

Meeting the advanced challenges of modern financial services CX



While building positive, long-term customer relationships has always been important to business success, the methods for doing so are evolving faster than ever across verticals and industries.

For financial-services organizations, meeting customer expectations at scale is complicated. And doing so today looks entirely different than it did a decade ago—or even a year ago. As the industry evolves, advancements in technology also bring changes in consumer behavior.

In this highly dynamic environment, delivering an excellent customer experience became a key way to differentiate, as well as a marker of overall success. This whitepaper will describe how to adjust to and embrace new customer experience challenges in the modern world of finance.



Understanding the customer experience challenges of today pays off

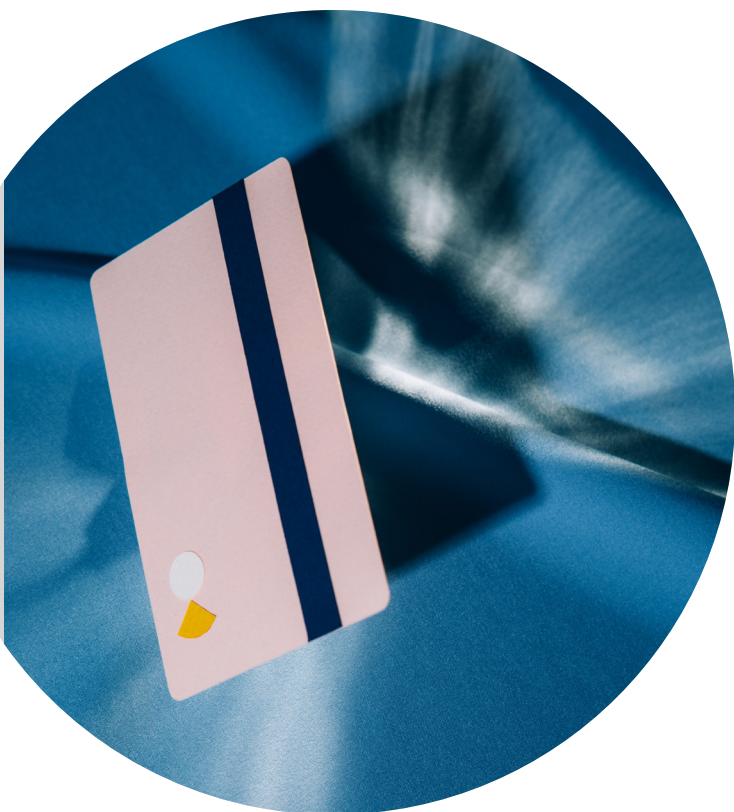
The need to deliver a good customer experience (CX) is nothing new, but to meet growing demand and increased customer expectations, companies need to adapt their philosophy and tactics across the whole business.

Consumers expect easy and high-touch access to the brands they do business with, as well as a seamless experience throughout all their interactions. But that can add significant complexity on the back end—especially for businesses with a huge number of customers, orders, and products.

While meeting these growing expectations is a challenge, the investment pays off on the top and bottom lines. Forrester found that the average revenue generated from loyal customers is 50 percent more than the average from all other customers.¹

Making an investment in delivering the best possible experience for customers at every touchpoint increases your chances of winning those customers' trust—which is always a reliable path to higher revenue. Not only are loyal customers likely to spend more—via increased renewal rates, faster product adoption, and return business—but they'll also tell other people about your brand. Word-of-mouth evangelism also brings new business and encourages a new wave of loyal customers to come on board.

But before a company can reap those benefits, it's necessary to understand what the modern financial services customer wants, and the challenges that must be overcome to deliver it.



¹ Forrester Research, Improving CX Through Business Discipline Drives Growth, Harley Manning & Rick Parrish, 25 January 2021

4 top CX challenges to overcome

While every company is unique, customer-support executives at financial services organizations face similar challenges across the board. These include:

1. Modernizing the existing tech stack

Whether due to end-of-life issues, security concerns, or a lack of development in new features, numerous companies are faced with the daunting task of upgrading legacy technology systems. In many cases, businesses find themselves dependent on platforms that are not only outdated, but built using proprietary technology that makes them inflexible and difficult to update. It's a problem that becomes increasingly difficult to manage as a business grows.

