BAI Banking Strategies
Executive Report

June 2022

Changing priorities in bank customer service

POWERING SMART DECISIONS.

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Optimizing the human-digital mix in customer service

BY TERRY BADGER, CFA
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The pandemic-fueled growth in digital self-service at banks and credit unions is almost certainly an irreversible trend, given ever-improving technology to enable its adoption, the clear financial and operational benefits of making the investment, and the competitive need to meet consumers' rising expectations for anytime, anyplace banking.

While digital channels are used to deliver more products and solve more problems, BAI research conducted during the pandemic finds that customers and members still want face-to-face interactions with bankers, and they still rely on call centers. From a customer service perspective, then, both digital and human capabilities are in high demand.

How banking institutions should look at the evolving role of customer service and how they can move toward optimizing their human-virtual mix is the theme of this month's BAI Executive Report.

Our lead article, from contributing writer Ed Lawler, examines efforts by some institutions, ranging from giant banks to modest-sized credit unions, to provide a personalized touch in their digital self-service offerings to increase engagement, and then to smoothly shift to a human helper when warranted.

"Digital will make commoditized activities and transactions much easier," a California-based credit union's chief technology officer tells Lawler. "But there has to be an elegant handoff to somebody who is knowledgeable and nurturing."

A shrinking ability for banks to differentiate their product set from those of their competitors adds to the urgency of connecting with customers by other means.

For many institutions, the key is an enhanced customer experience rooted in tailored services. As a high-ranking executive at U.S. Bank puts it to Lawler, "It can't just be transactional. It must be connected to somebody's life if we expect to help customers navigate the financial complexities in their lives."

Call center representatives, of course, play a critical role in helping banks connect with their customers, but over the past couple of years, how and where they do their work has been in a state of flux. Contributing writer Lauri Giesen focuses her article on hybrid models. With both in-office and work-from-home employees, these models are emerging as a long-term solution to increase worker satisfaction and reduce attrition.

Hybrid call centers can present challenges for both customer service representatives and their managers. For the former, there are fewer chances to consult with co-workers on vexing customer issues; for the latter, maintaining security can be trickier; and for both sides, training programs can be more difficult. Giesen writes about how institutions are contending with those challenges.

With the rise of digital banking, customers now expect speed and convenience when they conduct transactions. For many, those same expectations hold true when they have to visit a branch. As a result, more banks and credit unions are offering customers the option of scheduling an appointment.

I spoke with Matt Hertel from UKG, which has conducted several studies to identify trends in appointment setting. It should come as little surprise that, since the pandemic, customers have enthusiastically embraced video chat as a way to meet with bankers.

Also in this month's Executive Report:

- **Does your contact center measure up?:** Terri Panhans from Vericast writes that banks and credit unions need to make the most of the diminishing number of personal interactions with customers. In her view, a good way to do that is by focusing less on contact center call volume and efficiency, and more on call quality and value.
- **Service as the differentiator in banking looks different now:** Kelly Horn from Salesforce tells us that the accelerated adoption of digital banking during the pandemic has shifted customer expectations in significant ways. To stand out from the pack in this evolving environment, she says, banking institutions need to provide omnichannel service proactively and probe their data troves for meaningful insights.
- **Humanizing your digital channels is all about empathy:** Benoit Malherbe from Genesys stresses the importance of putting customers first, and this means knowing what they need, what they are trying to achieve and how you can best help them. The operative word is "empathy," with a key goal of connecting with customers on an emotional level.
- **Mapping your banking customer's journey:** Matt Lombardi and Anne Bakstad from ServiceNow make a case for a customer journey map as the most effective way for banks and credit unions to keep pace with the rapid changes in customer preferences and behavior. They cite research suggesting that companies with formal journey-mapping programs have higher growth rates than those without it.

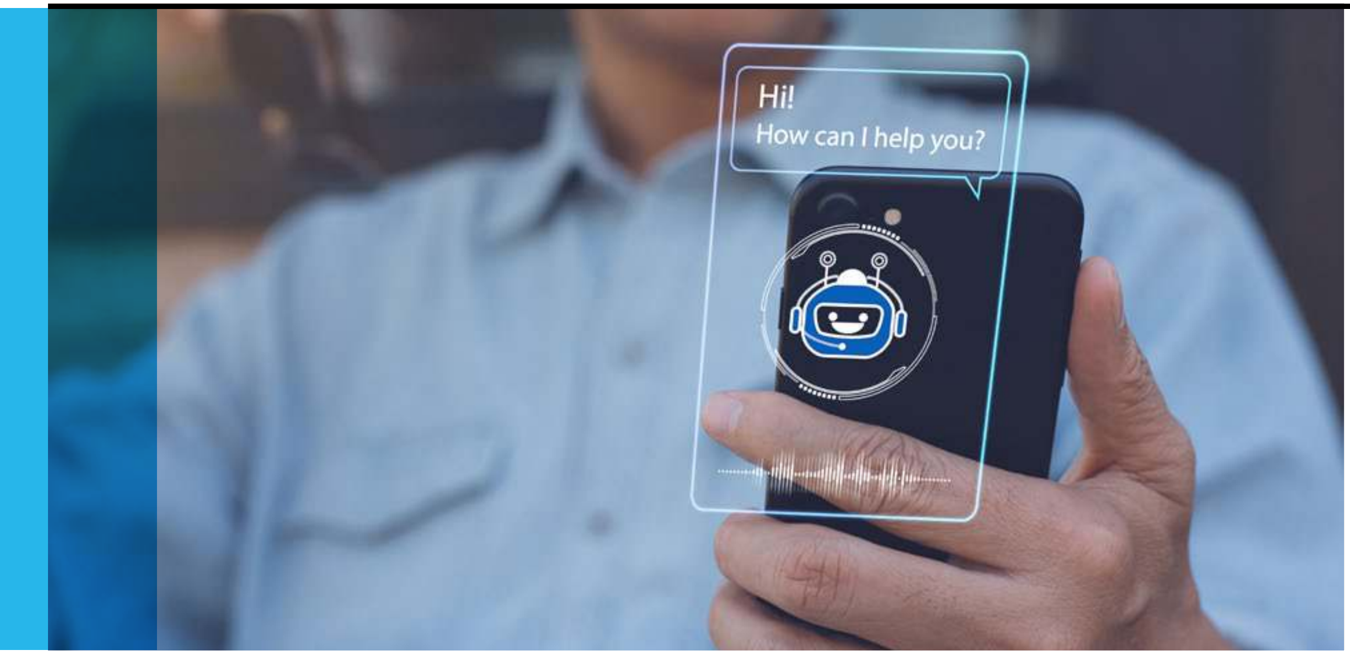
We hope you find value in this Executive Report focused on customer service. Feel free to email me to let me know what you think.

Terry Badger, CFA, is the managing editor at BAI.

