



2018 STATE OF THE INDUSTRY REPORT

MONEY IN THE BANK

FIVE FINANCIAL SERVICES CX TRENDS

ttec™

INTRODUCTION

The financial services industry is working hard to digitize customer services.

But by focusing more on cost savings than customer experiences, many banking institutions are at risk of losing out to customer-focused competitors.

This e-book highlights retail banking trends and offers tips to create a balanced and differentiated banking customer experience.

28%

of retail bank customers are now digital-only, but they are the least satisfied among all customer segments, according to the *J.D. Power 2018 U.S. Retail Banking Satisfaction Study*.



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Digital



DIGITAL TRANSFORMATION

The proportion of respondents willing to try services from digital-only financial services brands dropped from **74%** in the first half of 2017 to **63%** in the second half.¹

4 out of 5 banking customer interactions are now digital.²

34% of banks' sales were digital in Q1, which was virtually unchanged from last year.³



MOBILE

15% of banking customers are mobile dominant, up from **10%** a year ago.⁴

73% of people looking for a financial services or insurance product begin their research on their phone or the web.⁵

46% of consumers, including nearly two-thirds of millennials, have increased their mobile banking usage in the last year.⁶



VOICE-ENABLED VIRTUAL ASSISTANTS

21% of consumers who own a voice-activated assistant use it to shop, pay bills, bank online, or send money.⁷

Over **25%** of consumers would consider using voice-controlled assistants for their everyday banking.⁸

Over **two-thirds** of consumers who own an Amazon Echo or Google Home plan to buy another one in the next six months.⁹

Traditional



CONTACT CENTERS

Only **26%** of financial executives say their contact centers are somewhat or very future-ready (down from 31% last year).

94% of “future-ready” contact centers perform outbound calling, although **13%** limit their activity to follow-up calls.

Source: Accenture



BANK BRANCHES

65% of consumers feel it's important for their bank to have local branches.

1 out of 4 consumers won't open an account with a bank that doesn't have at least one local branch.

More than **50%** prefer to apply for a loan or deposit an account in a physical branch.

Source: Accenture



MOST IMPORTANT BRANCH FEATURES

ACCORDING TO CONSUMERS

67% Ability to make a complaint

61% Advice about products from a human advisor

59% Advanced ATMs

55% Devices to access online banking

Source: Cornerstone Advisors³

THE STATE OF THE INDUSTRY

CUSTOMER SATISFACTION



Overall customer satisfaction with banks is up 0.9% to 77.2 (on a 100-point scale).¹

CUSTOMER TRUST



Consumers ranked Amazon and PayPal nearly as high as banks in levels of customer trust.²

CUSTOMER ENGAGEMENT



Millennials have the lowest levels of customer engagement with their primary retail bank (only 30% are fully engaged) compared with baby boomers (40%) and traditionalists (51%).³

CUSTOMER LOYALTY



The biggest driver of loyalty for banking customers is the ability to trust their bank in protecting their personal data.⁴

Sources: American Customer Satisfaction Index¹; Bain & Co.²; Gallup³; Accenture⁴

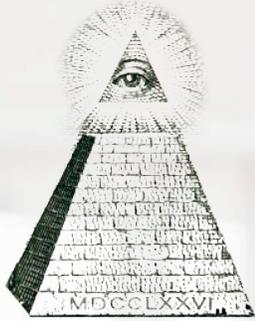
CX Leaders

 Citizens Bank[®]

USAA[®]

 REGIONS[®]

Source: Temkin 2018 Experience Ratings



Where's the gap?

Digital isn't the sole solution for banking services. Customers want a mix of technology and humanity, with digital services supported by a traditional infrastructure.

To succeed, banks must deliver digital-led, omnichannel experiences that are customer-centric and trustable, in addition to being cost effective.





