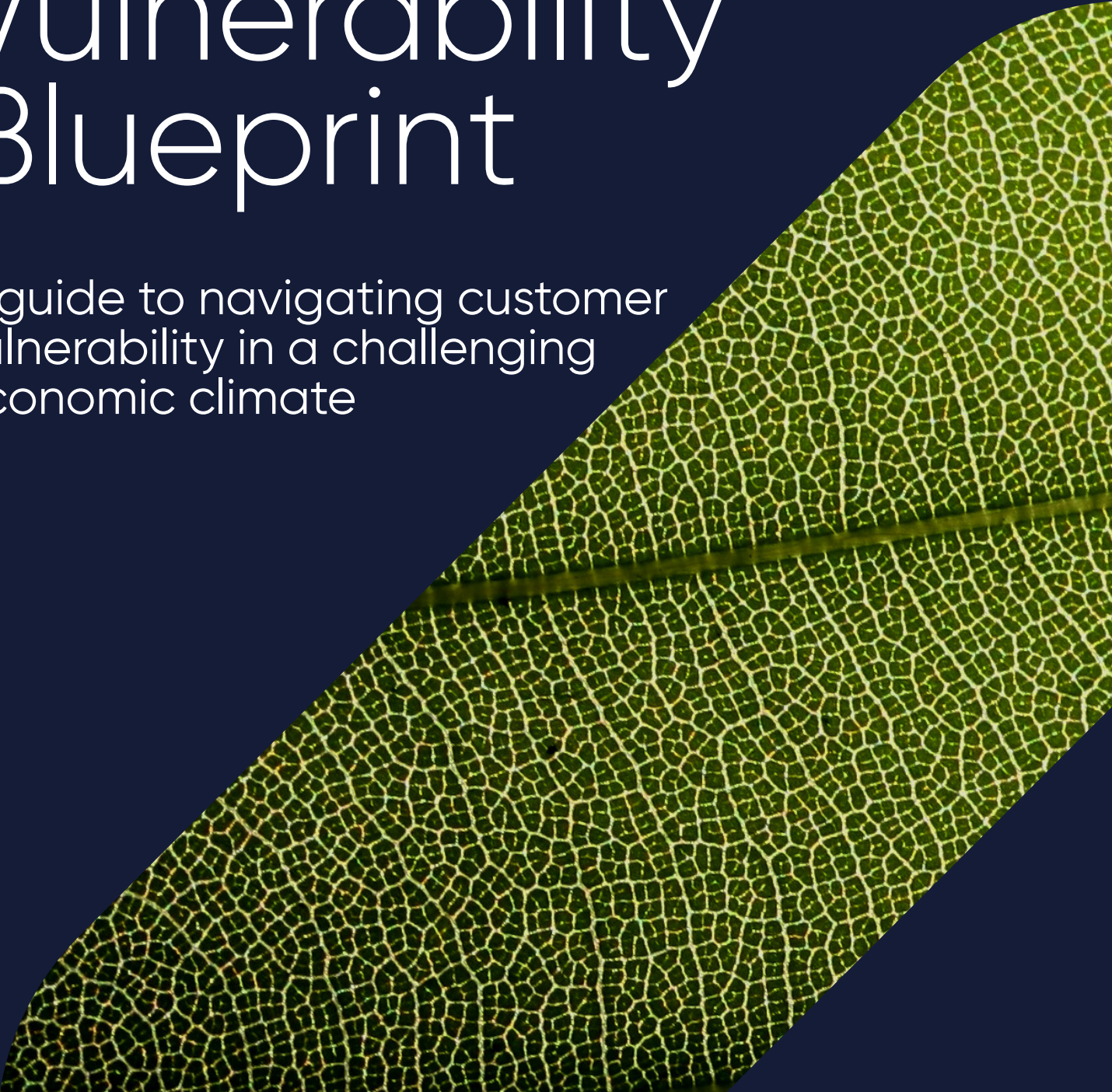




# The Vulnerability Blueprint

A guide to navigating customer  
vulnerability in a challenging  
economic climate





