



Transforming CX in Financial Services

How to Maintain a Human Touch
While Deploying New Customer-
Facing Technologies

02

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Executive Summary

Technology such as AI and chatbots can have a dramatically positive impact on the customer experience in the financial industry. According to Gartner, “The use of AI technologies such as machine learning, natural-language understanding, and natural-language processing can help analyze customer sentiment and customer feedback at scale, precision, and speed not achievable through humans.”¹

Financial institutions have a duty to their customers to provide secure and effective service. They also need to respect the fact that financial information and the decisions made around it can be associated with some of the most stressful and challenging times in their customers’ lives. As such, organizations in this sector need to strike a fine balance between leaning into technologies that can provide better, faster service to customers versus maintaining a human touch where needed.

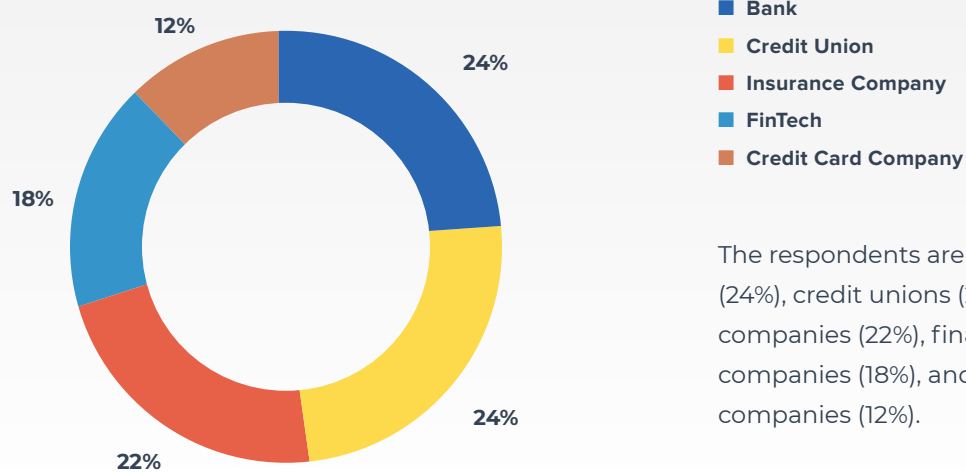
This report explores how financial institutions can retain the human touch that is so important in their consumer interactions while leveraging the latest customer-facing technologies, such as AI, automation, and advanced customer interfaces.

¹ Omale, Gloria. “Improve Customer Experience with Artificial Intelligence.” Gartner. May 2, 2019.

About the Respondents

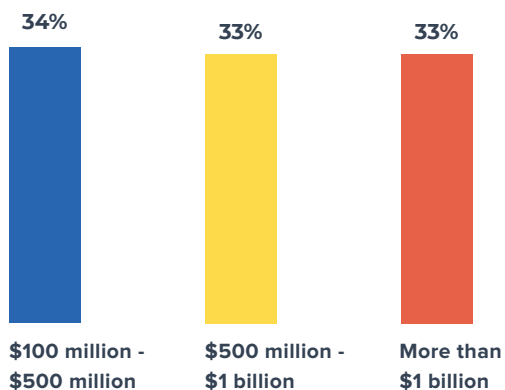
The WBR Insights research team surveyed 100 financial industry leaders from across the U.S. and Canada to generate the results featured in this report.

Which type of company do you represent?



The respondents are from banks (24%), credit unions (24%), insurance companies (22%), financial technology companies (18%), and credit card companies (12%).

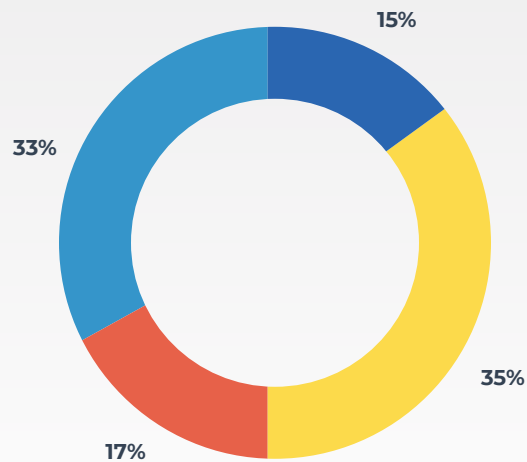
What is your company's annual revenue?



The companies represented in the study are almost evenly split in size, as measured by annual revenue. About one-third of the respondents (33%) are from an organization that makes more than \$1 billion in annual revenue.

