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Introduction

The global pandemic has been a wakeup call for the Financial Services Industry (FSI), changing it at a rate never seen before. But in its race towards digital transformation, gaps are appearing between its digital service offering and customer expectations.

As cash and cheque usage drops, high volumes of electronic, card and mobile app transactions have risen, while open banking is gaining momentum globally, either through regulatory mandates or commercial market forces.

Consumers expect availability on all manner of remote device and channel, 24/7, with the same level of banking security and resilience they have always had.

Less than 50% of consumers perceive their bank as a trusted partner today compared to three years ago, according to Finextra research “Personalisation-as-a-Service: Harnessing Data in the Banking and Payments Industry”. For an industry ravaged by scandals, FSI continually needs to repair its brand. Without doubt, the pandemic has torn down the barriers between a bank’s staff and its customers. During the outbreak, Barclays Bank’s [TV campaign](#) featuring a family pet

appearing in the background has done much to enhance the bank’s brand, as has [Halifax’s “wherever” campaign](#).

Both have brought bank staff and customers closer together – whether it is sharing similar ‘virtual’ backgrounds on virtual calls, or a background view of the kitchen, living room or the like. Both customer and bank staff have had a glimpse into each other’s world, and it’s a world where they share the same vulnerabilities.

So, as we emerge from the pandemic and bank bosses call for all their staff to return to offices, in the race, FSI is in danger of losing the connection it so successfully cultivated with its customers during the pandemic. “It’s a people thing”, says Halifax in its 2021 [TV ad](#). Yes, it is a people thing, and it’s all about the experience.

“Without doubt, the pandemic has torn down the barriers between a bank’s staff and its customers.”

Embracing the customer experience

Customers now expect their financial services provider to be digitally advanced and technologically sound in all areas. As banks embed themselves further into consumers' lives, they are changing how they look at and interact with customers. To address its long-overlooked issues surrounding inefficiencies in customer experience, financial service organisations must now look at how they can work in a collaborative manner with all their customers, to create a new focus on the customer journey.

Although there has been a significant rise in digital channels, not enough thinking goes into actively stimulating customer adoption. Organisations often forget to keep the customer at the heart of their digital strategy, and many times, the customer just has to come along for the ride.

According to Finextra research [“Personalisation-as-a-Service: Harnessing Data in the Banking and Payments Industry”](#), 84% of customers want to be treated like a person, not a number by financial institutions, while over 70% say they expect to be rewarded for loyalty to the brand.

Financial services organisations need to see the world as they customers do. Even in the financial sector, customers are putting trust in online reviews, and they want a similar slicker and personalised experience they have come to expect with the likes of Amazon and Google. Customers have come to expect superior service. McKinsey research [states](#) that over 70% of app

users preferred added functionality over “look and feel” of the app, while three-quarters of those surveyed said they expected help within five minutes.

Developing a customer experience vision drives customer perceptions and satisfaction levels, and financial services organisations need to engage with their customers end-to-end on a positive note, whilst at the same time giving customers a feeling of control and choice.

The customer does not want a disjointed experience across financial products such as retail banking, credit cards, loans and insurance. In some areas of FSI, such as Insurance functionalities for health insurance, claims submissions are being pooled into one app to give greater usage instead of offering multiple apps which are having a lower take-up rate by customers.

Financial services organisations have many opportunities to connect with customers along their journeys with the bank’s various brands, but all too often focus is placed on the channels themselves rather than the strategies on how customers use those channels.

It causes a rethink in the way the journey works. Instead of simply fixing inefficiencies along the way, if the needs and preference of customers become the starting point, touchpoints can be modified in line with customer feedback. Creating an emotional connection, deepen customer experience, reduces cost and help builds revenue. [According to Gallup](#), FSI can expect a 50% increase in

revenue from engaged customers, 34% higher profitability and 55% higher share of wallet.

Rather than focuses on individual interaction touchpoints devoted to billing, onboarding and contact centre calls, financial services organisations need to pay attention to the complete end-to-end experience customers are having as the customer progresses along the journey.

Customers expect mobile data to be incorporated into a bank’s email campaigns, but despite customers downloading the app, some banks report that customers then go on to abandon campaigns because either there is too much user friction or non-personalisation of products. Therefore, there is a significant opportunity for savvy financial institutions who can anticipate their customer needs and a deliver a service that is both personalised and consistent across all channels.

“Technologies like CRM and customer data platforms are going to have to come together to be able to unify all of that,” says Elcenora Martinez, VP of product management for AI at Genesys. “But we also need to start using tools like artificial intelligence to enable identity stitching across the history of all of these interactions, and to truly look at journeys end-to-end, to be able to deliver personalisation.”