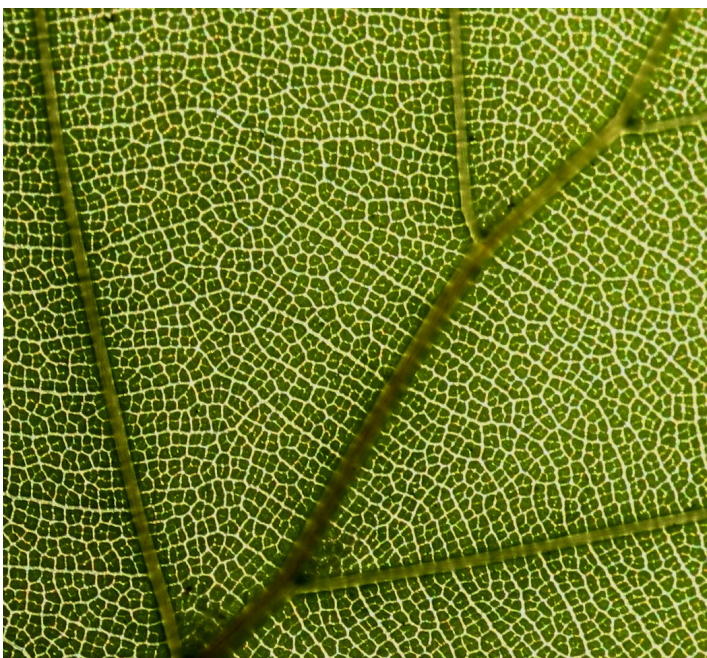
# The Vulnerability Blueprint

A guide to navigating customer vulnerability in a challenging economic climate

Customer interactions with vulnerable individuals include a host of valuable intelligence that can be used to drive a more empathetic customer experience, and transform how enterprises operate.

Organisations interact with vulnerable customers every day. Increasingly, organisations realise that their response has far-reaching implications on customer experience (CX), retention and their brand's reputation in the market. This shift in attitude is one positive thing that came out of the pandemic – organisations are now more likely to acknowledge and work to accommodate customers experiencing hardships.

Every organisation needs a strategy and process for understanding vulnerability, extracting and operationalising insights, identifying at-risk customers and equipping employees to manage customer relationships with sensitivity, flexibility and emotional intelligence. The following blueprint is designed to help you understand the current state of customer vulnerability, providing actionable steps on how to use AI and technology to better understand and treat this important customer segment.



## Current trends driving customer vulnerability

Early pandemic lockdowns and uncertainty set the tone for the beginning of the decade. Even though we're significantly further ahead in terms of vaccines, medical treatments and testing options for the pandemic today, new COVID-19 variants are still emerging. These variants are deeply impacting the supply chain, and putting more pressure on frontline workers than ever before.

Families are still struggling under the weight of inconsistent childcare, with women bearing the brunt of the responsibility. Since 2020, women in the U.S. have lost **roughly 5.4 million** jobs, with global women's employment figures dropping by 4.2%.

But the pandemic isn't the only factor leading to a sharp rise in vulnerable customers. Here are a few other trends that have led to a near-constant state of customer crisis and vulnerability.

## Economic slowdown and looming recession

As of mid-2022, the global economy is showing telltale signs of recession. Decades-high inflation has undercut consumer spending, and led to interest rate hikes intended to slow down an impending recession. The lack of affordable credit is expected to slow down sales of big-ticket items like houses and cars.

Meanwhile, the cost of nearly everything is going up – from **food**, to **fuel and energy**, to housing to government benefits. Cost of living surges are putting pressure on low-income workers, in particular. The International Monetary Fund (IMF) said in an updated **World Economic Outlook** that global real GDP growth will slow to 3.2% in 2022 from a forecast of 3.6% issued in April. Fortunately, employment numbers remain relatively stable, although some sectors are facing more challenges than others.

## War in Ukraine

The unprovoked Russian invasion of Ukraine is not only a global political and humanitarian crisis, but also is setting off supply chain effects that impact the rest of the world – particularly Europe. Since Russia and Ukraine are major providers of oil and wheat, respectively, these commodity prices are topping all-time highs, driving up costs of gas and food.