About the Respondents

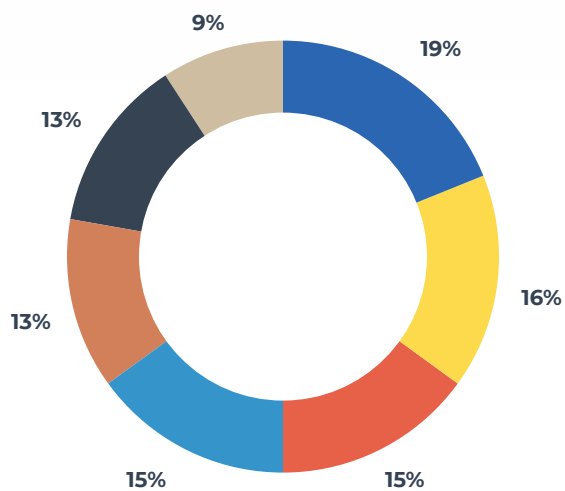
What is your seniority?



- C-Suite
- Vice President
- Department Head
- Director

The respondents are C-suite executives (15%), vice presidents (35%), department heads (17%), and directors (33%).

What is your department or role?



- Marketing
- Analytics
- Payment
- Products
- Customer Experience
- IT
- Digital

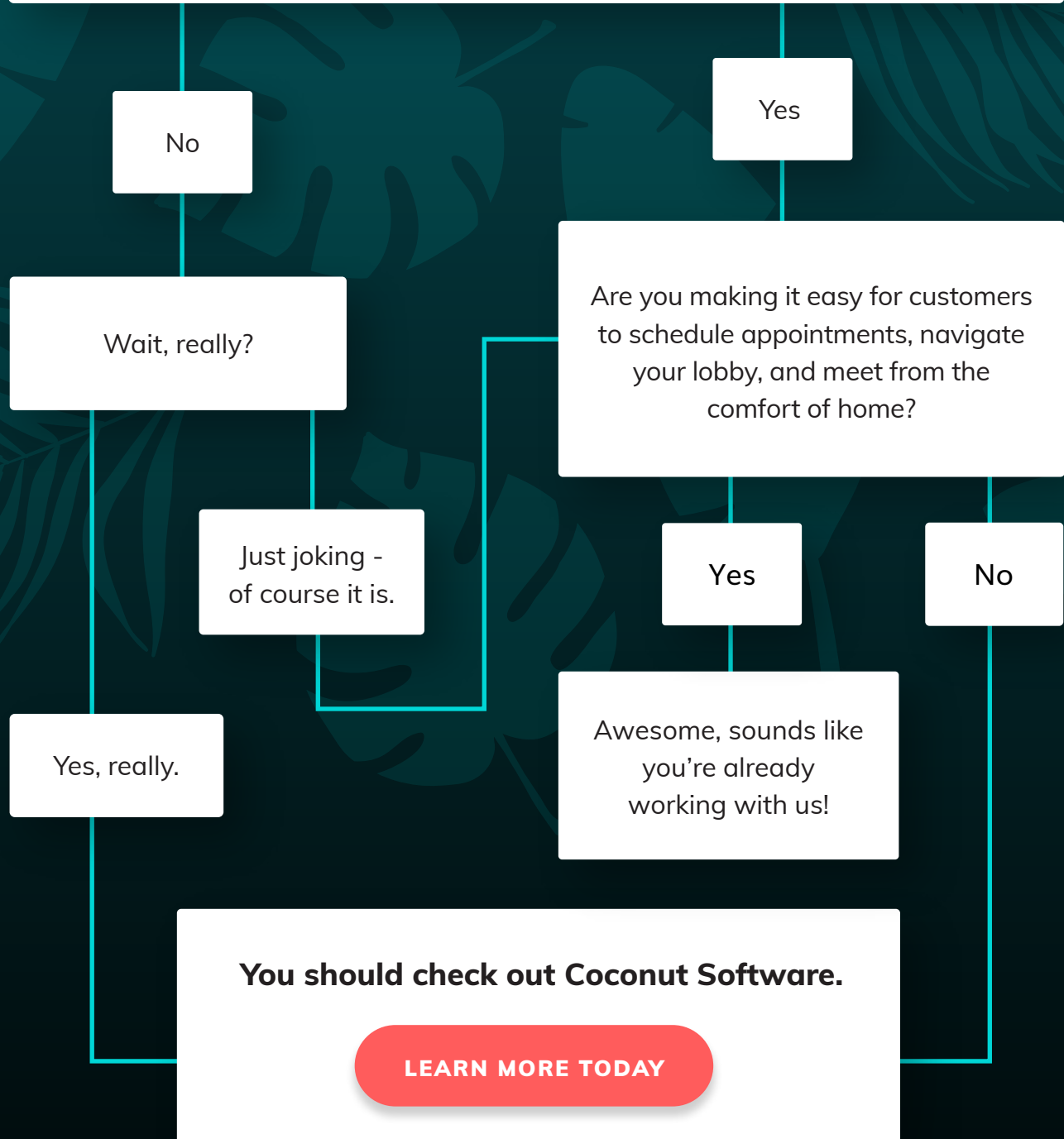
The respondents occupy various roles and departments within their organizations, including marketing (19%), analytics (16%), and payments (15%).

