

Proactive Strategies for Using AI to Manage Consumer Complaints

Improve regulatory compliance and
deliver better business outcomes.



NICE

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The high-stakes of consumer complaints

Consumer complaints have high stakes for companies, particularly those in regulated industries such as financial services. Regulators rely on complaints to gauge how well an organization is fulfilling its obligation to customers. For organizations, the risk goes far beyond regulatory compliance, fines and reputational damage from any negative publicity that results.

Complaints affect the entire organization, from risk and compliance to customer service, marketing and more. In fact, complaints are a symptom of a product, process or skill-based issue and can directly impact customer retention, new business acquisition and operational costs.

For example, one leader in the independent wealth management sector began tracking and classifying complaints and found that, in their organization:

- 33%** of complaint calls had a highly negative sentiment score, which is a predictive indicator of customer satisfaction.
- 25%** of complaints that did not escalate properly led to a repeat call, which had an added cost as well as an impact on customer satisfaction.
- 16%** of customers on complaint calls also mentioned cancellations, indicating a risk of churn.

CONSUMER COMPLAINTS ARE BAD FOR BUSINESS.



Consumer Financial Protection Bureau Data Snapshot through 2020

Financial regulation compliance

In the financial services industry, which faces not only increased competitive threats but also evolving regulations that put complaint management practices under scrutiny, customer complaints have become a priority. For example, in the US, the Consumer Financial Protection Bureau (CFPB) has established a centralized web portal where consumers can access complaint data or report complaints directly to the Bureau on anything related to a credit card, loans, and more. The complaint is then forwarded to the organization for a response, which typically needs to happen in 15 days. The CFPB also requires that organizations track, report and show resolution on complaints. Fines can be issued to any organization that is not accurately capturing and addressing consumer complaints.

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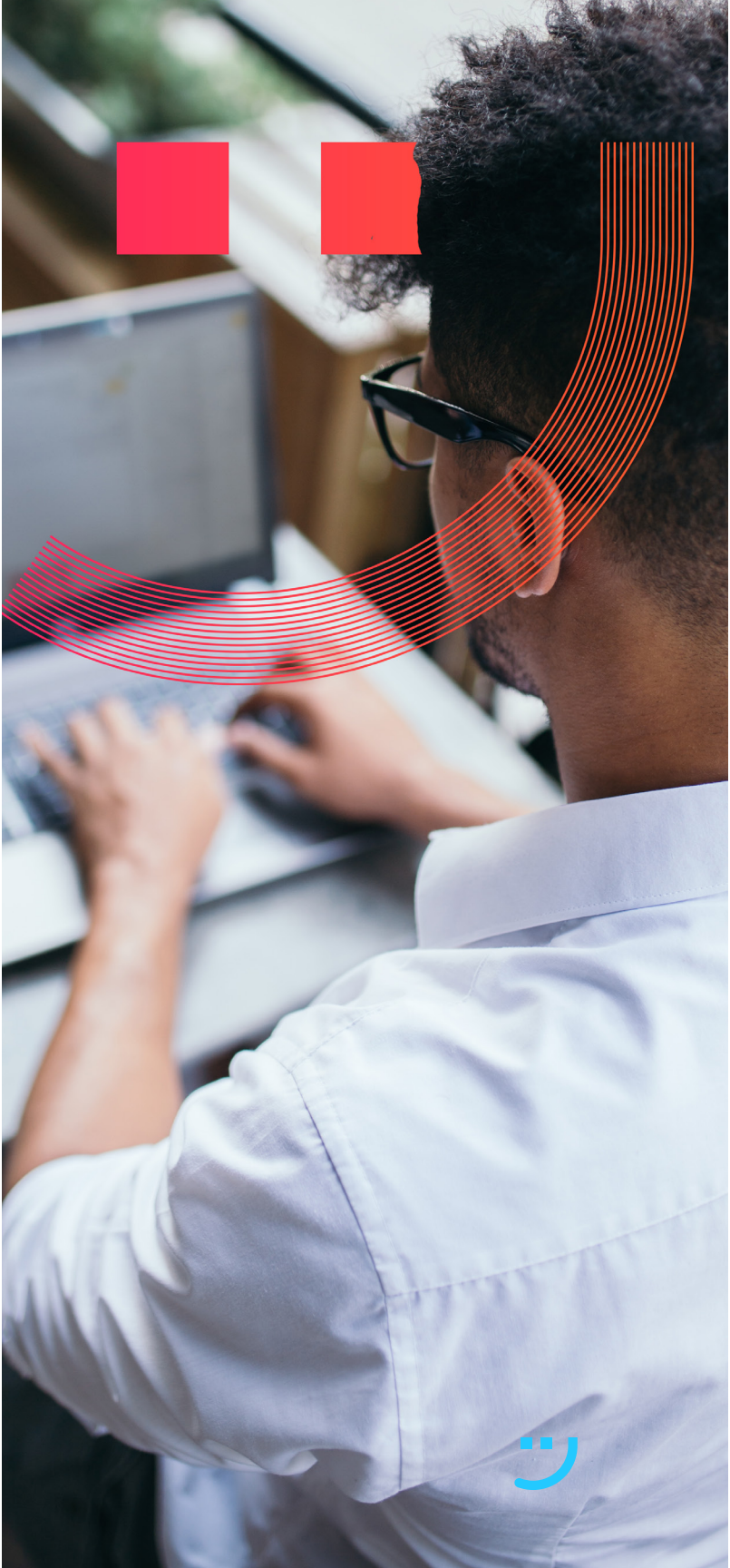
A complaint is an expression of dissatisfaction—orally or in writing—about the provision of, or failure to provide, a service. This broad definition can make it difficult for organizations to define complaints and implement best practices.