“It starts with understanding the customer and employee data and the history around that – historical data, third party data and behavioural data. Then AI capabilities can help organisations to understand and predict –



understanding the outcome that the customer is trying to drive, their intent, and the insights around it, but also providing a personalised approach to achieve a successful outcome for the customer,” added Martinez.

“Driving that successful outcome means taking the right action, so the action is always grounded in the understanding of the aggregation of the interactions you’ve had with a brand. And then finally you can’t provide a personalised experience next time if you’re not continually creating a loop to be able to really learn from every single one of those interactions.”

By creating the customer journey from the point of the customer, financial services organisations can organise themselves and align employees around customer needs to deliver value to customers consistently to creating a frictionless and unified experience across channels so that there is a seamless integration with existing channels, including non-digital journeys.

“By creating the customer journey from the point of the customer, financial services organisations can organise themselves and align employees around customer needs.”





The new commodity of data

For banks looking to build new revenue streams, customer data has become a hot commodity. Of 73% of customers who share their preferences and personal information with their bank say they expect to be rewarded with tailored products and services addressing their most relevant needs at the right time, such as when they are continuing their education, buying a car, getting married, or purchasing a home, for example.

Data holds the key to embracing the customer journey. Data demonstrates to your customers that you know them. By providing an emotional connection with its customers allows a bank to outperform their competitors by 85% according to a recent [Gallup poll](#). While over 70% only engage with personalised messages, it is individualisation which takes into account various profile, behavioural and lifecycle data points that is forming a new bank-customer relationship dynamic.

So with data fast becoming the most important asset in the FSI ecosystem you would think that the industry would make more investment to bring data silos together.

Not so. Many banks still own and maintain platforms (or legacy systems) which were developed decades ago and are now expensive to replace or migrate to new technology. This means communication within the bank has to take place without any underlying change to infrastructure or business processes. It is these systems which are causing

department units within the bank to operate in silos creating a challenging communication environment.

Data silos still exist. Many banks have vast pools of departmental-specific data, but despite the speed that banks are replacing their legacy systems, many are still failing to leverage the information for a deeper, enterprise-wide understanding of its customers. This is because these data silos are usually based on products or lines of business, rather than customer segments or individual clients.

Yet, having a full view of financial services clients is so important. Data from CRM systems, emails, digital touchpoints, emails, etc and merging it with both internal and external data helps gives the 360 view of the customer that is so coveted by organisations.

“New technologies such as AI can collect and stitch together various forms of data which together can provide the contact centre operator with the contextual relevancy

needed so the agent can get right to the issue at hand,” says Dr Natalie Petouhoff, a CX expert and consultant at Genesys.

Displaying that information via a dashboard, allows the contact centre operator to genuinely understand the customer’s unique needs and wants. This enhances relationship management, delivers superior customer interaction, and fosters loyalty.

To do this, data needs to be brought together. Cloud-based data decisioning platforms such as FICO, can unify these silos helping FS to offer Personalisation-as-a-Service.

Using machine learning to analyse complex, holistic and predictive analysis of customer behaviour, banks can deploy visualise each customer not as a collection of disassociated data points but as a mosaic, made up of different characteristics that merge to provide a comprehensive or ‘360-degree’ view. This level of sophisticated customer intelligence allows banks to provide consistent, tailored experiences for customers.

“Using machine learning to analyse complex, holistic and predictive analysis of customer behaviour, banks can visualise each customer not as a collection of disassociated data points but as a mosaic.”





Innovative banking

Disruptive forces continue to impact the industry. Open banking, Fintech, data silos and legacy systems, etc, all continue to be disruptive forces to financial services organisations, but now there are new kids on the block in the form of Big Tech.

To create an intuitive user experience with financial insights and budgeting tools, Google partnered with eight banks including BBVA, Bank Mobile, BMO Harris, Coastal Community Bank, First Independence Bank, SEFCU, Citi and SFCU to offer digital accounts to Google Pay users in the US. Meanwhile, Apple partnered with Goldman Sachs to launch Apple Card, a credit card that carries no fees, offers daily cash back, and integrates with Apple's mobile devices.

As the likes of Amazon, Google and Apple begin offering financial services to complement their already slick superior customer engagement and experience featured with their retail offerings, financial institutions are under further pressure to deliver an attractive online presence or new technologies, such as voice and facial recognition.