Adding a personal touch to digital self-service

How to effectively close the engagement gap between human and virtual channels persists as an issue for financial institutions.

BY EDMUND LAWLER



When you're the credit union for the titans of technology—Amazon, Microsoft, Twitter, Intel and others—your members have absurdly high expectations for seamless digital self-service.

Michael Upton, chief technology and digital officer of First Tech Federal Credit Union, believes the $15 billion-asset financial services organization is meeting its members' digital self-service expectations.

"We've been good at facilitating transactions," Upton says from his office in San Jose, California. "But we have the opportunity to do much better in engagement. Where I see digital going in the future is to a much more engaging, much more personalized, much more relevant experience for our members."

The challenge for First Tech, Upton says, is "infusing the warmth of the branch and the call center experience into digital channels. It's going to be a challenge in the next three to five years for the entire financial services industry."

Upton is confident that the 630,000-member credit union, primarily serving a West Coast base, will achieve the improbable goal of breathing more humanity into its digital self-service channels. First Tech plans to deploy technology to make the digital experience more personalized, more relevant and more engaging.

"We have a team of data scientists to create those types of digital delight experiences that are based on our ability to manage the data produced by member transactions and interactions," says Upton, noting that First Tech has long been a leading digital pioneer among the nation's credit unions.

For members who want a face-to-face experience, First Tech operates more than 40 branches, some on, or immediately adjacent to, the corporate campuses of big tech companies.

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>
> **MICHAEL UPTON, FIRST TECH FEDERAL CREDIT UNION**

MICHAEL UPTON
FIRST TECH FEDERAL CREDIT UNION

But can the digital experience ever fully replicate the connection that takes place in the branch? "For the more complex transaction, there is always going to be a need for human engagement," Upton says. "Digital will make commoditized activities and transactions much easier, much simpler, must faster. But there has to be an elegant handoff to somebody who is knowledgeable and nurturing."

According to the BAI Banking Outlook for 2022, bank and credit union leaders are confident about their face-to-face customer engagement, with 35% calling it excellent. But only 9% of leaders said their digital customer experience was excellent, echoing Upton's point that closing the engagement gap between human and digital channels will be a near-term challenge.

Damian Warren, senior vice president and head of consumer digital channels for Minneapolis-based U.S. Bank, says, "About 80% of our customers' transactions are now done through digital channels. But our strategy is still centered around bringing the best of digital and the best of our human experience to the customer.

"The relationship our customers have with our bankers is a very important part of our strategy," Warren

DAMIAN WARREN
U.S.. BANK

continues. "The primary reason is the personal relationship that exists between two individuals. You can only take that so far through digital interaction."

At U.S. Bank, the nation's fifth-largest bank with $573 billion in assets, "there is a complementary action that occurs when a customer is fulfilling their needs digitally but also requires guidance and expertise from an individual," Warren says.

"That doesn't necessarily mean they have to show up in person at a branch," he adds. Beyond the branch or call center, U.S. Bank connects with customers through appointment scheduling, video chat, co-browsing and other services that allow customers to interact in a safe, controlled and convenient environment.

It just can't be transactional. It must be connected to somebody's life if we expect to help customers navigate the financial complexities in their lives.

DAMIAN WARREN, U.S. BANK

But banking apps and services have become commodities that often fail to provide a point of brand differentiation. The true differentiator and value proposition, Warren says, is the digital customer experience.

"It just can't be transactional. It must be connected to somebody's life if we expect to help customers navigate the financial complexities in their lives. That is how we are combating commoditization," Warren says.

AI-powered services will increasingly be deployed to close the engagement gap between human and digital channels. "For example, we launched our Smart Assistant in the second quarter of 2020. It has answered over 8 million questions from our customers," Warren says.

"They know it's a bot, but they still want to interact with what feels like a human," he says. "Because there is a natural connection between the Smart Assistant and the digital experience, many of our customers no longer feel the need to reach out to the call center."

U.S. Bank, he says, "intends to bring the power of predictive capabilities to get ahead of the next thing that the customer might be asking for."

J.J. Slygh, principal product marketer for Total Expert, a Minneapolis-based software fintech, says challenger banks have a leg up on the traditional banks when it comes to digital self-service.

J.J. SLYGH
TOTAL EXPERT

"They have embraced the technology and made the investments in technology to understand their customers right from the start," Slygh says. "They have done a better job in capturing and utilizing customer data. But banks and credit unions can still thrive on the strength of their human connections because they have the caring staff to support their customer."

A personal connection is especially important for small-business customers, Slygh says. "Small-business owners are putting all they have into these businesses. Having someone they can trust and see face to face at an organization becomes even more important. They are reliant on the loan and the funds. Having someone they know who is available for support and when they have a question is critical."

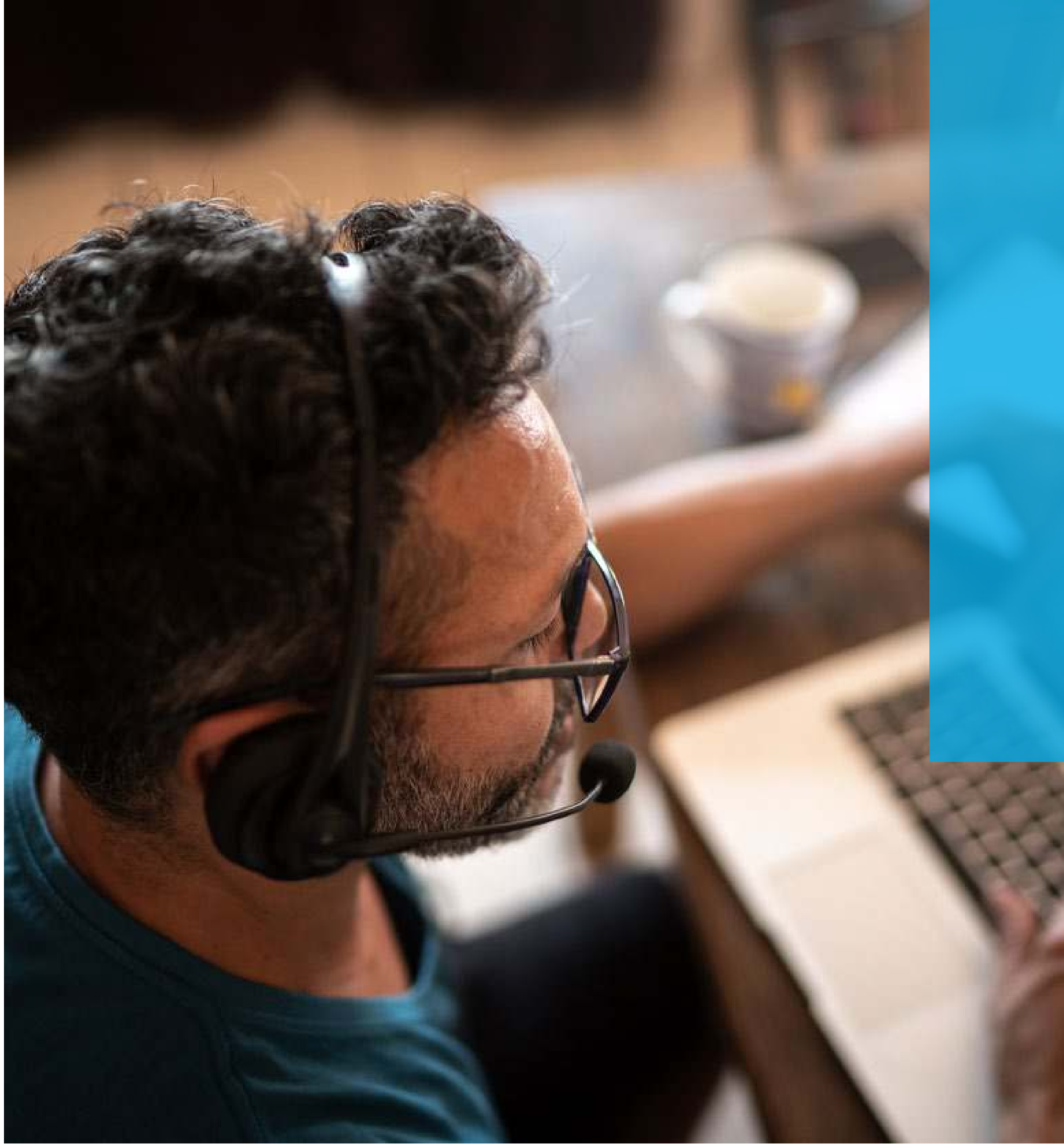
Digital self-service is simply table stakes for these customers. "Small-business owners want to see a human rather than being put into an endless calling tree trying to find someone to talk to," Slygh says.