Many organizations have complaint management processes and procedures that are reactive which are not adequate for meeting today’s regulatory requirements. They are expected to proactively identify, classify, report and remediate complaints. Even complaints that are resolved during an interaction must be tracked and reported.

Organizations are facing the following challenges:

- **Reliably counting complaints**
Entrusting an agent to log complaints can be problematic because they need to be adept at distinguishing between a complaint, an inquiry and feedback or the agent is required to self-report a complaint the customer has with their service, creating a conflict.
- **Documenting and reporting on complaints**
An audit trail is needed for documenting the complaint resolution as well as the ability to monitor ongoing trends.

- **Classifying complaints consistently**
When agents are charged with classifying the true reason for a complaint, the process is subjective and error-prone which makes it difficult to determine the root cause. Consider, for example, a customer who calls in with a complaint about two related topics—a billing error and no notice. It can be hard for an agent to determine which is the primary reason and which is the subcategory.
- **Handling complaints efficiently**
It can take a significant amount of time for agents to log complaints properly—the cost associated with adding just a few seconds to after-call work add up quickly.
- **Escalating high-risk or sensitive complaints**
A common gap in a complaint handling process is the ability to address any serious, high priority issue efficiently. It is important for organizations to be able to respond quickly to customers and adapt their processes or procedures to prevent future complaints.
- **Understanding the organizational impact**
Contact centers need to understand the complaint drivers and how they are negatively impacting the customer experience and other aspects of the business. Once they address the root cause, it is important to able to track and measure the impact of actions taken.
- **Tracking follow-up**
The effectiveness of a complaint management system hinges on being able to ensure that complaints are remediated.