Onboarding customers in a siloed world costs an average of \$280, whereas onboarding customers via digital channels reduces the those to \$120. Yet, 20% of visitors to bank websites complete their applications according to ABA Banking Journal. However, using open banking technology that allows customers to copy their information over from

another service reduces both the cost and time required for onboarding customers even further, and banks who move quickly to simplify account opening may gain an advantage over less sophisticated competitors.

Open banking also has the potential to deliver better credit score insights and data to give consumers better understanding of their creditworthiness. For example, Experian Boost, uses open banking technology to look at an individual's credit history in more detail taking into account payments of regular bills, credit card and phone and broadband contracts. As well as giving more accurate data intelligence, it may also qualify many applicants for finance offers where they may not have otherwise passed in normal credit checks.

Building strategic partnerships with Fintech, encourages financial institutions to open their existing API's with Fintech with the primary focus on customer retention and delivering superior products and services.

This collaboration is gaining traction. For instance, through its mobile application powered by Ripple, Santander UK is facilitating international payments. Whereas in Germany, a partnership between the Fintech firm, Raisin, and private bank Bankhaus Hauck & Aufhäuser, sees Raisin's savings products to be integrated into the bank's portfolio to higher yield alternative on cash deposits to customers.

The rise of alternative payment providers such as London-based fintech company, Revolut, who gives its customers a holistic overview of their financial positions by allow them to link balances from external sources, is currently on track to secure 18 million customers by December 2021, compared to 10 million [only last year](#).

When it comes to branch operations, challenger banks and neobanks aren't burdened by legacy systems or cumbersome organisational structures associated with traditional financial services institutions.

Challenger banks such as Starling and Monzo, have demonstrated how rapidly innovations can be brought to market that allow consumers to manage their financial affairs from one holistic platform. However as incumbent banks improve their offerings and roll-out upgrades to their own digital offerings, some of the newer fintechs coming to market are struggling to take hold.

As financial services organisations accelerate their digitalisation transformation further to deliver superior customer experience across all channels, they will need to ramp up their risk awareness and build security into every device layer as open banking becomes open data. In moving to the cloud, banks will need to emulate the same zero trust models that require user and device identity and access permissions to be proven before access is granted that are prevalent in the likes of Google and Forrester.

“As financial services organisations accelerate their digitalisation transformation [...] they will need to ramp up their risk awareness and build security into every device layer”





According to [research from Forrester](#) consumers believe it should be possible to carry out any financial transaction on a mobile device. It is why so many in FSI are now turning to the cloud to accommodate the much needed digital transformation that will help them to deliver superior customer experiences.

Cloud also lends itself to voice and video interfaces to service customer demands. One third of Americans now own a smart speaker and several banks have already launched voice-activated assistants, including Bank of America with Erica and ICICI bank in India with iPal.

These conversational interfaces are become yet another standard for customer engagement, and contact centre staff (regardless of where they are located) need to work across all channels to ensure that they can also give a frictionless superior experience for all customers.

Financial services organisations also need to meet the challenge of using AI technologies to achieve at-scale personalisation and distinctive omnichannel experiences that blend banking capabilities with relevant products and services beyond banking, to offer propositions based on a detailed understanding of the customer's needs, recommending actions, and anticipating key factors in a truly seamless omnichannel fashion.

“It’s key to look at the process, the technology and the experience from the customer’s point of view,” advises Petouhoff. “And also look at what types of problems customers are using digital channels to solve and then making sure that everything lines up so that that digital experience can provide the empathy customers are expecting.”

To do this they need to reimagining the customer engagement layer so that personalised decisions such as what to offer, when to offer, which channel to offer, etc, are embedded into core customer journeys and use intelligence that automates decisions and activities on behalf of the customer.

In addition, they need to seamlessly immerse themselves into their partners’ ecosystems so that they can take advantage of partners’ data and channel platform to increase higher engagement and usage. By engaging customers at the point of end use, will help banks overcome the challenges they face of a mature business sector by creating new streams of revenue and innovative new experiences for its customers.



The remote transformation

Like many industries, the financial sector has had to adapt to pandemic rule of working from home (WFH). As millions of staff set up remote offices in their homes, teams have become more agile and better equipped, collaboration has increased and many say they feel more connected to their colleagues WFH than they have ever felt before. This is driving employee productivity as people show that no matter where they perform their jobs, there is no negative impact on their dedication and efficiency.

Managers are now realising that the agile working environment created by WFH is fostering true collaboration amongst colleagues and improving engagement metrics. Technology is the enabler that has made this possible.

While some team members have missed those ‘water cooler’ moments normally associated with office-base working, videoconferencing solutions such as Microsoft Teams, Zoom and Google Meet have allowed for more dynamic interactions between colleagues to help ensure that innovation and idea generations are not lost.