No matter the type of customer, the payoff for a strong customer connection in both digital and human channels is invaluable, says U.S. Bank's Warren.

"If we do this well, it creates a compelling value proposition that attracts new customers. And by better understanding the needs of existing customers and offering them personalized financial solutions, we deepen relationships over time.

"By doing that, we keep our customer for life, and we lower attrition," Warren says. "All of that ties directly to more revenue for the bank, and it's also very important to customers."

Edmund Lawler is a BAI contributing writer.



The rise of the hybrid call center

A partially remote workforce brings both benefits and challenges for banks and credit unions.

BY LAURI GIESEN

James Geeslin never imagined five years ago that he'd be developing strategies for his bank's hybrid call centers, where some customer service staff work from home and some work in a bank office.

"A few years ago, hybrid centers were not even on the menu," says Geeslin, vice chairman and chief consumer banking officer for Waco, Texas-based Extraco Banks. "Everyone worked in defined locations. But the pandemic caused us to rethink our strategy."

Today, about 90% of Extraco Banks' customer service staff work remotely at least part of the time and, pandemic or no pandemic, Geeslin does not expect that number to change dramatically any time soon.

The situation is not much different at credit union BCU in Vernon Hills, Illinois. There, only 10% of the customer service staff is fully remote, but the majority of the staff works at least one day a week from home, explains Keith Parris, BCU's senior director of call center operations and technologies.

Christina McAllister, a senior analyst for Cambridge, Mass.-based Forrester Research Inc., believes that a lot of banks will keep customer service representatives working at home long after the pandemic is a consideration. "Banks made massive investments into bringing people home during the pandemic, and now they find many of their best employees like it. Now they're trying to bring the best of both worlds together."

But having customer service representatives spread all over the place can create challenges. Employees can't ask coworkers sitting next to them for advice when they are stumped. Customers often don't want dogs barking or babies crying in the background when they are discussing serious business. Supervising and training remote employees can be difficult, and there are security issues to be addressed.

"Our biggest challenge is engagement. When employees are not working face to face with each other, there can be a loss in energy. We have to try to find ways to foster interaction between employees," says BCU's Parris.

McAllister notes that contact centers have a high attrition rate, meaning there is a need to onboard and train large numbers of employees. That may be more difficult when those employees are learning from home and don't have nearby supervisors and coworkers to help them learn the ropes.

"Even a month or so after training, agents are used to being able to tap each other on the shoulder if they have a problem. You can't get that access to help at home," McAllister says.

Security can be a problem if a bank does not have total control over what is going on at an employee's home. "You could install cameras to watch employees, but there are some big privacy issues if you are using cameras that film people's homes," McAllister says.

JAMES GEESLIN
EXTRACO BANKS

KEITH PARRIS
BCU

But banks are finding ways to deal with these challenges. Extraco has strict rules for the home environment. There cannot be any distracting noises, and employees cannot care for children while working at home. Video tellers use background scenes, so customers are not looking into their homes, and there are dress codes for those who appear on screen.

BCU has rules to help with training. New hires must spend at least two months fully in office. Once training is completed, they can transition to one day a week at home. Then, the amount of time that can be spent working from home increases with the seniority of the employee as well as their performance standards.

McAllister also notes there are a number of software systems that help financial institutions monitor employee performance, so they know when employees are taking a break and how many customers they have been able to assist.

CHRISTINA MCALLISTER
FORRESTER RESEARCH INC.

> *The safest thing is to not give [remote representatives] full access to customer information. Just give what is required to complete the task.*
>
> **CHRISTINA MCALLISTER, FORRESTER RESEARCH INC.**

To deal with security, Extraco has its IT staff check out the systems being used at home. Even at home, service representatives must use the bank's internet service and the bank's hardware and software. And employees are not allowed to print any bank-related materials at home.

BCU allows employees to use their own internet connection, and the institution often pays employees a differential if they need to upgrade their service to a higher speed. But internet interactions are kept inside the financial institution's firewall.

As part of security, McAllister also suggests that banks limit the information that remote representatives have access to. "The safest thing is to not give them full access to customer information," she says. "Just give what is required to complete the task."

Even with these challenges, some banks find hybrid models are more efficient and allow them to attract better candidates.

"Our employees tell us they are happier and have a higher quality of life," Geeslin says. "And we have seen efficiency improvements as representatives are serving more customers than before."

Benefits for employees include greater job satisfaction, time saved in commuting and more flexibility in job hours, Geeslin says. And Extraco has found it can attract better candidates by offering the ability to work from home. "This gives us more candidates to choose from in hiring."

Although banks typically don't hire outside their market area, especially if employees need to come into the office one or two days a week, they can expand their geography a bit. Candidates who would have a long commute might consider a job offer if they don't have to commute every day.

Parris agrees that the flexibility of working at home can be a major draw in hiring. "For some employees, flexibility is its own currency. There are people who will take a slightly lower salary if they can work remotely," he says. BCU has also found its employee attrition rate is lower if employees can work at home.