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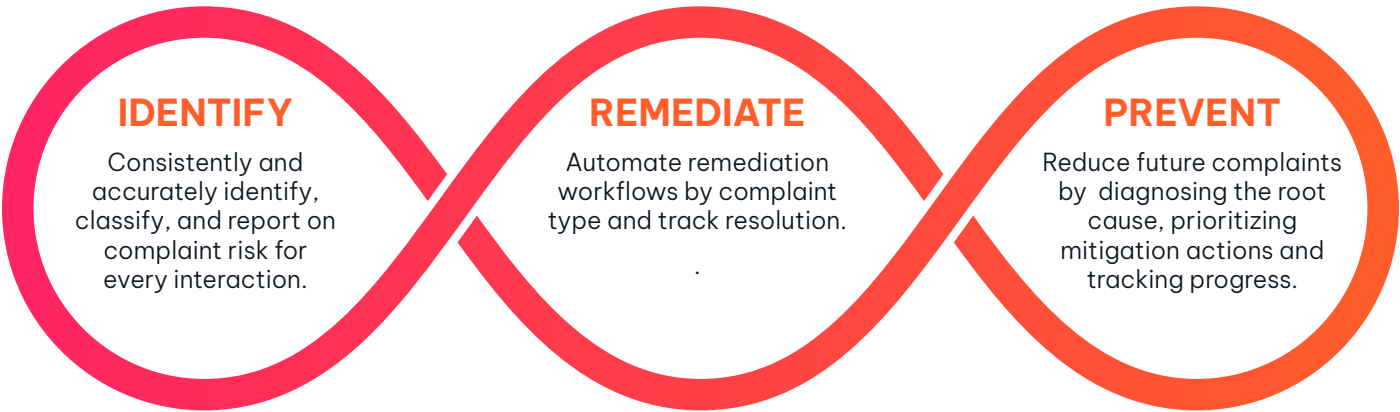
Enlighten AI for Complaint Management

Efficient, proactive complaint management

Artificial Intelligence (AI) and analytics technology can efficiently automate complaint identification and classification and operationalize the remediation process, demonstrating compliance to regulators. It does this by using models that have been trained and tuned specifically to analyze interactions for consumer complaints for regulatory markets. For these models to be accurate, they need to use a large quantity of training data that is specific to the industry complaint data, along with the data science expertise.

Enlighten AI for Complaint Management uses AI and machine learning derived from more than 20 years of research and development and industry experience as well as the most comprehensive and expansive interaction dataset in the world. It uses purpose-built AI models to consistently and accurately identify and classify every digital and voice interaction that contains a complaint as well as automate the remediation process.

SAVE MILLIONS IN POTENTIAL REGULATORY FINES AND REPUTATIONAL LOSS!



AI Driven Complaint Management system benefits:

-  Avoid significant fines
-  Mitigate potential reputational risk
-  Identify systemic product or process issues
-  Improve customer satisfaction



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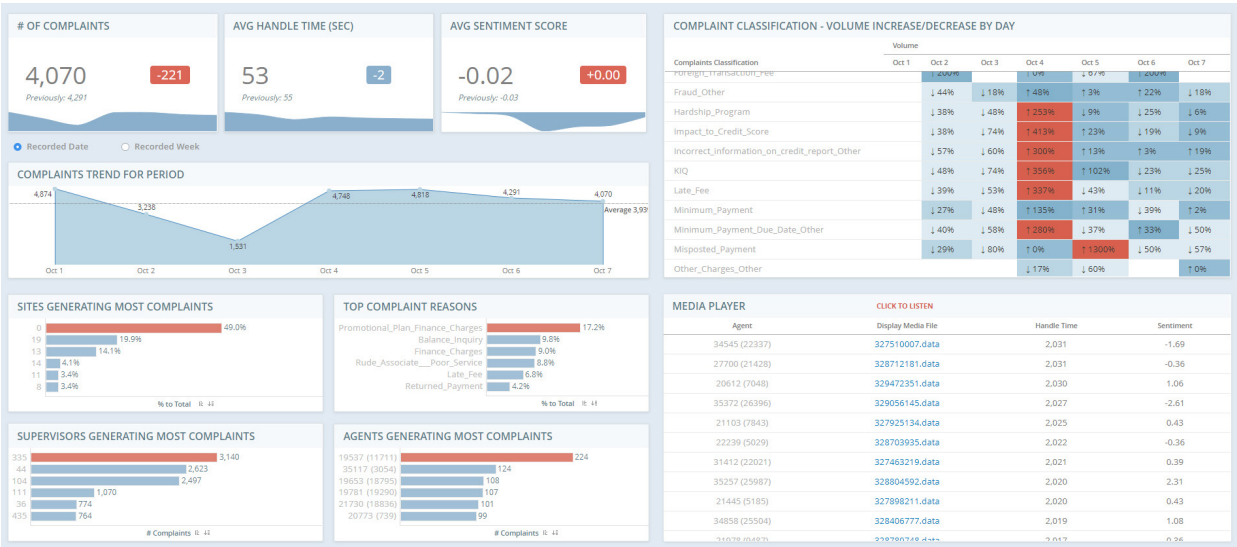
Enlighten AI’s fully automated and holistic approach accelerates and streamlines processes. The pre-built, out-of-the-box solution automatically identifies interactions that contain complaints as well as organizational data and scoring thresholds to meet specific requirements. It then automatically categorizes interactions into different complaint types to accurately quantify and understand the issues, assess risk and determine the operational impact.

