

Delinquency management done right —

Action plan for utility & telecom service providers

A LOOK AT THE ECONOMIC LANDSCAPE



Over the past five years, U.S. residential **electricity prices** have risen by **25%**.¹



The average renter spends **38.6%** of their income on **rent**.²



36% of consumers feel **financially worse off** than they did one-year ago.³

In today's economic environment, managing overdue accounts has become **increasingly complex**. With core inflation remaining high and energy costs volatile,⁴ many consumers struggle to stay current on their bills. Experian data shows that individuals with incomes **under \$50,000** are especially vulnerable to missed payments over the next three months.⁵

These trends underscore the need for service providers to monitor consumer debt levels closely and extend **targeted support to the most vulnerable**. Refining account management processes can boost operational efficiency, enhance customer satisfaction, and drive favorable financial outcomes.

Here are four strategic actions to help you navigate these challenges and enhance your collection efforts:

1 Successfully prioritize & implement a data-driven strategy

The customer lifecycle is a dynamic journey that often reflects significant shifts in personal and financial circumstances. By leveraging **diverse data sources**, service providers can gain real-time insights to quickly identify customers experiencing financial stress or instability. Understanding these changes—employment updates, credit inquiries, opening new accounts, or successfully settling debts—**can improve payment collection efforts and customer satisfaction**.

Regularly reassessing and adjusting your collection priorities is essential to keeping strategies agile, effective, and aligned with economic shifts, customer behavior, and regulatory requirements. This proactive approach ensures that your strategies remain agile and responsive, **ultimately leading to greater profitability** in today's ever-evolving economic landscape.

PriorityScore for CollectionsSM

Leverage industry-specific scoring models to segment and **prioritize accounts based on cost, effort, and impact** by knowing expected payment amounts and probability of payment from consumers with the capacity to pay.

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2 Ensure accurate contact data

Maintaining correct contact information is **crucial for effective communication**. Outdated or incorrect contact details can lead to inefficiencies and frustration for providers and customers. With access to comprehensive data and skip-tracing tools, you can ensure that you have the correct contact information and that your outreach efforts are directed toward **the right individuals**.

Numerous contact management solutions are available to help verify and update contact information effectively. These include address validation, email verification, and phone ownership validation. Additionally, **skip-tracing tools can provide real-time alerts when a client's contact information changes**.

Prioritize keeping your records current by regularly encouraging customers to update their contact information through emails, phone calls, or face-to-face interactions. This will ensure seamless communication and that essential updates are always noticed, **ultimately enhancing customer satisfaction and loyalty**.

Phone Number IDTM

Validate phone ownership and phone types with **5,000+ local exchange carriers in real-time** to minimize regulator violations while **increasing right-party contact (RPC) rates**.

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3 Leverage technology for efficient operations

Incorporating analytics and machine learning models can optimize your debt collection processes and introduce a level of automation that was **previously unattainable**. These cutting-edge technologies can **accurately predict debtor behavior** and help you develop effective communication strategies and personalized collection experiences. Considering debtor behavior and preferences, a **customized contact strategy** dramatically increases the likelihood of successful debt recovery.

Moreover, by automating routine communications, your organization can free up valuable resources and **reduce the potential for human error**. This shift allows your team to focus more on complex customer needs and enhances the overall experience for your customers, ensuring they receive the attention and support they deserve. Embracing these technologies streamlines your operations and positions your service offerings as more **responsive and customer centered**.

Experian[®] Optimize

Maximize your business goals with optimization software that evaluates competing business goals, operational constraints, contact protocols, and individual customer needs and preferences and **calculates the impact of every possible decision**.

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4 Keep customer experience top of mind

Consider the service options offered to your customers. Tailoring interactions to meet their needs can **significantly increase satisfaction and recovery rates**. Chatbots and virtual assistants can streamline communication and improve efficiency without overburdening your staff. **Automated communications**, such as texts or emails linking to self-service portals, can be effective for clients who prefer to manage their interactions independently. Additionally, embracing modern payment methods, such as accepting digital wallet payments, can provide convenience for your clients.

It's crucial to allocate resources according to **client engagement** with your services. For customers who are not currently utilizing your services or are financially unable to do so, set their accounts aside and **monitor them for need or signs of increased engagement**. Look for indicators such as reaching out for assistance or showing interest in new offerings. When their situation changes, **offer personalized solutions** that align with their updated circumstances, ensuring you remain a valuable resource for them.

Choosing Experian[®] for your debt collection needs is an investment in premier analytics, advanced tools, and support. In today's fiercely competitive landscape, where efficiency and efficacy stand paramount, partnering with the right ally equipped with innovative solutions can dramatically transform your outcomes.

Want to learn more?

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¹ U.S. Energy Information Administration.

² Experian State of the U.S. Rental Housing Market Report, June 2024.

³ Experian Lending Conditions Chartbook, Q3 2024.

⁴ Experian State of the Economy Report, October 2024.

⁵ Experian Ascend Market Insights Dashboard, Federal Reserve Bank of New York, and Experian Economic Strategy Group.