Understandably, all of this global unrest and economic uncertainty has led to compounding financial and mental health crises.

A silver lining in this grim reality is the fact that organisations overall are becoming more empathetic toward vulnerable populations. In 2021, **76% of organisations** with 500 or more employees said that addressing employees' mental and emotional health would be a top priority over the next three to five years. This wave of empathy holds true for customers, too. The UK's Financial Conduct Authority (FCA) **recently updated its rules** for fair treatment of vulnerable customers, prioritising new consumer protections as vulnerability factors rise.

## What is vulnerability?

According to the FCA, a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment. The four drivers of vulnerability are:

- **Low resilience**
- **Low capability**
- **Suffering a negative life event**
- **Having an ongoing health condition**

It's not surprising that vulnerability takes many forms. Perhaps someone lost their job and is unable to pay their bills or lost a loved one and is grieving. Or, maybe it's a working parent with young children enrolled in at-home learning. There's also the digitally vulnerable, who are the individuals not capable of or have chosen not to engage with the digital world and are often left behind. This is creating a digital divide – especially as the internet is increasingly used in every area of life.

"Digitally vulnerable people are at heightened disadvantage in today's climate. Without possessing the digital skills of today, research shows that it's harder for people to become employed, communicate with loved ones, online shop, quickly execute tasks with service providers and so much more," said Frank Sherlock, VP of International, CallMiner. "Brands must not only deliver appropriate customer service to those who we consider vulnerable in the traditional sense – they must also provide the means to ensure the digitally vulnerable can receive their preferred customer experience."

Regardless of the type or unique circumstance, vulnerability is rising. In 2021, the FCA reported that nearly 28 million people in the UK displayed one or more characteristics of vulnerability (mental and physical handicaps, long-term illness, age, socio-demographic characteristics, behavioural characteristics and personal situations, among others). This figure rose 15% from 24 million in 2020.

## The state of vulnerability in 2022 and beyond

Today, millions of people are dealing with the rising impacts of inflation, economic uncertainty, the ongoing pandemic and more

- As of July 2022, 91% of UK households reported that their **cost of living had increased** in the previous month, up from 62% in November 2021.
- The **UK's Office for Budget Responsibility (OBR)** predicts that inflation will likely reach a 40-year high of 8.7% by the end of 2022.
- **75% of individuals** living in Britain are concerned about their ability to pay their energy/utilities bills.
- **Two million people** in the UK are thought to be living with long COVID.

As the statistics above show, vulnerability is universal and pervasive. If your organisation doesn't have an effective process for hearing, understanding, serving and learning from vulnerable customers, it's time to put a program in place.

## How to identify vulnerable customers during interactions

In today's hyper-competitive environment, organisations don't have the luxury of waiting for customers to tell them what they want. What's more, few customers, especially those in vulnerable situations, are transparent and forthcoming with their personal challenges. Organisations need to listen closely, pick up on contextual clues, analyse sentiment and learn from past experiences to determine and act on customer needs.

"It's also crucial for brands to understand how vulnerable customers want to communicate. Many don't have the skills or tools to go online and message a chatbot, complete self-service or send a tweet. Whether it's due to digital vulnerability, financial hardship, a health condition or simply the need to connect with another human – organisations must provide service on appropriate channels for every vulnerable customer," said Sherlock.

Most organisations only analyse a small sample of customer interactions, which causes them to miss out on valuable insight hidden across customer interactions. This makes it difficult to recognise trends in vulnerability across the customer base, identify individuals in crisis and establish strategies for how to best serve these customers.

Instead, organisations need solutions, like conversation intelligence technology, to help them capture, analyse and monitor 100% of customer interactions across multiple channels in a single system. Companies can follow a customer's journey and repeat contacts regardless of which communication channel is used – from call to email and chat – and extract insight that can be used to improve processes, performance and decisions.



Identifying vulnerable customers starts with listening. Here are three essential items to cover.

- Monitor for and flag specific words and phrases that insinuate vulnerability, with close attention to hardships such as job loss, illness, unemployment and abuse.
- Screen for non-compliant language such as harassing statements, raised voices and other risky behaviour that depicts emotional instability
- Look for signs of stress and agitation in consumer and employee voices to help confirm vulnerability using best judgment.