Remediation workflows assign complaints for review which complaint teams can access via a personalized dashboard. A built-in complaint management audit trail documents and tracks complaint resolution and closure. The complaint and reports can also be exported for use by third-party compliance solutions. Finally, Enlighten AI for Complaint Management prevents future complaints with a dashboard that continuously monitors volumes and trends.

Enlighten AI for Complaint Management enables organizations to:

- **Report** on complaint volume, trends and drivers.
- **Provide** sample interactions for coaching opportunities.
- **Demonstrate** to regulators that actions have been taken and that the organization has a strong complaint management program in place—one that goes beyond merely capturing complaints.
- **Understand** the impact of complaints on the organization’s overall performance with automated reports for internal analysts. Because complaints impact other areas of the business, it is important for organizations to measure them as part of the contact center operational dashboard. Insights include which supervisors are handling the most complaints, where they are located, what the sentiment is during these interactions and the length of the call.

ROOT CAUSE ANALYSIS WITH COMPLAINT DETAIL



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Real-time guidance equals improved agent performance

“The system has saved us time, reduced costs, and improved customer satisfaction.”
– CX ANALYST

Complaints can be extended to a quality management program for coaching post-interaction as well as to provide real-time guidance. Consider, for example, a customer who is calling to complain about a late fee. With Real-Time Interaction Guidance, the agent is provided with the knowledge on how to de-escalate the complaint during the conversation.

Agents are provided with desktop prompts on how to:



Check the customer’s payment history to determine whether recent payments were made on time.



Show empathy by being prompted to say, “I understand your frustration about the late fee.”



Take ownership with prompts such as, “Let me look into this for you.”



Take immediate action to waive the fee which not only improves the customer experience but also remediates the complaint in the moment.

Real-world use case:

A credit card issuer that was facing reputational and regulatory risks due to customer complaints was using agents to manually identify and categorize complaints. They found a significant amount of inconsistencies with this approach, leading to inconclusive results around the complaint impact on the business. Additionally, capturing and classifying a single complaint took agents an additional 25 seconds in post-call work, which is a significant cost on scale of millions of telephone interactions each year. The organization turned to Enlighten AI for Complaint Management for help.

After launching the solution, the credit card issuer was able to:

- Increase complaint identification accuracy from 70% to over 90%.
- Enhance root cause analysis to identify and improve processes.
- Reduce the time needed to manually identify and classify complaints by 25 seconds per call.



