. www.Varolii.com

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