

Reducing roll rates in collections with digital and data

CASE STUDY

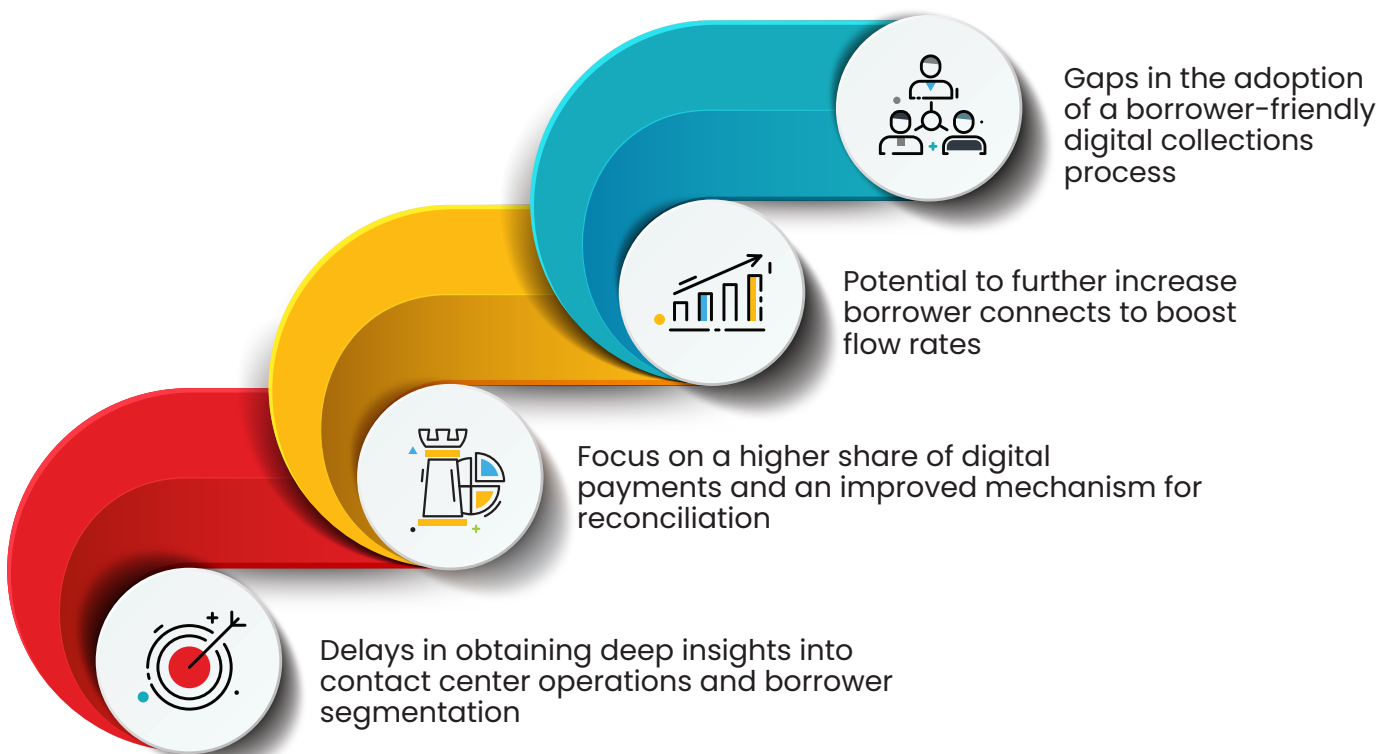


About the customer

The customer is a diversified Non-banking Finance Company (NBFC) with a whole suite of financial solutions tailored to the under-served customer in under-penetrated rural markets across India. With 1,000+ offices across the country and 8.4 million customer-base spread over 7,000 towns, the company has an AUM of over INR 810 billion. The customer has served as a positive change agent catering to the financial needs of millions in rural and semi-urban India. The company has thus pioneered several innovative financial solutions tailor-made to the earning patterns of the segment that it serves.

Need to fast track digital transformation in debt collections

The NBFC aimed to enhance borrower contact strategies and provide a seamless omnichannel experience for collections. There was a need to reinforce their ongoing digitization initiatives, ensuring the elimination of any gaps in campaign management and analysis that could potentially hinder effective borrower outreach. Additionally, the customer wanted to explore more communication channels to increase the reach, and further reduce the pool of unpaid customers and post-due recoveries.



Borrower outreach strategy optimized in less than 20 days

With Credgenics debt collections technology platform, the NBFC implemented a strategic and comprehensive outreach capability focusing on different cohorts. For improved borrower engagement, the lender adopted a well-rounded digital-focused agenda along with customized and secure payment links. Credgenics, the AI-powered collections platform, used its 3C framework—Connect, Contact, and Collect, to offer the right mix of omnichannel communications, language-based segmentation, and digital workflows for borrower reach-out. Credgenics debt collections platforms' completely automated, highly scalable, and digital communication workflows enabled a strategic and tailored outreach to borrowers.

The approach:



Targeted communications

- A personal contactability score based on the past behavior on digital channels tailored for individual borrowers
- Digital channel strategy implementation for pre-due and post-due cases based on deep analytical insights
- Borrower connects through WhatsApp, SMS, and DTMF IVR
- Varying channel intensity strategy based on response rates, for more borrower engaging experience



Tailored messaging and content strategy

- Extensive vernacular content strategy developed along with the customer team
- Contextualised messaging, communication frequency and intensity defined basis the borrower cohorts
- The omnichannel approach for an empathetic outreach
- Hyper-personalized campaign with a single source of truth on the Credgenics platform



Digitization across workflows

- Tailored links introduced to help borrowers make digital payments seamlessly
- Payment bifurcation made available across modes like digital and cash
- Access to history of interactions on allocated accounts on the CG Platform
- Dashboards and metrics for tracking and analyzing campaign performance



Business impact

40%

Reduction in
pre-due flow
rate

15%

Reduction in
post-due flow
rate

6%

Uptick in paid
rate over 3
months

3%

Flow rates
for a specific
cohort


The NBFC was able to streamline and digitize borrower communications, across the loan portfolio. The pre-due bounce rate decreased considerably to 3%. The NBFC achieved 3% flow rates for a targeted cohort, nearing the industry benchmark of 2%. Credgenics Collections Analytics, provided additional insights to further improve the outreach to the cohorts resulting in a 7% decrease in pre-due unpaid customers. Credgenics was able to efficiently segment the borrowers, recommend the best time to contact them and prioritize accounts, resulting in a 40% reduction in pre-due flow rate and 15% reduction in post-due flow rate.


- Enhanced experience with self-service and phygital/assisted solutions
- Increased penetration into borrower base with WhatsApp, IVR, and SMS
- Decreased bounce rates with targeted nudges and strategy optimization
- Reduced the losses on account of the forward roll by better customer risk-profiling
- Proactive and personalized outreach efforts and customer needs-based payment recommendations
- 5% decrease in cash-paying borrowers and a 3% increase in borrowers paying digitally

About us

Credgenics is the leading provider of Loan Collections and Debt Resolution technology solutions to Banks, Non-banking finance companies, FinTechs, and ARCs worldwide. The SaaS-based platform offers multiple modules around digital collections, multi-channel communications, calling, dialers, litigation management, digital payments, mobile-based field collections, dashboard, and analytics. Credgenics reduces the time and cost to collect, increases the collections rate, brings down the NPAs, improves operational efficiencies, and transforms the borrowers' experiences.

Contact Us

 sales@credgenics.com

 Noida, Delhi, Mumbai, Jakarta



www.credgenics.com