Key insights

Among the respondents:

- Three-quarters claim their customers are only somewhat comfortable (57%) or somewhat uncomfortable (18%) with their companies' use of personal data.
- Only 25% can leverage customer data to deliver personalized experiences both in their branches and online. Most remaining respondents (40%) can deliver personalized experiences using customer data in their branches only.
- 57% claim their CX teams have a deep understanding of customer engagement over the phone or via a contact center. However, most claim their CX teams have only a partial understanding (46%) or a minimal understanding (16%) of customer engagement online.
- 65% claim artificial intelligence (AI) directly impacts their customer experience today.
- 53% believe appointment scheduling and lobby management solutions are now essential to remain competitive in banking. Half claim lobby management technology directly impacts their customer experience today, while 31% claim lobby management technology will do so in the next 12 months as well.
- Their CX teams' top three biggest challenges while leveraging customer-facing technology are encouraging customers to adopt new CX features (70%), quantifying ROI for CX technologies (44%), and achieving funding or buy-in to implement technologies (43%).
- Only half can currently analyze customer experience metrics at scale. In each case, fewer than half can analyze customer feedback (42%) and customer data (40%) as well.
- 59% cannot proactively use a specific technology that is most convenient to a given customer to ask for their information and provide them with services.
- Most claim their companies already leverage appointment scheduling (31%) or plan to do so in the next 12 months (47%). Among those whose companies already leverage appointment scheduling, 61% claim they are satisfied with their current appointment scheduling solution.

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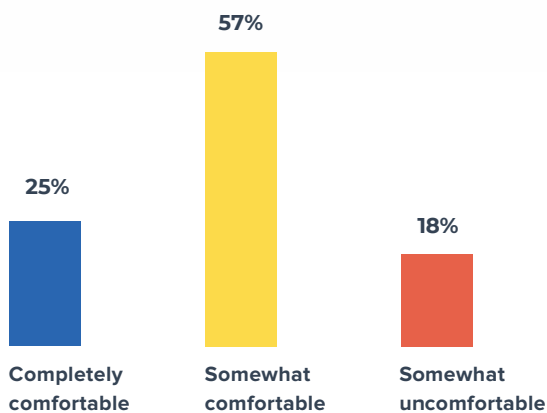
Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

The financial customer experience is evolving due to customers' increasing demands for up-to-the-minute service via the channels they prefer. Inevitably, many of those channels are digital.

This represents an opportunity for financial institutions to provide an unparalleled customer experience by leveraging customer data to deliver personalization and efficiency. Younger consumers have shown a penchant for choosing online channels over in-person and traditional channels, such as phone calls.

Nonetheless, many financial organizations are still struggling to reach a level of technology maturity that will support their latest CX initiatives. Customer trust is also a key concern. Financial organizations are subject to strict regulations regarding personal data, and customers are only willing to let these organizations use their data if they trust it will be done safely and responsibly.

In your opinion, how comfortable are your customers with your company's use of their personal data?



Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

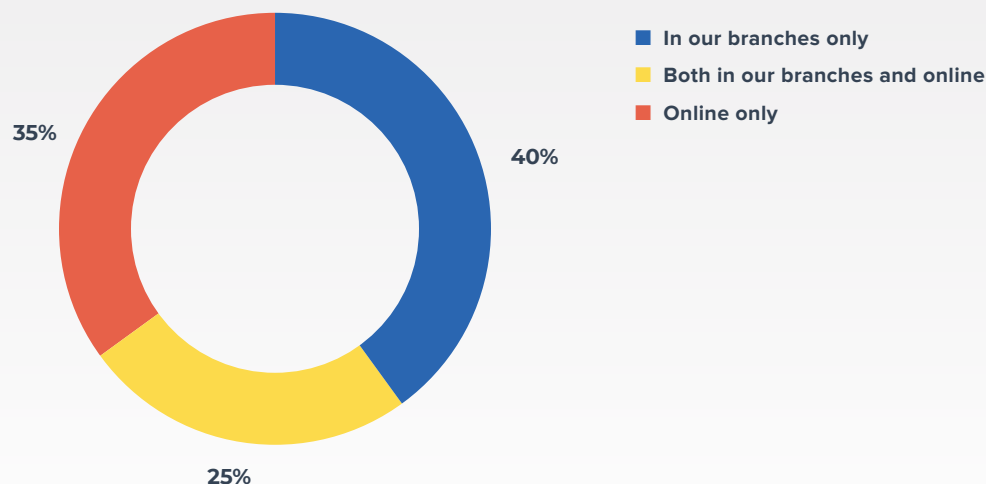
Most of the respondents (57%) believe their customers are only “somewhat comfortable” with their company’s use of personal data. This reflects broader industry and societal trends regarding consumer trust in the financial industry. Consumer trust in financial organizations has waned over the past decades due to the financial crisis, high-level cybersecurity breaches, scandals, and the COVID-19 pandemic.

