



CASE STUDY

Industry: Finance**Activity:** Micro Loans**Seats:** 110**Country:** Australia,
New Zealand, Europe
(18 countries)**Challenges**

- ❖ Creating an efficient debt collection system
- ❖ Eliminate lost time spent by agents sending SMS manually
- ❖ Reaching customers who ignore phone calls

Solution

- ❖ Automated solution generating personalized SMS
- ❖ New automated processes
- ❖ Predictive dialling and one-click message sending

Results

- ❖ 65% growth in debt collection efficiency
- ❖ Substantial cost reduction
- ❖ Effective communication with customer ignoring calls

About us

VCC Live provides cloud-based call and contact center solution, supported by worldwide telecommunication services. Our comprehensive business solution is ideal for customer support, sales and debt collection multi-country operations. Know more: vcc.live/about-us

Improving debt collection effectiveness with an automated SMS

The Finland-based Ferratum Group, a pioneer in mobile micro loans in Europe, offers private short-term accommodation loans. Ferratum's customers can utilise digital media to apply for consumer loans in amounts varying from EUR 50 to EUR 2,000, with an average maturity of 33 days. Founded in 2005, the company offers its services in 24 countries, with offices in 18 countries. With more than 2 million registered users, the company's revenue for 2013 was 58 million euro. www.ferratumgroup.com

Challenges

In order to ensure the level of continuous profit demanded by a financial institution offering micro loans over the phone and internet, Ferratum Group began working with VCC Live because it needed to shorten the time for debt collection, and secure a continuous flow of debt repayment. To successfully operate its debt collection process, the company has to contact large number of customers over a short period, while also remaining cost effective.

Customers behind with their payments are contacted via phone by Ferratum agents, and reminded of their overdue debt. Reaching customers often fails for different reasons: they ignore calls from the number they recognise as Ferratum's, they aren't prepared for the conversation, or they are simply approached at the wrong time. Before starting to use VCC Live's SMS solution, failed contacts had been generating a substantial extra workload for Ferratum's contact centre agents, as the CRM system needed to be updated manually so it could generate and send automated informative SMS to customers.

Solution

Ferratum Group had already implemented VCC Live's solution for their incoming and outgoing contact centre activities because of its highquality cloud-based service. As a result of the outstanding success gained in these early phases, the solution had been implemented as a corporate standard in 18 of the countries in which Ferratum operates. As the trust towards the solution strengthened, Ferratum decided to integrate some of the other options VCC Live's multichannel solution has to offer, and enabled the SMS feature.

Contact centre agents now continue to contact debtors via phone, and after a call is terminated, the agent proceeds with sending an informative SMS to the customer as previously. However, with VCC Live's solution now integrated with Ferratum's already existing CRM systems, the subsequent SMS can be generated automatically and sent by the agent with a single click.

This enables Ferratum's contact centre agents to make contact with customers even if they do not reply to a call. Furthermore, VCC Live's solution enables agents to call debtors using the predictive dialler feature, which automatically generates and sends an SMS if a call is not answered.



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VCC Live's system and its integrated multichannel solution provides a profitgenerating communication-managing tool that addresses the challenges posed by customers in the 21st century.

With this multichannel solution, outstanding debts are collected faster, allowing them to be re-invested faster. Using VCC Live, Ferratum has been able to register impressive profit figures. The automated SMS sending option has saved the company money and time, while allowing debt collection efficiency to grow by an outstanding 65%. VCC Live's automated business processes have reduced Ferratum's costs, and agents have become more efficient than previously, reaching a larger number of customers in a shorter period of time. It is estimated that VCC Live's multichannel solution has saved Ferratum overall nearly 60,000 Euros in operation costs.

According to Forbes magazine, SMS is an efficient communication tool, reaching 95% of service users with phones. Business messages delivered by SMS have a strong call-to-action effect on customers.

They are an effective way of reinforcing information delivered to customers during phone conversations. They also help make it possible to contact customers who ignore phone calls or do not take notice of phone calls from service providers. SMS is a great communication tool, not only for debt collection but also in cases of contractual changes. A short message can contain all the necessary data for a smooth customer interaction, and allows for issues to be resolved whenever a customer is ready to proceed with the required steps. A customer can easily contact the department in question and provide all the data required for customer authentication from the readily-available SMS.

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