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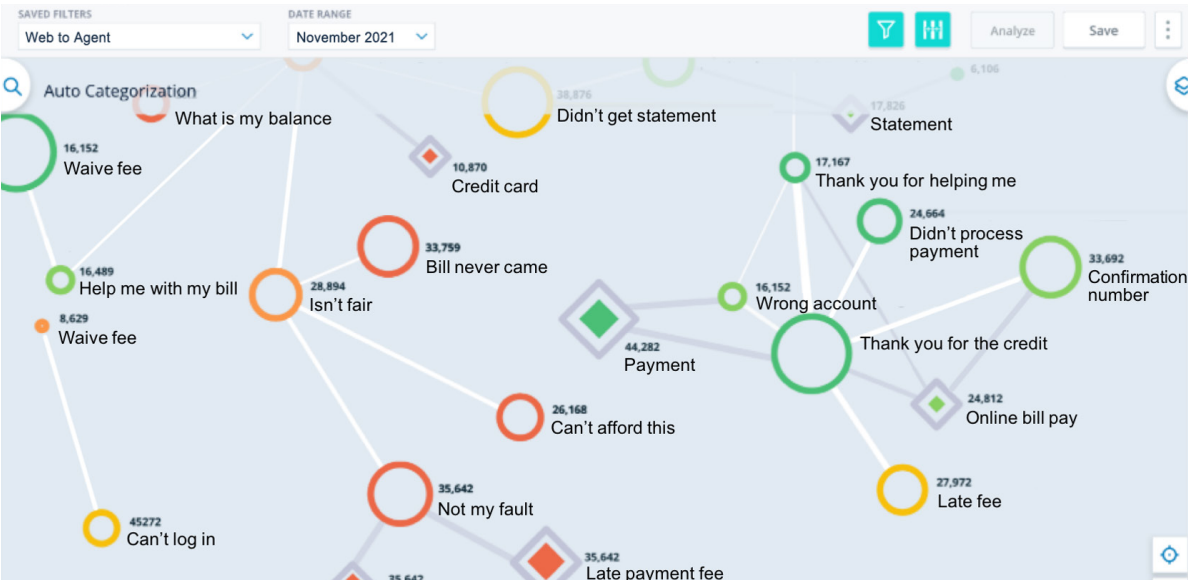
Turn complaints into an opportunity to strengthen CX

Prevent complaints from ever happening in the first place by incorporating complaint data into a single, comprehensive contact center interaction analytics program. NICE’s advanced analytics solution provides organizations with a holistic view of their performance across all channels including email, chat, SMS, voice and more, allowing them to proactively gain insights that impact the customer experience. It includes an integrated Business Intelligence (BI) visualization toolset for a deep analysis of customer and business relationships, eliminating the guesswork.

You can:

- **Analyze** complaints by customer, location, teams and more.
- **Correlate** complaints with negative sentiment, repeat contact, long calls, escalations and other business metrics.
- **Surface** unknowns as well as recurrent issues in your interaction data with early-warning systems.
- **Track** complaints across the customer lifecycle.

DISCOVER NEW COMPLAINTS AUTOMATICALLY



“From the moment of implementation, we saw how we’d achieve solid benefits from NICE’s Interactive Analytics solution with its actionable recommendations.”

– ANALYST



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“Automated remediation workflows and regulatory reporting remove the chaos from complaint management.”

– ANALYST LEADER

Enlighten AI for Complaint Management is built using an AI framework that is scalable, accurate and able to adapt easily as regulations change. The solution is delivered out-of-the-box and can be customized to an organization’s definition of a complaint—as well as remediation process. This helps mitigate financial risk, improve the customer experience and boost operational efficiencies.

THE RESULTS:

- Regulators have detailed, accurate, effortlessly produced reports.
- Analysts can uncover complaint drivers that negatively impact the business, using real-time contact center dashboard monitoring.
- Compliance teams and supervisors are automatically sent interactions for review with advanced workflows for remediation or targeted coaching.



Make experiences flow with Enlighten AI

Read more at nice.com/enlighten-ai >

About NICE

With NICE (Nasdaq: NICE), it's never been easier for organizations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics. Featuring the world's #1 cloud-native customer experience platform, CXone, NICE is a worldwide leader in AI-powered contact center software. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, partner with NICE to transform – and elevate – every customer interaction.

www.nice.com



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