Of course, not all employees want to work at home. BCU has customer service locations in suburban Chicago as well as Puerto Rico, and it has found cultural differences affect the desire to work at home. The credit union's employees in Puerto Rico typically do not want to work remotely, and 90% of the staff there works full time in an office, Parris says.

"We find our employees in Puerto Rico value separating their home and work lives—they enjoy working in an office," she says. "In Vernon Hills, high gas prices, bad weather, heavy traffic and other concerns cause many of our employees to prefer to work at home."

Lauri Giesen is a BAI contributing writer.

Letting the customer pick time and place

Making appointments at banks, which exploded during the pandemic, is evolving to meet a growing demand for certainty and convenience.

BY TERRY BADGER, CFA

Digital banking has acclimated the typical customer to speed and convenience, and it has also reduced the necessity for branch visits. But on those occasions when it makes sense to go to a physical location, customers still want both speed and convenience.

These expectations have customers increasingly embracing in-branch appointments with bankers as a way to ensure that they make the most of their time. And the growth in appointments goes beyond in-person interactions—customers are also reserving slots for phone and video chats with their bankers.

UKG has been conducting studies on appointment-setting trends in the financial services space since 2017. BAI recently spoke to [Matt Hertel](), financial services industry principal at UKG, about the latest iteration of the study, which largely focuses on the evolution of appointments and their underlying technology.

The interview has been edited for length and clarity.

BAI: At a high level, what were some of the key findings from the study, and did any of those findings come as a surprise?

Matt Hertel: Probably the greatest takeaway from the study was just how much customers have taken to appointment technology. We saw more than a 1,000% increase in usage in the last year. When we looked at the data at a deeper level, we saw that the average branch had around 85 monthly appointments. That's kind of the bread and butter of where the technology impacts the branch staff. If there was a surprise, it would be in the area of virtual meetings. Before the pandemic, I can't say we had a lot of non-face-to-face usage, but because of COVID-19, we have just seen an explosion in the virtual realm.

Before the pandemic, when you were thinking about appointment setting as an idea and when you were turning it into a product, what was the original problem you were trying to solve?

Historically, customers would walk into the branch and if the right resource wasn't there, or if the customer was trying to schedule a mortgage closing, for example, with a bank's underwriting department, there was a lot of back and forth to try to schedule a meeting—emails, phone calls, voice messages, things like that. So the whole idea was to automate the process, eliminate that back and forth of the manual communication, and let the customer pick the time and location that worked for them, and that provided the bank with the opportunity to meet their needs. Ten years ago, this type of technology was really forward-thinking. What we were trying to solve with this technology was to simplify the process and to make sure that the customer's needs get met with the right resource the first time.

What did the study turn up as the most common banking products or services customers were seeking when they were looking to make an appointment?

The study found that 58% of appointments were for revenue-generating products and 42% were service-related appointments. That split has changed a little bit from prior studies, which were more in the 65% to 35% range, products to services. I think the pandemic made an impact on the percentages, with customers reaching out for more service-related appointments. New checking accounts and consumer loans were far and away the most requested products and the most requested appointments. Obviously, that's really the bread and butter for banking. Medallion signature was pretty high as well, because you

MATT HERTEL
UKG

> *Younger consumers find even less reason to go into the branches, so when they do, we really need to make sure we maximize that opportunity because we don't know when they're coming back.*
>
> **MATT HERTEL, UKG**

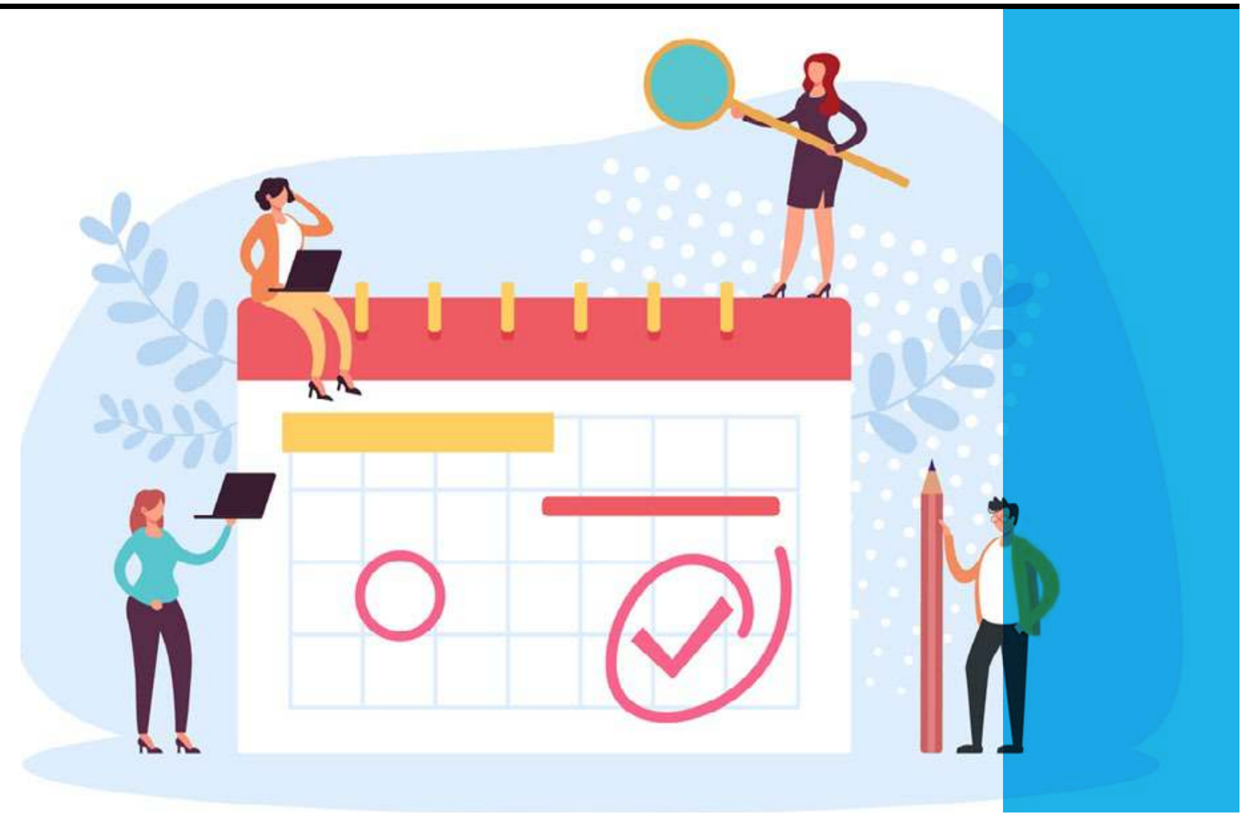
can't get that anywhere but in a bank. That ranked the highest on the service side.