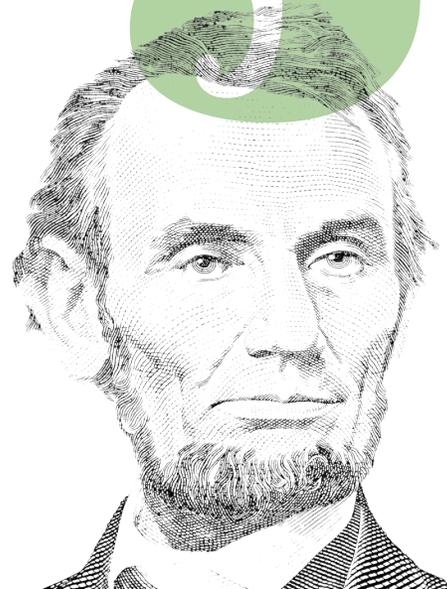
“By taking a customer-first approach to innovation, we continuously raise the bar to deliver new, personalized experiences that make it easier for customers to achieve their financial goals.”

Michelle Moore
Head of Digital Banking
Bank of America

5 STRATEGIES FOR BANKS TO CREATE
DIFFERENTIATED CUSTOMER EXPERIENCES

Strategies for banks

5





5 STRATEGIES FOR BANKS TO CREATE DIFFERENTIATED CUSTOMER EXPERIENCES

Stay human

As routine requests are increasingly automated, **failing to personalize face-to-face customer interactions is a missed opportunity.** Use emotional connection-based strategies to help banking associates build stronger relationships with customers.

For instance, provide associates guidelines on how to connect with customers by looking at the intent of the request (e.g., taking out a loan) and alerting customers to a service they were unaware of that directly relates to the request or providing a special touch like a handwritten card.

The key is to let customers know the company is listening to them and knows enough about them to offer services they can use, when they need them.



5 STRATEGIES FOR BANKS TO CREATE DIFFERENTIATED CUSTOMER EXPERIENCES

Create contextually relevant interactions

It can be tempting to automate and digitize as many interactions as possible, but research shows this is the wrong approach.



For routine transactions, consumers prefer digital channels, but they give higher Net Promoter Scores to companies that allow customers to speak with a representative to resolve a problem, reports Bain & Co.



Banks can earn greater loyalty by making routine interactions convenient and frictionless, while providing a high-touch service experience with an associate during emotional moments, such as fee disputes.



5 STRATEGIES FOR BANKS TO CREATE DIFFERENTIATED CUSTOMER EXPERIENCES

Onboard digital customers more effectively

According to the J.D. Power survey, digital-only banking customers were dissatisfied with three areas: communication and advice; products and fees; and new account opening.

Overcome those obstacles by helping customers understand the ins and outs of their digital banking services:



Assign associates to follow up on partially completed or abandoned activities, like filling out online loan forms.



Allow customers to choose how they'd like to receive onboarding information (FAQ, live chat, voice, etc.).



Ask customers if they are satisfied with the onboarding experience and give them the option to contact a representative if they select "no" or have further questions.



In addition to the onboarding session, offer new customers a short review of what they purchased, how to use it, and accompanying products and services that might be helpful.