Face-to-face contact centre services with customers, if done well virtually could become a competitive advantage for financial services institutions and help them to deliver superior customer experience even further.

The pandemic has seen a profound shift in how FS employees want to work in the future. According to the [Bishopsgate Financial Change Perspective 2021 Report](#),

financial institutions are planning to reduce office space and allow more extensive remote and home working with offices being used for meetings and gatherings, and location independent working becoming the norm.

Some banks are considering adopting a ‘hybrid model’ that allows staff to permanently work from home for a number of days each week, [as favoured by](#) Christian Sewing, chief executive of Deutsche Bank.

As part of its cost-cutting exercise, HSBC said most of its UK employees will continue to work in a [hybrid model](#), and ING is allowing employees in Spain to work from home permanently.

This raising the point of employee wellbeing. With intense pressure on individuals to perform, [77% of banking professionals](#) say wellbeing remains a hot issue and they plan to prioritise wellbeing amongst staff in 2021.

“Remote-by-default approach is redefining where the work gets done, and is forcing the industry to think differently about how it works.”

By 2030 over 375 million workers will [need to acquire new skills](#) because of automation and artificial intelligence, so the upskilling of the workforce is a key element to improving productivity within financial services. This together with flexible working could help in recruitment opening up a wider talent pool.

According to PwC’s [“Productivity 2021 and beyond: Upskilling the workforce of the future to create a competitive advantage in financial services”](#) report, more than half (52%) of financial institutions say they expect to have more gig-based employees over the next three to five years.

Just 5% of current financial services workforce is make up of gig-economy talent, and PwC is predicting that gig workers will perform 15% to 20% of the work of a typical institution in the next five years.

“Gig economy workers add value by immediately bringing the digital skills needed by financial services firms to improve functions such as customer experience and improving institutional resilience, while the full-time

workforce is being upskilled,” says Nicole Wakefield, PwC’s global financial services advisory leader, PwC Singapore.

“Leaders in the industry are looking seriously at their workforces to evaluate which roles need to be performed by permanent employees and which can be performed by gig-economy workers, contractors or even crowd-sourced on a case-by-case basis,” explains John Garvey, PwC’s global financial services reader, PwC US.

“COVID-19 and remote working have opened the door to accessing talent outside of a firm’s physical location, including outside of the country. What we are seeing now is a talent marketplace for gig workers in financial services, competing to take advantage of their specialist skill set and boost productivity within their businesses.”

As the uncertainty continues as to when financial institutions could get all their staff safely back in the office, remote-by-default approach is redefining where the work gets done, and is forcing the industry to think differently about how it works and what good working practices look like.





Key takeaways

During the pandemic there were no newspaper headlines reporting that businesses had to close because the technology was not up to scratch, or that a bank hasn't been able to function because its staff were working from home. In fact, in many cases, the financial services industry has operated far more smoothly, and has given greater customer experience. That is because IT companies and the technology they produce has stepped up to the challenge, met it, and dealt with it head on.

Increased digitisation has seen many banks and corporates engage with customers far more efficiently, and to continue to achieve its digitally and data ambitions financial services institutions will need to think about the customer and the customer journey more deeply to create an ecosystem that is fully integrated into the digital life of its customers post-COVID-19.

Technology is changing the way financial services organisations interact with their people, processes, customers, and partners. The pandemic has driven forward the digital transformation agenda for everyone. As they say in the ever forward visionary IT industry – “digital transformation will be great in five years' time” – well actually, it's pretty great now!

1. Work with partners to build a digital ecosystem

FSI needs to work with partners to create a digital ecosystem whereby banking services are delivered and integrated alongside lifestyle apps. This will drive customers to manage their financial affairs from one holistic platform.

Partner technology can be adapted to bring both digital and non-digital channels together integrating seamlessly into existing CRM systems and customer data platforms. Embracing emerging technologies such as cloud, AI, voice-activated assistants, or facial recognition sees FSI on course for digital transformation and well placed to deliver superior customer experience across all channels.

This transformation will see banks provide services for its own customers, its partners, and its partners' customers, establishing FSI as service providers similar to fintechs in a tech stack.