The industry is rethinking the role of the branch as digital banking becomes more widely adopted. How should we be thinking about appointment setting in this broader framework of transforming branches?

With fewer branches and smaller physical spaces, customer service is more and more important. Because customers are coming in less frequently, it's more important to make sure we take care of each of those interactions. Virtual meetings are now replacing a lot of the face-to-face traffic that we have had in banking over the years. Younger consumers find even less reason to go into the branches, so when they do, we really need to make sure we maximize that opportunity because we don't know when they're coming back. That might be our one and only shot to deliver all the impact and products and services that we can to try to gain their wallet share.

Whenever there's an appointment system in place, there are also last-minute cancellations and no-shows. How much of an issue is this for banking appointments?

In our previous study, in 2019, we found that the no-show rate was around 4%. By comparison, in this latest study, the overall no-show rate was just over 10%. The no-show rate was highest for appointments scheduled in the morning, especially before 10 a.m., and the lowest for appointments after 2 p.m. The



no-shows for virtual meetings were really low—around the 4% rate that was typical in 2019—and phone no-shows were just a little bit higher. So, knowing that higher no-show rates are in the morning, banks and credit unions might consider not offering in-person appointments before 10 a.m. and schedule more heavily in the afternoon.

Where is the front edge of this approach to customer service, and where do you see it going in the years ahead that could make it even more impactful?

I'm pretty sure we are at that front edge with high-value, high-touch customers. They have expected this type of service, and the banking industry has delivered. But for most consumers, I think that front edge is still ahead of us. For instance, young consumers have service expectations that need to be met even though they are not coming in to the branches much. We need to let these next-generation customers tell us what they need, and we need to meet those needs. Virtual and phone meetings may be where that front edge is—no longer just one-on-one meetings with a prospect or a customer, but one-to-many, where one banker presents to groups of first-time homebuyers or wealth management prospects. In any case, this technology is going to continue to evolve for a high volume of customers.

Terry Badger, CFA, is the managing editor at BAI.

Making sure your contact center measures up

A relentless focus on customer satisfaction and delight can help you stand out from the competition.

BY TERRI PANHANS

As digitalization and demand for self-service options continue to ramp up, it's more important than ever to maximize those increasingly rare moments when we as bankers interact personally with customers.

For this reason, there has been renewed focus on and investment in the contact center. The contact center offers a balance between convenience and service with the personal touch that people crave.

Historically, contact center performance was measured only in terms of efficiency: average handle time, calls per hour and so on. While it's still important to track efficiency in the marketplace, customer experience has become a critical indicator of success. This shift from call volume to call value makes sense—satisfied account holders are loyal, and they help build your reputation and grow your business.

Commoditization due to the increasingly transactional and automated nature of banking poses a threat to competitive differentiation. For this reason, the contact center has become more than just a place for your account holders to call when they have issues or questions. It has become a critical element of your financial institution's success.

Managed properly, with a strong focus on customer satisfaction and even customer delight, the contact center experience can become your differentiator, helping you to stand out from the competition, bring in new accounts and increase wallet share.

How does a financial institution measure contact center performance?

When it comes to demonstrating return on investment, financial institutions should measure four core metrics to safeguard the benefits of account holder loyalty.

While financial institutions still rely on customer satisfaction surveys and net promoter scores, a new level of measurement has come into play—the contact center agent's level of care and concern for the customer.

CUSTOMER SATISFACTION IS MORE THAN A NUMBER

The contact center has shifted to the forefront of customer service strategy, providing both necessary services and emotional support for customers. While financial institutions still rely on customer satisfaction surveys and net promoter scores, a new level of measurement has come into play—the contact center agent's level of care and concern for the customer.

While you should still measure call resolution, satisfaction with service and the like, consider the power of the open-ended question "How did the agent make you feel?" Customers use the phone when they want personalized answers to their problems.

Be sure to work closely with your contact center supplier on reporting to determine how the survey will be conducted and reported.

CONTACT CENTER EFFICIENCY

Measuring key performance indicators is particularly important when it comes to ensuring efficiency. Typical KPIs in this context include:

» First-call resolution

» Average wait time

» Average handle time, or time the contact center agent spends on the phone

» Attrition rates of contact center agents

It's up to you and your internal stakeholders to determine which KPIs truly matter and are instrumental in ensuring your contact center's success. Just be careful not to get too focused on efficiency at the expense of customer satisfaction.

QUALITY OF CALLS

Call quality is different from customer satisfaction, though they are closely related. If call quality is high, then customer satisfaction will be as well.

Call quality includes making sure that contact center agents are not only answering calls but also answering them well. Ways to measure the value these reps provide include:

» Reporting on first-call resolution

» Reporting on call abandonment

» Average speed of answer

» Customer engagement

DIGITAL TRANSFORMATIONS STILL NEED HUMAN CONNECTIONS

Customers expect and want instant access to their accounts to manage their finances. Although technology and innovation continually transform how customers transact, interact and engage, the need and desire for human connection remain strong. It may seem counterintuitive, but as transactional and service-based technology adoption increases, so does the desire for human interaction when it comes to troubleshooting and more extensive servicing needs.

While communication tools like chatbots and AI-based phone systems are great, they shouldn't be used as a replacement for personal connections. Your contact center should be well-prepared to back up your tech in case it doesn't answer customers' questions or fulfill their requests. This could mean bypassing automation completely if that's what your customers want. If you only provide automated services, you run the risk that customers will have negative service experiences, which, as word spreads, will erode your reputation and customer base.

Measuring return on investment has an added benefit of keeping contact center partners accountable to their objectives and aligned with business goals. Having clear targets not only motivates representatives to offer the best service possible but also makes sure your customers experience the best your brand has to offer.

Shifting your mindset from call volume to call value—solving account holders' problems and helping them reach their goals—can dramatically increase customer satisfaction levels. Account holders want to feel that their questions are being answered accurately and thoroughly. And if the contact center representative understands what the account holder needs to know and can bring insight into how to make the experience better, then the account holder will feel known and understood.

The more you know about creating and increasing account holder satisfaction and call value, the better chance you'll have of standing out from the crowd and seeing positive results.

Terri Panhans is the vice president of contact center solutions for Vericast.

Service as the differentiator in banking looks different now

It's about leveraging digital for a better experience for customers and employees.

BY KELLY HORN

The past two years have accelerated digital experiences across the banking industry, and customers have embraced the change.

Of those who have adopted digital banking, the vast majority continue to use it or expect to keep using it. At the same time, customers have learned to expect more from banks. And banks realize their customers and employees benefit from a connected human-digital experience. Human and digital. Not one or the other but both.

Banks also learned they could get out of their comfort zone and move quickly in a crisis. They stood up new digital channels in days, changed processes and leveraged portals to handle service requests.