Thankfully, financial organizations have responded through the implementation of new strategies, policies, and technologies. Many organizations have eliminated practices that consumers have historically found untrustworthy, such as charging

hidden fees. Organizations are also adopting a more candid approach when it comes to using customer data—aligned with recent regulations like the EU’s GDPR, financial organizations are explaining to customers how their data is collected, why it’s collected, how it’s used, and how it’s kept safe.

Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

Can your company currently leverage customers' personal data to deliver personalized experiences online or in your branches?



By winning this trust and obtaining customer data, financial organizations can generate better customer experiences through personalization. Although data-empowered personalization is often considered a digital process, customer data can also be leveraged to personalize in-person experiences.

Currently, a total of 65% of the respondents can leverage customers' personal data to deliver personalized experiences in branches. Meanwhile, 55% can leverage customers' personal data to deliver personalized experiences online. These totals include 25% of respondents who say they can leverage customer data both online and in branches, a capability that should be the ideal.

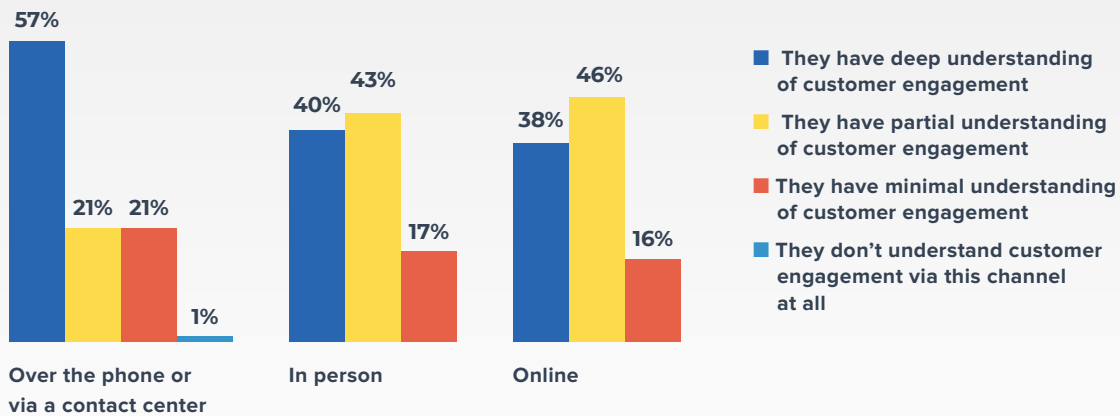
This suggests that most organizations have an opportunity to leverage customer

data more effectively across channels, such as through a unified repository and an omnichannel analytics platform. When used properly, customer data can reveal contextual information that makes customer interactions more informed and efficient.

Customer data can be leveraged in customer-facing portals to provide customers with more services, such as financial projections, product recommendations, and automated alerts. Likewise, customer data can be used in person-to-person interactions to inform the conversation and streamline decision-making. For example, a representative in a phone conversation with a customer can deliver better services if they have the customer's financial history at their fingertips, rather than having to ask for information on the phone call.

Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

How well do your CX teams understand key aspects of customer engagement within the following channels?