Next, benchmark the common elements that signal vulnerability so you can more quickly and accurately identify vulnerable customers in the future. Once you can listen and identify vulnerability, deploy a real-time alerting system that automatically informs employees when they are dealing with a vulnerable customer.

### Understanding Vulnerable Employees

Often, employees on the front lines of customer interactions may be in vulnerable positions themselves. Not only are they dealing with consistently challenging conversations, but they may also be contending with cost-of-living increases and other issues. That's why acknowledging vulnerability in employees is just as important as recognising vulnerable customers.

Fortunately, trends like [The Great Resignation](#) have shifted the power balance back to employees, who demand that their employers listen and empathise with them. AI technology, like conversation intelligence, can help employers understand the voice of the employee, and make operational decisions designed to reduce hardship, provide one-to-one coaching and resources, and acknowledge success.

## How to equip employees to manage vulnerability

Once you can identify vulnerable customers and sensitive situations, it's critical to equip agents and employees with the information and tools needed to respond effectively. Vulnerable situations require a careful approach and sensitive language – and few people are properly trained to manage these situations appropriately. Employees are only human, and will likely struggle when working with a vulnerable customer.

To improve outcomes, organisations should equip customer service teams with:

- Background information on the customer, such as previous touchpoints, issues, personal info and more.
- Real-time alerts and in-the-moment guidance on how to communicate with vulnerable customers.
- Direction to ensure agents stay compliant, as well as recorded, objective documentation to respond to audits and complaints.
- Meaningful and fair feedback on their performance during the customer engagement to power improvement and learning.
- Post-interaction training to support and drive better customer outcomes in future interactions.

## Utilising sentiment analysis and understanding emotion

The right technology solutions make it possible for organisations to automatically monitor and analyse the context and emotion of communication in addition to the content. Specifically, artificial intelligence (AI) can perform advanced acoustical analysis that measures the overall intensity of a feeling through stress levels, voice volume, speed of speech and other variables to understand emotion, and can score agents on the empathy and agitation they express.

Paired with insight from sentiment analysis that depicts how the customer feels about something, the criteria can be used to build up a more complete picture of vulnerable customers, including sentiment and intensity levels.

Once customer service teams are fully equipped, leadership teams will have a larger base of data to extract and operationalise consumer insights, empowering them to make strategic changes on an enterprise-wide scale. This includes:

Analysing how employees handled conversations with potentially vulnerable customers:

- **Did they ask the right questions?**
- **Did they show empathy or good listening skills?**
- **Are they communicating in an easy-to-understand way?**

Identifying conversations, approaches and actions that lead to successful outcomes. This can be shared as best practices with agents as early as the next shift. Extracting common threads, pain points and needs from across the customer base to improve processes, training and decision making.

The last point is the most important. What can you learn from your customer interactions, and where does your organisation need to adapt and improve? Extracting and acting on consumer insights is a proven, easy and effective strategy for elevating customer experience, strengthening loyalty, and improving business performance.

*The most important factors for success are the ability to execute in real time and analyse 100% of interactions.*

By analysing all omnichannel customer engagements – chat, phone, social, SMS, email and more – organisational and department leadership can more confidently identify criteria associated with vulnerability. These criteria can then be assigned a category and tagged for future automated analysis.

Once categories are established, AI-enabled tools can automatically identify when they occur during an interaction. Organisations should equip their customer-facing teams with applications that monitor interactions in real time and offer script compliance, emotion detection, next-best-action guidance, event alerting and context-driven workflow initiation. It's important to reassure agents that they are asking the right questions and providing the correct guidance and support.



# Industry showcase: Financial service firms and the surge in vulnerability

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The financial service industry is particularly impacted by consumer vulnerability. Companies across insurance, mortgage, collections and other financial specialties are faced with the difficult task of directly communicating with consumers about money, a sensitive subject for many vulnerable customers.

The FCA published finalised guidance in 2021 on vulnerable customers for financial services firms and financial markets.