These outcomes are changing what people expect from their bank experiences. As digital transformation has accelerated for banks, customer expectations have shifted in meaningful ways as well.

Today, banks need to break down silos and effectively leverage data across their organizations with modern technologies such as artificial intelligence and automation. Banks must understand the customer journey, anticipate customer needs and create seamless and exceptional end-to-end service experiences. In addition, improving the employee experience leads to a better customer experience. Employees who have access to modern technologies and efficient processes can be more thoughtful and productive, which in turn provides the customer with a better experience.

Banks that intend to stand out for service must act upon the following imperatives:

Deliver proactive omnichannel service: Traditional service channels—in person at a branch and via phone—are still important. But digital can now be the first line of support for all customer service.

A service event can start via self-service and eventually leverage capabilities like chatbots, live chat, SMS or other digital tools depending on the complexity of the customer's issues. Chatbots can take care of many questions posed through live chat, which further decreases the number of queries from phone and in-person interactions and allows organizations to reserve live support for situations when it matters most.

As a bonus, digital interactions generate a wealth of data that banks can use to deliver a better experience—not only for the customer who initiated the interaction but also for other customers who share similar characteristics. Data and analytics are critical to service experiences and are woven throughout today's banking imperatives.

Banks need to enable employees to be more productive by spending less time searching for answers. That means leveraging the rich data they have on customers across channels and systems to derive insights.

Enable a unified workspace: The way people work has changed. In March 2020, companies had to learn quickly how to enable employees to serve customers remotely. Now banks are navigating a hybrid model, with some employees returning to the office and others continuing to work from home. In addition, there aren't enough workers, so call volumes per agent have gone up dramatically.

Banks need to enable employees to be more productive by spending less time searching for answers. That means leveraging the rich data they have on customers across channels and systems to derive insights. They can deliver those insights to employees at the right time, anticipate customer questions and be ready with answers and solutions.

Contact center agents often use a dozen or more applications in handling customer calls. What if a single workspace could tell an agent why a customer was calling? What if that same workspace could alert the agent to a system issue that was affecting multiple customers? Or provide a single view into the relevant data and guidance on how to serve a customer? What if an agent could see that a customer with an overdraft had never had one before in 20 years of banking there?

Another concept is keeping the customer's story whole and connected. Almost nothing feels less personal or more frustrating to customers than having to repeat why they are calling. Say a new small-business owner used a digital channel to open an account. Wouldn't it be great if that customer received a welcome call from a business banker to describe the account's features, connecting a digital experience to a very human one?

Empower everyone with automation: Recall the 20-year customer whose account was overdrawn for the first time. What if that customer didn't have to call to ask for a fee waiver? What if the fee were reversed automatically?

That's what automating service processes can do for customer experiences. It's using data to recognize the customer journey, anticipate needs and automate the response. It takes unnecessary human interaction out of the experience to offer excellent service at scale. But each customer is still delighted and feels seen and valued, which builds trust.

Service automation is about understanding customer journeys and automating where possible to provide excellent service along those journeys. In addition to automating internal processes, banks are also automating external experiences. It's excellent service. It's excellent business too.

In the fifth edition of Salesforce's State of the Connected Consumer survey, more than 80% of consumers said that the experience of dealing with a company is as important as its products and services; for business customers that number is 5% higher. Further, more than 90% of consumers will make another purchase from a company that provided good service, and the vast majority expect the same great service across all departments within an organization.

Only a quarter of consumers feel financial services companies provide great customer service and support, so there's a lot of room for banks to do better.

Scale and personalize with data and AI: Data and analytics have two jobs. The first is to provide business leaders with better insights to manage and operate the business. The second—which banks haven't quite mastered yet—is more systemic, involving questions such as: How do we understand what's happening across a specific customer base? Is there a trend we need to address? How can we be proactive?

Leveraging data and analytics leads to a better customer experience and helps banks with risk and compliance. Why are there so many fee reversals with this new product? Was it built correctly?

The common theme among these four imperatives is artificial intelligence. AI serves up the answers to critical questions when it comes to providing consistent, intuitive, quality service right now. How can banks leverage all their data to provide quality service at scale that still feels personal? How can agents—digital and human—anticipate customers' questions, needs and goals?

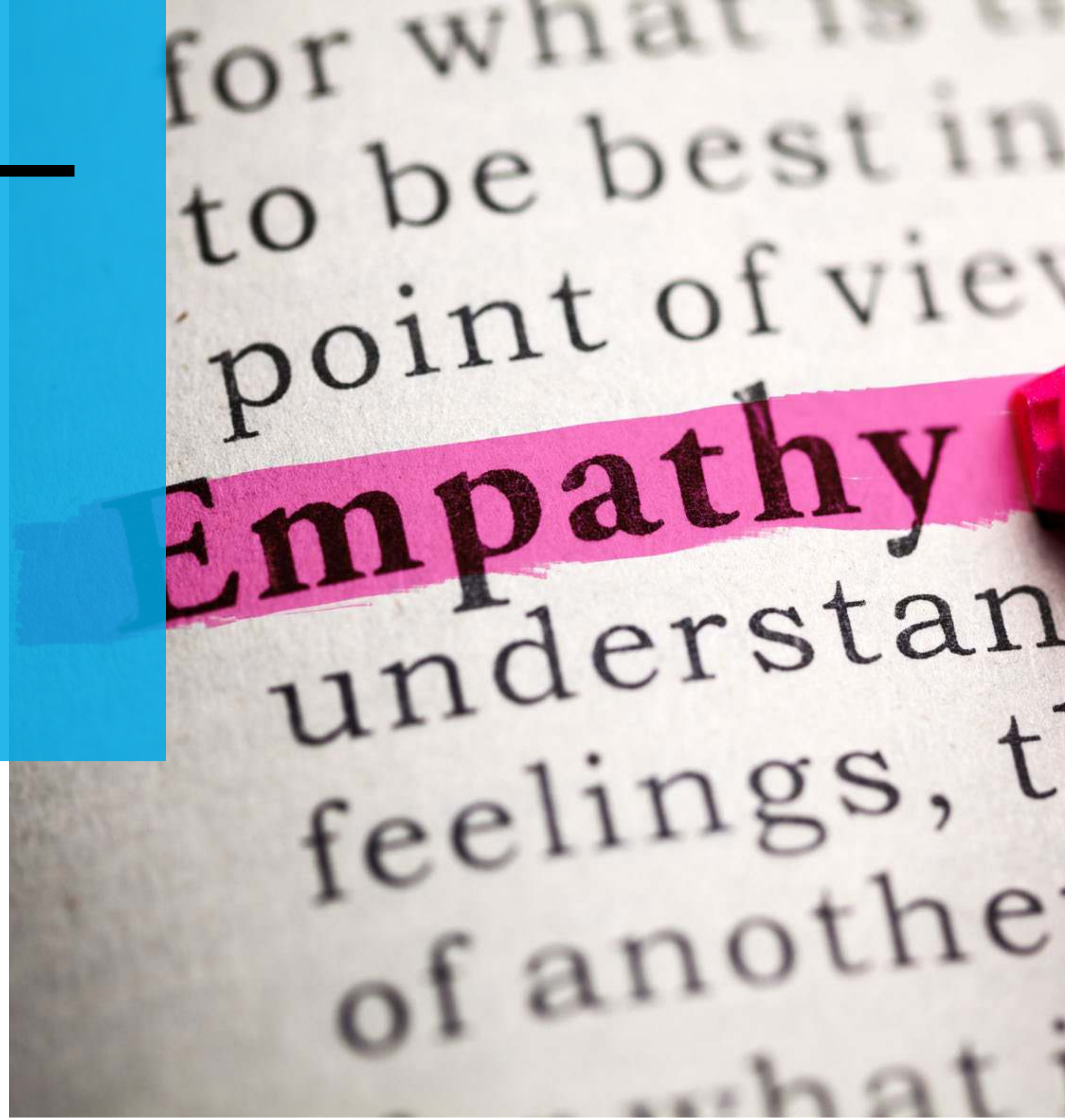
We're early in the adoption of AI as a financial services tool. AI promises to be a major differentiator for banks, but only if they continue to innovate quickly and think well outside their traditional comfort zone.