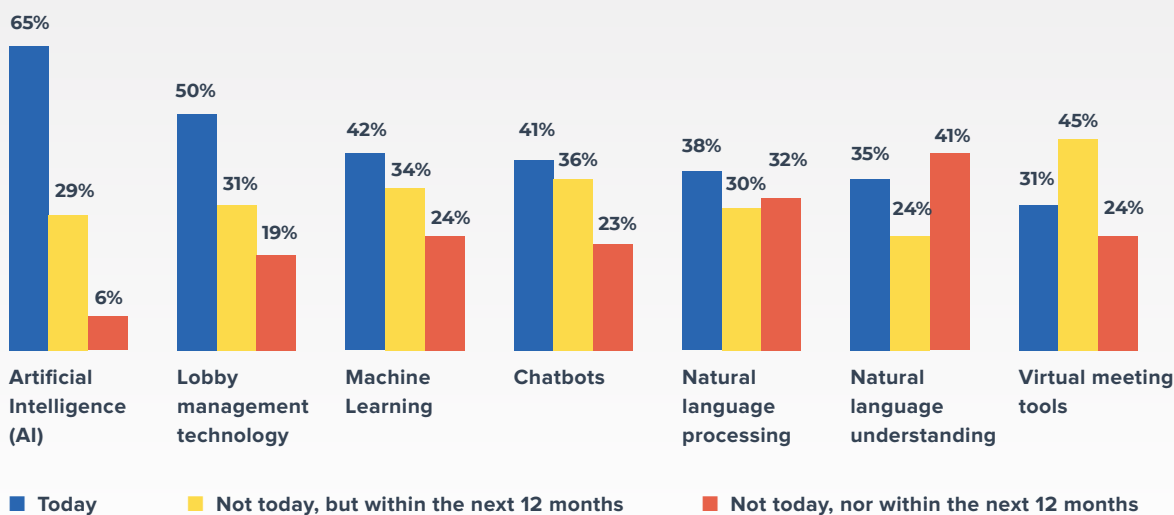


The results of this study suggest that most financial institutions have a good handle on customer engagement when it comes to phone conversations. At 57%, most CX teams have a “deep understanding” of key aspects of customer engagement when communicating over the phone or via a call center.

However, there are opportunities for CX teams to improve their understanding of customer engagement over other channels. Regarding in-person interactions, a plurality of CX teams (43%) only has a partial understanding of customer engagement. Similarly, a plurality of CX teams (46%) only has a partial understanding of customer engagement over online channels.

Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

Which of the following technologies directly impact your customer experience today, and which will your company deploy in the next 12 months to improve the customer experience?



In some instances, perfecting the customer experience over these channels may require additional data or simply a deeper understanding of how to use customer data at the point of service. But technology also plays a major role in deepening CX teams' understanding of customer engagement over every channel.

Currently, 65% of the respondents say that artificial intelligence (AI) currently has a direct impact on the customer experience. This is promising, although some organizations may need to improve their AI capabilities so their programs provide more direct value to customers. Customers are increasingly searching for intuitive and human-like experiences when interacting with AI tools like chatbots, which 41% of the respondents are currently using.

AI that can produce more contextual insights based on customer data may add more value to customer relationships as well. Organizations that understand this are leveraging machine learning (ML) to make gradual improvements to their programs. Currently, 42% of the respondents are using ML.

At the branch level, exactly half of the respondents are using lobby management technology to streamline the in-person customer experience. Lobby management tools can capture lobby performance in real-time and utilize queue management systems to make a customer's visit more informed and streamlined.

Financial Institutions Must Leverage Customer Data for Deeper Trust and Understanding

Instead of entering the branch and immediately waiting in line, some technologies make it possible for customers to sign in electronically, providing the branch with some basic information about what they wish to accomplish. By the time the customer reaches a representative, that representative already has a deep understanding of who the customer is, what they need, and what steps can be taken to help them.

The respondents also agree that technology will change the customer experience at banks, credit unions, and other financial organizations over the next few years. In verbal responses, many respondents say they believe new technologies will make branch experiences more efficient, streamlined, and personalized.

“Customers will have better clarity while seeking services in these locations,” says a digital department head from a bank. “New services will be a part of these locations and most of them will be around digitized solutions.”

“It will create demand for customers to visit branches and service locations and enjoy the customized experiences provided there,” says a VP of marketing at a bank.

Other respondents believe technology will enable customers to access more contextualized services at branch

locations. This is particularly important, as customers still turn to branches for complex transactions.

“Niche services should be efficiently risk-free,” says a director of analytics at an insurance company. “These locations will be highly accommodating to a larger group of customers.”