2. From personalisation to interactive dialogue

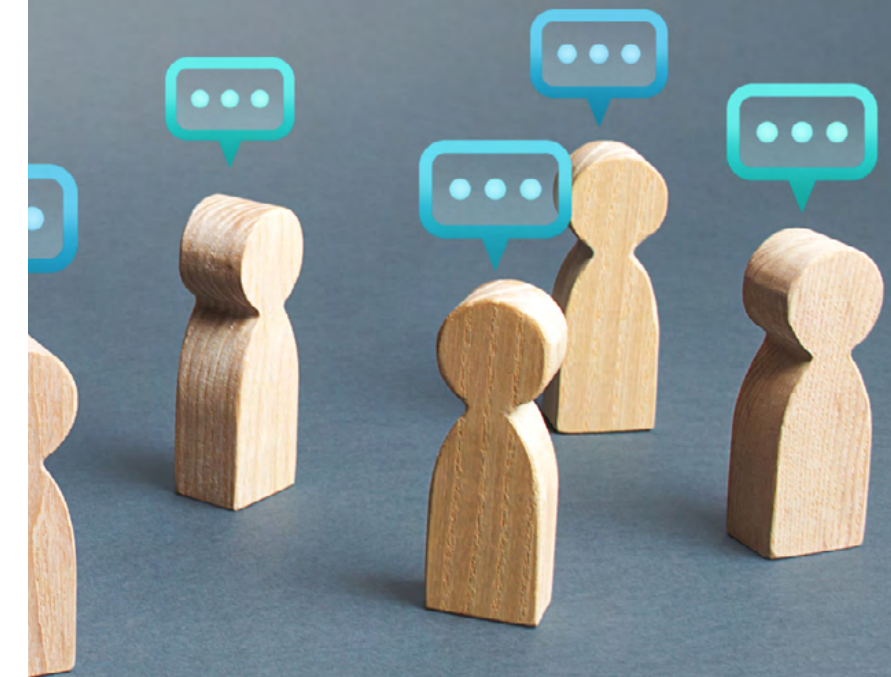
With the right digital tools, the contact centre can take a fundamental shift away from the traditional definition of personalisation towards one that involves a more interactive dialogue between the agent and the customer regardless of the channel being used.

By thinking about how they interact with customers, customer data and each customer's individual journey,

“Embracing emerging technologies such as cloud, AI, voice-activated assistants, or facial recognition sees FSI on course for digital transformation.”

contact centre agents now have the opportunity to create true engaging experiences and build trust in an ever-deepening bank/customer relationship.

The pandemic has torn down the barriers between a bank's staff and its customers –everyone shares the same vulnerabilities.





3. Skill shortages

Digital skills shortages continue to challenge FSI. In particular, the shortage of data analysts, cyber-security professionals and digital services developers in the sector, are hindering financial services firms to innovate effectively.

Upskilling the workforce is a key element to improving productivity in financial services. Despite a squeeze on budgets, improving current staff education must remain a priority in 2021.

Employers need to make sure all staff are equipped with the right digital tools, specialist knowledge and soft skills to navigate successfully in the new 'norm' post-pandemic.

4. Adopting to the hybrid workplace

In the race to return to the office, don't lose the connection. WFH has seen teams become more agile, collaborative and more connected to colleagues than ever before.

The pandemic has seen a profound shift in how FS employees want to work in the future.

FS firms who consider adopting a 'hybrid model' that allows staff to permanently work from home for a number of days each week, will reap cost-savings because their need for office space decreases as they adapt to 'remote by default' operations for staff.

About Genesys

Every year, Genesys® delivers more than 70 billion remarkable customer experiences for organisations in over 100 countries. Through the power of the cloud and AI, our technology connects every customer moment across marketing, sales and service on any channel, while also improving employee experiences. Genesys pioneered Experience as a Servicesm so organisations of any size can provide true personalisation at scale, interact with empathy and foster customer trust and loyalty. This is enabled by Genesys Cloudtm, an all-in-one solution and the world's leading public cloud contact centre platform, designed for rapid innovation, scalability and flexibility.



About **MY**customer

MyCustomer.com is Europe's leading online resource for customer-focused professionals, with over 100,000 members.

Sharing news, advice and resources on topics ranging from customer engagement to CRM and the contact centre, MyCustomer is a vital hub for business leaders aiming to enhance every facet of the customer experience they deliver.

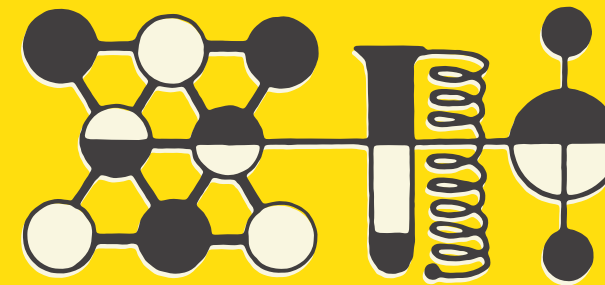
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