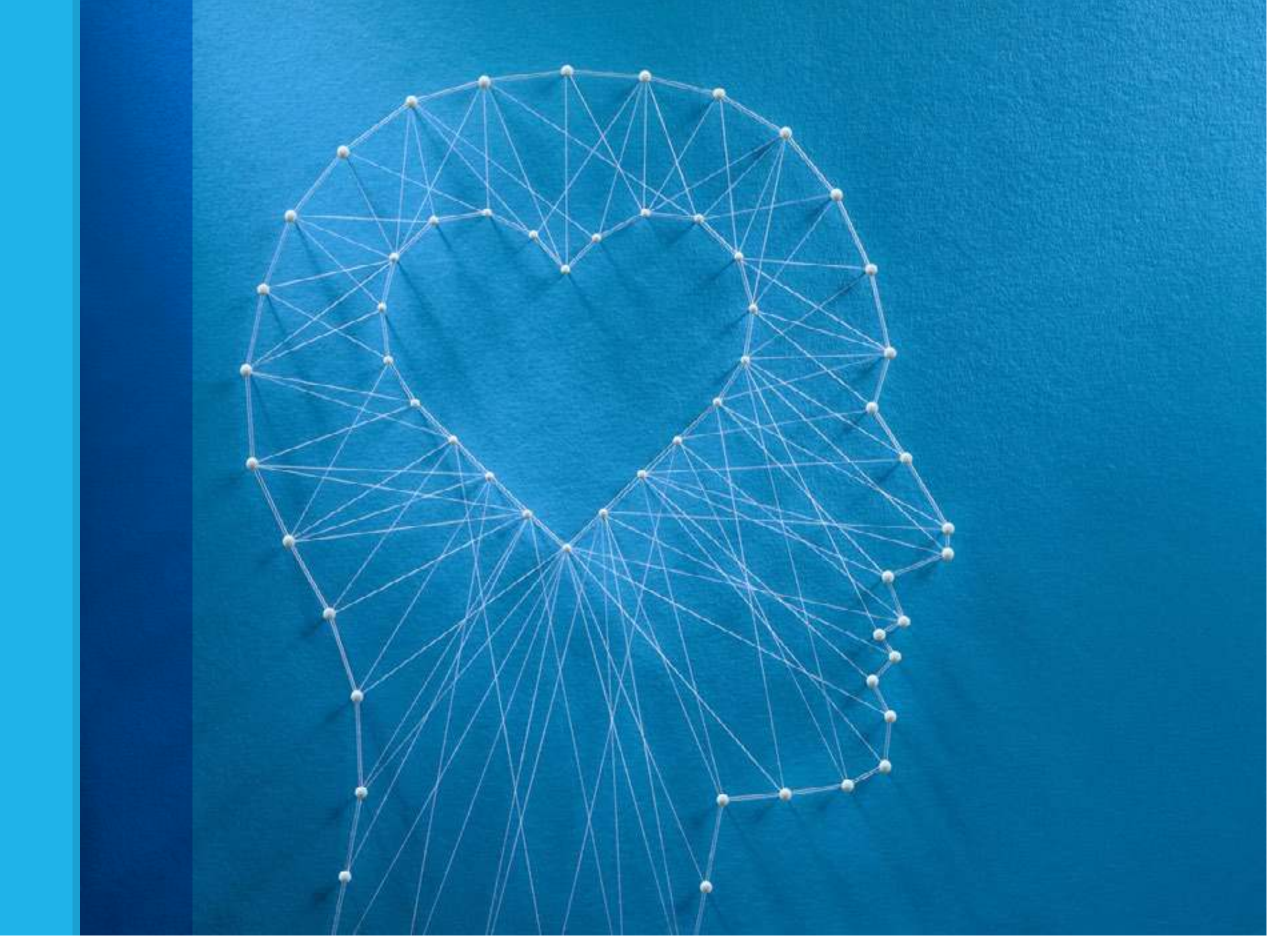
Kelly Horn is a banking solution and strategy director at Salesforce.

Humanizing your digital channels is all about empathy

The key is putting the customer first: Know what they need, what they are trying to achieve and how you can best help them.

BY BENOIT MALHERBE





Customer experience in banking has changed. While digital capabilities and new apps have made banking more accessible, visiting branches remains important for many customers. With these dynamics, understanding today's customer has become complex and requires banks to rethink their operating model.

While some may see this as more work, it's really more of a change in priorities—an opportunity to differentiate the bank's brand. The best way to do this is to put the customer first: Know what customers need, what they are trying to achieve and how you can best help them.

It's about empathy.

Delivering empathetic customer banking is a priority for all bankers now, especially when it comes to digital interaction. Digital banking cannot be impersonal; it must rely on empathy and personal interaction.

Putting the customer first doesn't mean your bank needs to dramatically change or compromise current operations. You can strike a successful, profitable balance. Financial services organizations can maintain their emotional connections with customers and deepen their customer relationships. Empathetic customer service in both human and digital channels is a critical differentiator in a time of growing faceless automation and commoditization in the banking industry.

While personalized empathetic customer service has traditionally been delivered face to face, digital transformation has accelerated the opportunity for banks and financial institutions to deliver empathy in digital channels as well. Advanced technologies like the cloud, artificial intelligence (AI) and machine learning help deliver a sensitive and seamless customer experience across all channels.

Enabling fluid customer conversations across channels allows bankers to anticipate customer needs and desires. Regardless of channel, customer-centric banking translates to trust—a financial services organization's most valuable asset.