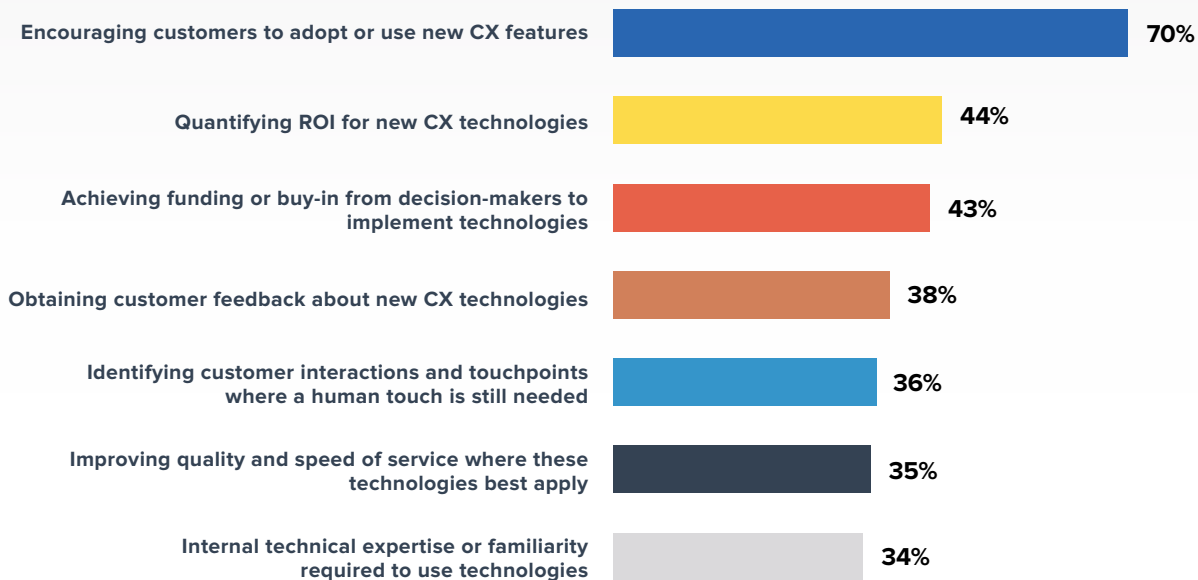
Still, some respondents believe that branch competition will heat up as customers increasingly use their personal devices to conduct transactions. As one VP of customer experience at a FinTech firm puts it, “Digitization will increase the competition in branch activities and people will be able to transact more through their mobile phones.”

Ideally, digital and branch-level tools should be able to work in concert to provide a reliable customer experience across channels. They can also be used to bridge CX across digital and in-person channels by ensuring customer data is both consistent and available across each.

Customer Adoption of New CX Features Remains a Challenge

Financial organizations can do much on their end to adopt new technologies that suit the customer experience, but some solutions are only viable if customers adopt them as well. This has proven to be a challenge for some organizations, as some customers are reluctant to change even though adopting new solutions could provide them with new capabilities and a better experience.

Which of the following do you consider major challenges facing you CX teams when leveraging customer-facing technology?



Customer Adoption of New CX Features Remains a Challenge

At 70%, most of the respondents say encouraging customers to adopt or use new CX features is a top challenge facing their CX teams when leveraging customer-facing technology.

Previous deployments of CX technology can offer some lessons in this regard. Customers may be more inclined to adopt new tools if integrating and using them is a fast, simple, and seamless process. They may also be more willing to participate in new programs if their benefits are readily apparent or if there is some incentive to do so.

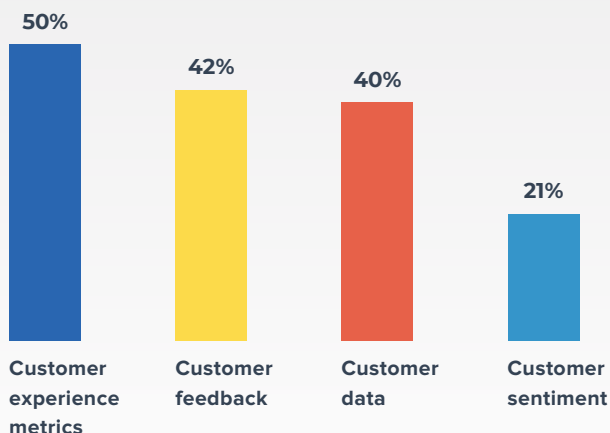
Pushing these technologies on customers can also backfire. By the very nature of these types of customer-facing tools, they require customers to be willing to interact with them to be successful.

For example, many consumer banks have rolled out AI-powered virtual banking assistants as part of their mobile apps. Adding this type of conversational technology to mobile apps as an option, rather than as a requirement, is an unintrusive way to encourage customers to adopt them. Customers who are used to conducting transactions like bill payments manually may wish to try these tools on their own time, and they may choose to adopt them if they find them useful.

New technologies also require support to function properly and provide value. Some financial organizations have abstained from adopting CX technologies because they appear redundant at first glance—indeed, 44% of the respondents say quantifying ROI for new CX technologies is a top challenge and 43% say attaining funding and buy-in is a top challenge. But with the proper support and implementation, some tools can completely transform the customer experience.

Customer Adoption of New CX Features Remains a Challenge

Which of the following can your company currently analyze at scale?

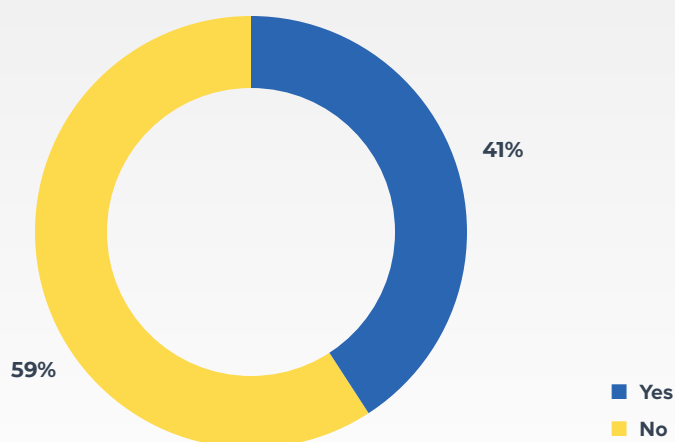


Financial organizations must also be able to analyze the results of their new technology initiatives and their effect on the customer experience before rolling them out fully. Currently, most of the respondents can't analyze customer feedback, customer data, and customer sentiment at scale. Only 50% of the respondents can analyze customer experience metrics at scale.

