

6 Factors that Affect Right Party Contact Rates

Right party contacts (RPCs) have a direct correlation to dollars collected, however, RPC rates do tend to vary from portfolio to portfolio. While there are many things that can impact RPC rates, here are 6 factors to consider when evaluating your data:

1 Number of Call Attempts

Consider the number of times you dial your phone numbers. If you only dial a phone number one time, it is likely you will not achieve many right party contacts (RPC).

Tip: LocateSmarter evaluated data from multiple clients, portfolios and vendors and found that to achieve 90% of your RPCs, you should dial your phone numbers at least 11 times before exhausting the number.

2 Phone Type

Cell phones consistently convert to RPCs faster than landlines. In fact, in a recent study, LocateSmarter found that cell phones answered 130% more often than landlines and cell phones took nearly a third of the dialing attempts to achieve an RPC.

Tip: If you have the capacity to dial cell phones in compliance with the Telephone Consumer Protection Act, you may want to focus more on cell phones and less on landlines.

3 Quality / Completeness of Existing Data

Good data in, good data out. The more (correct) data you have on a consumer, the easier it is to match and get an RPC. For instance, utility companies usually have higher quality data since the address on the account is used to receive the service. On the other hand, municipality debt like parking fines and tollways tend to have lower RPC rates due to the limited identifying data they send for matching.

4 Age of Debt / Number of Times Previously Skip Traced

Generally, the older the debt, the lower the answer rate and the lower the RPC rate. Consider first party collections: maybe the consumer forgot to pay their bill, maybe your phone call or letter is the first they've heard of the debt. Whereas, with purchased or old debt, the consumer may be aware of the debt and is trying to avoid it with false wrong number claims or by not answering their phone. This type of behavior will reduce your right party contact rates.

5 Consequences of Non-Payment

When there are multiple bills to pay and limited income, the consumer may assess the impact of non-payment. Therefore, expenses like utilities (electricity, phone bill, etc.) may be paid prior to credit card debt since turning off a household's phone or electricity may be more detrimental than not being able to use a credit card for a retail store. This logic also affects the likelihood of the consumer answering the phone.

6 Balance of Debt

The balance of the debt can also play a factor in RPC rates. There are portfolios that generally have lower balances and therefore, the consumer may be more inclined to answer their phone and pay their debt. Whereas, debt types like student loans and medical debt may be ignored due to a high balance that feels impossible to pay off.

With so many factors affecting right party contact rates, it's important to consider your portfolio and the consumer characteristics. If you have questions about your RPC rate or tips to obtain more RPCs, contact Simplicity at 866-791-0224.