Here are four steps to create empathy through your digital channel:

Listen: To stay competitive, financial services organizations must capture and analyze their customer interactions to gain a 360-degree view of the customer. Collecting and collating data across all interaction channels will help banks understand who customers are, where they've been and what's happening to them now. AI captures data across all channels, so banks can pick up cues and intents in real time. This results in better self-service experiences, reduced handling times, increased outbound connection rates and higher customer satisfaction.

Understand and predict: Banks can transform the data collated and collected across their organizations

Banks need to engage at the moment of truth, in the right way, with the right context. They need to be able to route engagements across any channel to the best resource for the situation—whether that is a self-service tool, a bot or an employee.

into meaningful information. These insights from customer care, marketing and sales departments can be used to segment and cluster customer data and enrich it with AI to understand intent, predict outcomes and recommend next steps. Banks must leverage data to deliver seamless experiences, breaking down silos among ATMs, branches, mobile apps and online banking.

Act: Banks need to engage at the moment of truth, in the right way, with the right context. They need to be able to route engagements across any channel to the best resource for the situation—whether that is a self-service tool, a bot or an employee. When it comes to branch and remote bankers, this means surfacing dynamic knowledge as the conversation unfolds to help employees confidently guide customers to a resolution.

Learn: The last step is to capture and monitor the outcomes of interactions for continuous improvement. Understand where customer service is failing to add business value and determine how to correct course to deliver authentic experiences. This is done by capturing customer sentiment and feedback at varying levels, both during interactions and after. Banks can stay in control of processes such as customer onboarding, mortgage applications and account opening.

With a sense of empathy and purpose at each step in the customer's preferred channel, a bank is more efficient, and the customer is more satisfied. The benefits of operational efficiency and customer satisfaction accrue to the bottom line.

Financial services organizations that seamlessly connect the dots along the customer journey and communicate with customers in a consistent and compassionate voice across channels will have a significant competitive business advantage.

[Benoit Malherbe] is an industry executive with the banking practice at [Genesys], where he is responsible for building and executing go-to-market strategies to accelerate revenue growth for banking customers globally.

Mapping your banking customer's journey

Build a foundation for better experiences and higher growth.

BY MATT LOMBARDI AND ANNE BAKSTAD

Following the global pandemic that quickly reshaped the industry, many banks are wondering: How do we stay ahead of rapidly changing customer behaviors? A customer journey map is the most direct and effective way to get the answer to this question.

The journey map—a visual representation of how customers interact with your products, services, people, tools, websites and content—exposes gaps between customer expectations and what a company is delivering. Mapping the journey provides a foundation for understanding and managing the customer's end-to-end experience, and the results enable you to prioritize improvements and intentionally design better experiences.

Research shows that companies with formal journey-mapping programs have significantly higher year-over-year growth than companies without such programs. They experience a 54% greater return on marketing investment, 56% more cross- and up-sell revenue and a tenfold improvement in the cost of customer service. However, fewer than four in 10 companies engage in formal journey mapping. In banking, where companies fear running afoul of the regulators, the number could be even lower.

To help increase that number, we have created a six-step process for building and scaling a successful, sustainable program to map the customer journey:

[Companies with formal journey mapping programs] experience a 54% greater return on marketing investment, 56% more cross and up-sell revenue and a tenfold improvement in the cost of customer service.

Commit: Convincing senior executives to commit to the program with time, resources and continual learning and action is a critical first step. Leaders must allocate time for key employees to participate throughout the process, from giving interviews to launching new initiatives spurred by the findings.

Start with a high-level view into the end-to-end journey of your most crucial persona, from the moment they first become aware of your product all the way through to becoming a loyal customer. This highlights any severe gaps in what's delivered to customers and becomes the foundation for your broader journey management program.

Create: Build a hypothesis map, which is a draft version of your customer journey map. To start, collect all of your relevant customer data, operational data and previous customer studies. At the same time, interview key employees—especially those who are customer facing or who have the most comprehensive view of customer pain points—to understand their view of customers' priorities and experiences with the company.

Then use this rich input to build the hypothesis map, charting how customers experience each journey phase. The map typically includes customer goals, the steps they take, their touch points with your company, their top challenges and pain points, and their emotions.

Validate: Too many organizations cut corners, relying solely on employee input and existing data. However, if you don't conduct research and validation activities directly with the customer, you won't have an accurate customer journey map.

Recruit 10 to 15 customers to participate in your journey map research. Start by asking about the highest and lowest points of their experience with your company. You can then go through the experience phase by phase, asking customers what they want to accomplish, how they experience their interactions with your company, the main challenges and how they feel about all this. Use your hypothesis map to probe more deeply.

As with all customer research, there is no single best way to do this. Research can be in person or virtual, with individual customers or groups of customers. We had great success using a digital whiteboard and other collaboration tools to run virtual journey-mapping sessions during the pandemic. Decide the best approach for your company, depending on which customer persona you're targeting.

Synthesize: Your journey map should represent a specific persona, include critical touch points, and show the high and low points of the customer experience.

Since the journey map is often a one-page visual, we recommend including a report with rich insights and a detailed synthesis of the data gathered, including direct customer sentiment and quotes, voice-of-the-customer data, operational data, and employee input. Pro tip: Highlight incorrect hypotheses, as those are often the most surprising findings.

Act: Now that you have your map and accompanying insights, schedule debriefs with your executive team and business leaders. Work with these stakeholders to align on which parts of the journey are the thorniest. Once you have identified the top customer pain points, prioritize them.

After ranking the top challenges, it is time to codify your approach to improving the customer experience. You'll be able to address some pain points by tweaking an existing workstream or process. Other challenges won't have a clear solution—and that's where a design-thinking framework comes in.

Your customer journey map and research are also valuable tools for communicating and building culture. Employees adopt customer-centric attitudes and behaviors when they feel empathy for the customer. Sharing customer journey maps widely throughout the organization, along with introducing empathy exercises and immersion activities, gets everyone energized to do what it takes to improve the customer experience.

Repeat: Now that you have your highest-level journey completed for your most crucial persona, it's time to dig into your next journey. What are the thorniest and most complex experiences that your customers go through? Which persona experiences more pain relative to other customers? That's where you should go next.

Over time, you'll map all significant customer journeys. A good rule of thumb is to put each significant customer experience through an annual mapping exercise to ensure you're continually making improvements by analyzing the data year over year. Other triggers for updating a journey map include major economic and political events, significant modifications to a banking experience, changes to how customers perceive the market, and merger and acquisition events.

Once this mapping becomes ingrained in your organization, it will be easier to ensure that all new experiences are intentionally designed for maximum customer happiness and success.

Matt Lombardi is global head of customer experience at ServiceNow, where Anne Bakstad is director of customer experience design.

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