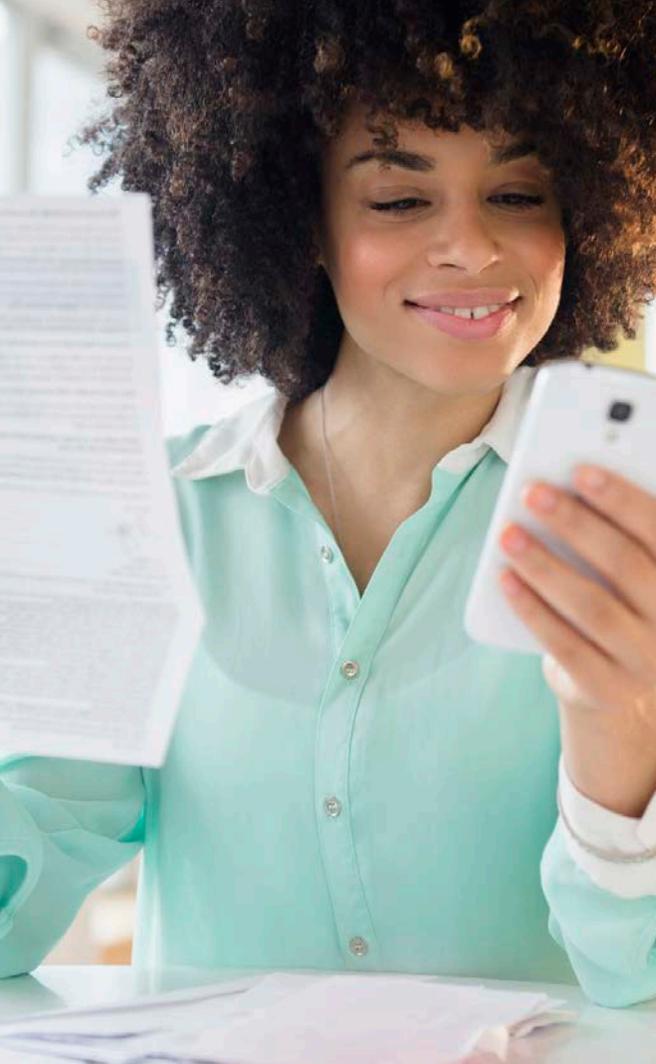
5 STRATEGIES FOR BANKS TO CREATE
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Work the way your customers work

Banks can combine the latest technologies in new, customer-centric ways to provide better services.

For example, instead of building a voice-enabled assistant with features similar to a website or app, what would enable a new way for banks to build and extend customer relationships?

Firms such as USAA are already taking this approach. "It will be less about a website or a mobile app as a destination and more about being where our members are and integrating with the technology around them, such as IoT and virtual assistants," said Melissa Ehresman, USAA's AVP of bank digital experiences, in the tech blog *Tearsheet*.



5 STRATEGIES FOR BANKS TO CREATE
DIFFERENTIATED CUSTOMER EXPERIENCES

Understand which customer you're serving

Knowing which customer is in front of you is essential to understanding how to provide better service.

Banks can now track individual preferences, including how a customer responds to marketing messages and behaves at different points in the customer journey.

For example, the bank should know when a decrease in engagement is a warning sign, and when it's an indication of customer satisfaction.

The challenge

A leading multinational bank wanted to create the optimal customer experience during every interaction.

The solution

We created a 360-degree assessment based on customer, employee, and market information, and uncovered a number of strategic issues the bank needed to address in its transformation. A cultural change management program was recommended to incentivize branch staff to deliver the right customer experience at each interaction. We also helped redesign the bank's CRM strategy and data management program to drive increased share of wallet from existing customers.

We also recommended creating a smoother omnichannel experience for customers and optimizing back-office systems. Finally, we recommended that the bank prioritize and create a roadmap for its new initiatives. That way, only the initiatives with the strongest customer experience impact would be launched and more resources would be dedicated to ensuring that they would be executed well.



The results

The bank now has real data to understand its current state, as well as an independent set of recommendations to build the retail branch network of the future, designed for the benefit of both customers and the company.

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Quick takeaways



Even as mobile banking grows, digital-only customers are the least satisfied customers. Balance humans and technology for the best experiences.



Banks still have a long way to go in harnessing digital tools to meet customer needs and reduce costs.



Customers are looking for options, control, and transparency.



Banks that fail to personalize customer interactions and treat customers as individuals are leaving an opportunity for their competitors to swoop in.



About TTEC

TTEC Holdings, Inc. (NASDAQ: TTEC) a leading global technology and services provider focused on the design, implementation and delivery of transformative customer experience for many of the world's most iconic and disruptive brands. The Company delivers outcome-based customer engagement solutions through TTEC Digital, its digital consultancy that designs and builds human centric, tech-enabled, insight-driven customer experience solutions for clients and TTEC Engage, its delivery center of excellence, that operates customer acquisition, care, growth and digital trust and safety services. Founded in 1982, the Company's 47,800 employees operate on six continents across the globe and live by a set of customer-focused values that guide relationships with clients, their customers, and each other.

To learn more about how TTEC is bringing humanity to the customer experience, visit [ttec.com](https://www.ttec.com).