In this case, organizations may not be able to analyze these inputs over certain channels, such as digital or in-person. Analyzing customer feedback, for example, is integral to piloting new customer-facing technologies. Once deployed, the organization must be able to fine-tune the solution to meet customer expectations.

Customer Adoption of New CX Features Remains a Challenge

Does your company use the technology that is most convenient to a given customer to ask for their information and then provide them with services?



Nonetheless, financial organizations have a significant opportunity to align their customer-facing technologies with their customers' needs and to ask questions and provide services in a means each customer prefers. For example, if a customer sends the company an SMS message, they likely prefer to receive services directly through SMS rather than switch to a channel that is more convenient for or beneficial to the organization.

Most of the respondents (59%) say their company doesn't use technology that is most convenient to a given customer to ask for information and provide services.

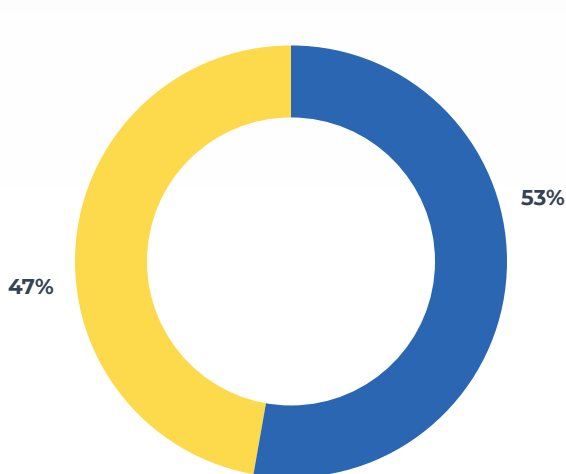
Understanding customer needs and context is often key to encouraging adoption. While some customers may prefer to communicate and obtain services via a mobile device, others may prefer to speak to a representative in-branch or reach out to a call center. The organization's technology and processes must be able to accommodate customer preferences in this regard, and it's up to each company to ensure the necessary safeguards are in place to protect customer data across every channel.

Lobby Management and Appointment Scheduling Are Important to the Branch Experience

Customers have continuously adopted financial technologies to make conducting transactions more convenient. Banking apps are particularly popular among consumers, as they enable them to conduct several transactions almost effortlessly and in little time. Now, customers expect the same level of ease when engaging with financial institutions at the branch level.

Furthermore, they expect similar functionality, capabilities, and convenience in the branch as they've come to expect from digital financial experiences. This has made in-branch solutions like appointment scheduling and lobby management tools imperative.

Do you think appointment scheduling and lobby management solutions are now essential to remain competitive in banking, whether they would apply directly to your company or not?

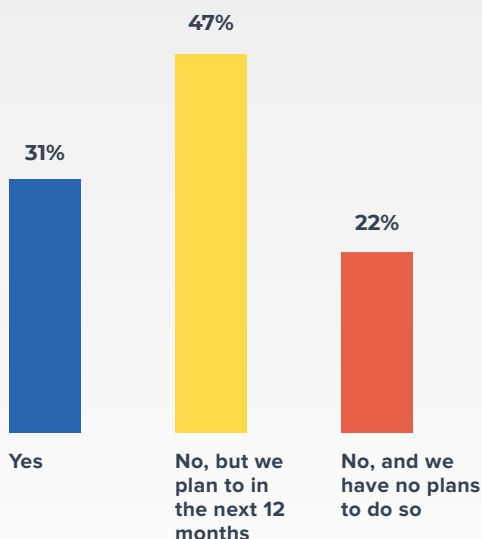


■ Yes
■ No

At 53%, most of the respondents agree with this assessment. They believe appointment scheduling and lobby management solutions are now essential to remain competitive in banking, whether their organizations are already using these technologies or not.

Lobby Management and Appointment Scheduling Are Important to the Branch Experience

Do you already leverage appointment scheduling?