The guidance – an **updated version of GC20/3** – puts pressure on brands to implement practical changes to improve vulnerable people's experience outcomes that are just as good as other consumers' outcomes. For many organisations, particularly those in the UK, this is more than just a guidance. It's a critical part of ensuring they meet specific compliance requirements geared toward protecting vulnerable customers. The recommendations had two actionable takeaways for financial firms:

## The value of empathy

Understanding the needs of vulnerable customers is critical. Specifically, the FCA recommends that organisations:

- Understand the nature and scale of characteristics of vulnerability that exist in their target market and customer base.
- Understand the impact of vulnerability on the needs of consumers in their target market and customer base, by asking what types of harm or disadvantage customers may be vulnerable to, and how this might affect the consumer experience and outcomes.

## The importance of empowered and knowledgeable staff

In addition, organisations should empower their employees properly to understand the signs of vulnerability. The FCA recommends that they:

- Embed the fair treatment of vulnerable consumers across the workforce. All relevant staff should understand how their role affects the fair treatment of vulnerable consumers.
- Ensure frontline staff have the necessary skills and capability to recognise and respond to a range of characteristics of vulnerability.
- Offer practical and emotional support to frontline staff dealing with vulnerable consumers.

## Insights that deliver beyond the contact centre

Insights from your most vulnerable customers deliver value far beyond the contact centre. When brands are able to understand the state of their customers' wellbeing and preferences, every department of an organisation can improve operations – from sales and marketing to product development and beyond.

Elevating these insights to key stakeholders in other departments is critical to driving business improvements. For example, Chief Compliance Officers are highly aware that taking the wrong approach with vulnerable customers doesn't only hurt brand reputation and customer loyalty – it's also a costly compliance mistake. There are regulatory requirements to measure and manage vulnerable customers in a compliant manner for many industries around the world, and failure to do so can result in damaging fines.

For Chief Marketing Officers, being able to identify how digitally vulnerable customers prefer to get in touch with a brand means they can make more informed decisions – such as digital and mailed customer correspondences that provide a clear customer service number, alongside other channels like the website or social media. This means customers feel empowered to connect with an organisation however works best for them. By delivering key insights to stakeholders in context, conversation intelligence can identify vulnerable customers to generate enterprise-wide impact.

## Improving CX with the vulnerability blueprint

**According to a recent survey**, 8 out of 10 consumers believe that brands can build better relationships by demonstrating empathy and understanding of their customers.

"This is truer than ever as the world contends with a tightening economy. Vulnerable customers are experiencing major cost of living concerns, paired with ongoing pandemic-related issues. At the end of the day, most are looking to connect and be listened to – and brands have the opportunity to deliver that in the customer experience," said Sherlock.

People don't forget who was there for them during a time of need. For customer-led organisations, it's not just critical that they recognise this, but also proactively adjust service levels, improve business processes and increase flexibility for managing vulnerable situations.

Other relevant findings from recent research include:

- Emotion is key to retention: **According to Forrester**, emotional quality matters when it comes to CX. Fortunately, the emotional quality of customer interactions has remained relatively consistent over the past few years: 60% of customers in 2022 claimed they had emotionally positive experiences with organisations.
- Super-agents shape customer emotions: **PwC's 2022 Loyalty Survey** pointed out that more than half of customers were likely to leave a brand after a bad customer service experience or two. Training super agents to acknowledge and steer customer emotions in the positive direction could be the key to avoiding this churn.

By identifying vulnerable customers and enabling agents to perform with knowledge, sensitivity and skill, in real time – organisations can drive bottom-line impact, increase brand loyalty and extract the insights needed to transform and improve business outcomes.



Learn more about how CallMiner can help your brand better serve vulnerable customers [here](#).

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## About CallMiner

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CallMiner is the global leader in conversation intelligence to drive business performance improvement. Powered by artificial intelligence and machine learning, CallMiner delivers the industry's most comprehensive platform to analyse omnichannel customer interactions at scale, allowing organisations to interpret sentiment and identify patterns to reveal deep understanding from every conversation.

By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before. CallMiner is trusted by the world's leading organisations across retail, financial services, healthcare and insurance, travel and hospitality, and more.



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