

# How personalization in banking is driving next-generation customer experiences

## What does banking mean to customers today?

The days of queues at the teller and the mahogany desk of the manager are long gone. For a while, the furthest frontier of innovation was digital banking – but now, even with its advantages of great products, pricing, and digital tools, that's just business as usual.

So, where does that leave customer expectations now, and how could those expectations change the face of banking as we know it?

Andrew Harris is Head of Product at Jenius Bank™, a new digital bank in the U.S., and Richard Bishop is Client Service Delivery Director at Precisely. Together, they revealed what they think will be key experiences for the next generation of banking customers, as well as some exclusive research showing how executives' attitudes to CX have changed over time.

## The insights behind the goals

Research by Corinium confirms that data is at the heart of providing next-level CX. Bishop delved into the results of the report, which surveyed CX- and data-focused executives from 100 global enterprises. Three key, linked findings stood out:

1. CX strategy is a priority into 2023
2. Leveraging data will be what drives a world-class experience
3. CX infrastructure supporting communication management capabilities will be essential to support it all

"Data is the cornerstone of excellent CX. Being able to test and learn as you go, pivoting quickly, means not just having data flexibility, but flexibility around the edges of the data in how to interact with your customer." In other words being willing to take on board and act on different insights, and being willing to adapt accordingly. "That helps you focus on the next best action that they need to take, reducing friction and maximizing customer value," Bishop advises.

Unfortunately, friction is as common as it is undesirable in consumers' financial dealings. It's very much in a bank's interest to reduce it wherever possible – especially when you consider that **94% of customers with a low-effort CX are more likely to repurchase.**

So, clearly, the argument for using data is compelling – but that doesn't mean it's easy. Nearly half of executives (48%) surveyed by Corinium cite data accessibility as their biggest challenge. "Data gets trapped in various systems over the years and as organizations evolve their products and services, sometimes the data strategy doesn't come along with it," Bishop warns.



Similar disconnect happens in communication channels. 56% of companies surveyed claim to struggle with siloed, uncoordinated communications that prevent them from delivering that desired frictionless experience.

Then what's the solution? The answer would seem to be clear: fully integrating communications into the CRM to allow a simple transfer of data to the channel it's needed. And yet, only 12% of survey respondents say they're already doing this.

And unfortunately for those organizations that haven't taken action to improve, customers have low tolerance for dissatisfaction – and many other options out there.

## 50 ways to leave your provider

Switching banks has become easier than ever and expectations have risen significantly.

In fact, in most areas of consumers' lives, not just finance, it's become the norm to simply seek out a new supplier if a current CX isn't living up to expectations. So, while companies may not have historically felt a burning need to press ahead with CX transformation, it looks like in 2023, banks are beginning to feel the heat.

"As you start thinking that your organization is not talking to you as a customer, then that dissatisfaction will lead to looking for better service," Harris notes. "One of my favorite interviews we did last year when we were researching customers was a lady in her 50's who would get an auto finance reminder every month. She's never driven a car, or even had a driver's license."

Back in the day, an in-person bank manager may have known details like this, but in today's digital age, it's the data that has to pick up the slack. In siloed CX systems, this just isn't possible.

And with 42% of banks closing physical locations in the past 12 months and another 28% planning to, it's clear that the trend is towards more digital interactions. "Integrated, unified digital services is really going to drive that success," Bishop insists.

To ensure success with digital initiatives, the data challenge needs to be addressed. Bishop notes that a typical banking organization struggles to implement new technologies into a system that's already full of silos and redundancies – and even when they can integrate, the ecosystem struggles to keep up with change. "When you bring a new product to market, one of the challenges is getting the communications ecosystem right and getting it into production quickly. On average, it takes 90 days to get a simple change to communication [going]"

The implication is that this holds up the product strategy, which holds up the business. "It's hostage to the slowest car in the train, which would be communications," Bishop says. So then, what's key to keeping that train on pace? "One integrated, real-time engagement platform that can leverage the data from one unified platform and deliver a consistent, personalized experience." Certainly, unified platforms are becoming more and more common for organizations that find themselves split across multiple departments and siloes, yet also have a pressing need to present consistent communications to the customer.

### It's all in the execution

"You may have the best analytics engine in the world, but can you execute? Can you communicate to the customer in the way that they want?" Harris asks. He points to the advances in other industries where even the way a person holds their phone can tell companies something about consumer behavior.

But even back to basics, there should be more than enough to inform bankers about how best to interact with their customers. When thinking about each individual, consider questions like:

- Are they responding to push notifications?
- What's the preferred day to receive an email?
- What are they doing in the app on any given day?

"That's how I use data to create really great experiences," says Harris. "Make sure the information you're giving is relevant, make sure it's being received by the customer, and start embracing those trends. We're seeing more and more of our target customers embracing TikTok and getting their information from quick videos. As an industry, we have yet to embrace that too."

Harris admits it's still far too early to get insight into how well this strategy might perform – at the time of going to press, Jenius Bank was yet to launch to consumers. However, prior experience would suggest that there are some standard metrics that will give a good view of performance. "Net Promoter Score (NPS) is always a good one, but also engagement, time spent, and quality of time."

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## Powering the human touch

The data, communications, and overall journey need to be linked. And it's as much about providing communication to the agents as it is the consumers.

As Harris and the Jenius team prepare to launch, they want to be ready: "Probably 50% of the calls Jenius Bank customers will make to a call center is 'I got this letter the other day. If the agent can't see that, they're flying blind, relying on the training we've given them to understand what the customer is asking for.'"

How can banks ensure service reps are ready to provide the personal experiences that customers crave?

"Giving the right tools to the employee to service the customer effectively is critical. The one thing that frustrates them the most is not being able to serve the customer because it's their job," Bishop advises. One of his biggest frustrations? Sitting in on Voice of the Customer activities, where customers call in to query transactions but representatives can't find the right information.

Humanization is critical to a positive CX within both in-person and digital banking. But how exactly is that accomplished? Bishop cites personalized video, and Harris says it's the telephone conversations commonly used by Credit Unions that has put them at the top of the CX tree. "How do you recreate that digitally?" Harris asks. "People think that it's hard. Digital banks have fantastic products and we're really good at digital features. Adding the extra element of personalization, in video, where it makes it clear that you know me as a customer ... that's what we're striving towards."

Getting started on this journey is often the hardest part. Bishop notes that there's often no real strategic vision of the communications strategy – particularly when it doesn't fall under a single person's scope. Because large-scale transformation happens only rarely, organizations don't tend to have a dedicated team in place or strategy at hand to manage the process. As a result, organizations still may lack internal expertise and will need to opt for external help.

Bishop identifies three of the biggest benefits of implementing an enterprise communication platform:

1. **CX improvement** thanks to greater personalization
2. **Operational efficiency** in removing silos and redundancies
3. **Governance** through control, consistency, and auditability of everything that's going on in the system

Harris agrees, noting that governance is going to grow in importance. "It still lends itself to better CX but there is a higher bar now. Control of communications and knowledge of communications is something regulators are looking for and something that, as an industry, we are looking to get better at."

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