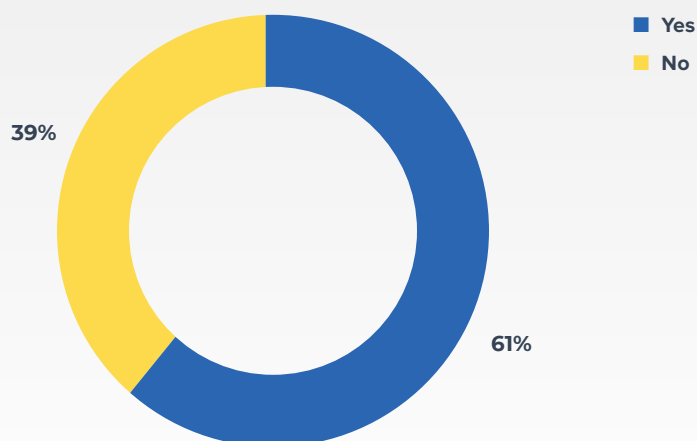
Almost one-third of the respondents (31%) already leverage appointment scheduling at the branch level. Another 47% of the respondents plan to do so in the next 12 months.

This is further evidence of the emerging “appointment economy.” Moving forward, many organizations will personalize customer experiences by allowing

customers to book appointments online or via an app or kiosk within the branch. Interest in these types of tools is booming among consumers and business customers. Next-generation appointment scheduling and lobby management technologies can even integrate with personal smartphone apps, analytics tools, and customer relationship management software.

Lobby Management and Appointment Scheduling Are Important to the Branch Experience

Since you said “Yes,” are you satisfied with your current appointment scheduling solution?



At 61%, most of the organizations that are already using appointment scheduling technology say they are satisfied with their current solution. Over one-third (39%) say they are not.

The respondents in the latter group may have adopted the first wave of appointment scheduling technology and are ready for an upgrade. The first wave of this technology offered some useful features, many of which integrated with other applications. But the latest resources offer an entire platform for managing omnichannel engagement across the financial organization.

With the right platform, banks, credit unions, insurance companies, and other financial organizations can provide customers with an effortless experience, all while generating insights through comprehensive analytics. Newer platforms are also designed to integrate seamlessly with the most popular business software, such as personal and team calendars, workforce management solutions, data analytics technologies, and more.



Conclusion: Balancing Technology with the Human Touch



Customer-facing technology holds enormous potential for transforming how financial organizations engage with their customers, but technology alone can't create an optimized customer experience. As any financial industry leader knows, the human touch is perhaps the most important part of the customer relationship.

Consumers and businesses turn to financial institutions to obtain trustworthy advice and guidance amid some of their most important financial decisions. The challenge for organizations in this sector is to determine how to combine their new technologies with a customer strategy that puts people first.

In verbal responses, the respondents described their organizations' strategies for maintaining the human touch in their technology deployments. They overwhelmingly agree that humans are the primary driver of customer experiences. While technology can be beneficial and make things more efficient, it's people that make the difference.

"Humans will be involved from end-to-end," says a department head at a FinTech firm. "Everything from the development phase to the usage of certain systems will remain with humans."

"When technology and humans function together, the result is magnificent," says a C-suite executive at a bank. "This is the motto that we work with and will continue doing so."

Other respondents believe that maintaining humans' control over the customer experience is of ethical importance as well.

"Although technology is rewarding, we will not approve a technology that eliminates humans and their presence," says a department head at a credit card company. "This is an ethical policy that we will follow."

Similarly, a department head at a bank says, "We want technology to partner with humans rather than take over their work."

This has become an important topic as organizations continue to automate their processes. As we've learned, some customer transactions, such as transferring funds between accounts, no longer require human interaction because they are straightforward. But many customers still wish to speak with a person when engaging in large transactions, asking for advice, or working to resolve a complex problem.

Organizations that can balance their customers' need for fast, automated services and the human touch will be well-positioned to lead the financial industry moving forward.



Key Suggestions

- Provide your customers with clear information about how you collect data, how you use it, and how you keep it secure. Most of the respondents believe their customers are only “somewhat comfortable” with how their organizations use personal data.
- Adopt a single source of truth for your organization’s data that can be accessed across channels, including at the branch level. Use a platform or a combination of solutions to leverage data in every customer-facing environment and enable your CX teams to understand customer engagement across the online, phone, and in-person channels. Only 25% of the respondents say they can leverage customer data both in their branches and online.
- Encourage customers to adopt new CX features by providing them with incentives for doing so or by demonstrating the benefits. Customers may be more likely to adopt new features if they are presented passively rather than forced upon them.
- When providing services, use the channels and technologies that are most convenient for your customers in a given context. For example, if a customer prefers to conduct business through an online channel, ensure they have access to the same capabilities they'd find on other channels.
- Adopt robust lobby management and appointment scheduling tools to streamline the customer experience in your branches. These can be integrated with your digital tools to produce insights and help your associates deliver excellent services regardless of channel.

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