Overhauling legacy tech solutions helps a team operate more efficiently, leverage data effectively, and stay competitive in the modern financial-services landscape. Outdated tech systems can pose a security risk because they keep the company tied to outmoded features and procedures. And as a company's tech stack grows, the legacy system can't always integrate successfully with the new tools. This creates tech and data silos that impact the customer experience, but also puts blinders around the agents' view of the customer journey.

Updating systems to make operations more efficient and transparent isn't as easy as completing a series of "rip and replace" projects, though. It's important to consider where employees interface with data, and how they can use it to deliver the best customer experiences. It's critical to understand your whole ecosystem in order to design for future agility. When choosing a new system, ask questions like:

- Is it easy to customize?
- Does it integrate seamlessly with our current technologies?
- Will it be easy to integrate with future technologies we may invest in?
- Can it support growth in employees, customers, and users?

A modern tech stack isn't one focused only on the needs of today. It must meet current needs, while providing the adaptability required to accommodate future needs.

2. The proliferation of new channels

Maybe you could get by with only a customer call center a few years ago. But now, customers want the option of contacting companies on whatever channel they prefer. Businesses need to be accessible via phone, email,

self-service, live chat, messaging, and peer-to-peer communities.

According to the [Zendesk Customer Experience \(CX\) Trends Report](#), as many as 72 percent of agents say they use two or more channels to communicate with customers daily. And financial services companies with the happiest customers are 2.6 times as likely to have invested in omnichannel communication. But being everywhere is costly and difficult, which may explain why 69 percent of agents report feeling overwhelmed. To be present in so many channels, staff must be trained and have access to the tools they need to ensure that customers have a consistent experience across those channels. They also need access to the right tech infrastructure to manage customer conversations effectively, wherever they are taking place.

3. Lack of resources for self-service content

Providing self-service resources is a win-win. Customers like having the option to help themselves when it comes to less-complicated tasks. And for businesses, it reduces the number of support calls agents must manage, giving them time to focus on more complex issues that require a human touch.

In fact, the [Zendesk CX Trends Report](#) shows that high-performing service teams have 2.3 times more self-service content than low-performing teams. Customers are also slowly but surely moving to adopt self-service. Our data shows that average weekly knowledge-base views for major companies have increased by 37 percent since the beginning of COVID-19.

Even if you acknowledge the value of self-service, creating, publishing, maintaining, and customizing a self-service portal requires time and resources. Content needs to be written and maintained, and the experience itself must be designed and branded. At many companies, the desire to build out self-service support content is there, but it isn't matched with the

necessary resources to realize the goal. Our research shows that bigger companies with more resources are more likely to have a self-service strategy, while only 40 percent of small and midsize businesses have one.

4. Difficulty using available customer data

Enterprises are awash in data, which is captured across many touchpoints between the customer, products, and employees. But without a good way to put that data into a format you can properly understand and use, the information isn't working as hard as it could be.

A bigger problem is the lack of access to customer data. Our [CX Trends Report](#) reveals that 50 percent of agents aren't able to view most common customer data types across systems. Agents need this information to provide high-quality, fast service. Without it, the standard of the customer experience declines—according to our data, over 26 percent of customers rank agents not having sufficient information as one of the worst aspects of a bad customer experience.

Leveraging data effectively is a two-step process. It must be both formatted and aggregated. Furthermore, the larger the company, the bigger the technology stack—many with hundreds of applications and data sources. To discover the insights hidden within that data, it needs to be accessible and meaningful. That requires finding a way to bridge all the different data sources and repositories.

An open, agile platform makes it possible to create a unified view of the data (and, by extension, of the customer experience) by connecting existing sources that can easily accommodate new data sources over time. But none of this is easy—especially when working with inflexible legacy systems that aren't configured to integrate with other tools.

If any of this sounds all too familiar, let's start talking solutions.

A future-proof approach to CX

Integrate customer data into one view

The abundance of customer data represents potential for innovation and exceptional customer experiences. If agents can access relevant details about each customer as they're assisting them, they can provide more personalized, helpful support. But right now, that can be a big ask.

If data is stuck in silos, agents may be able to access some of it. But other pieces of information may be inaccessible to them, or be a complete mystery if they don't know the data exists or where they can find it.

A fix to this problem is within reach. To start, customer-service technology can consolidate data from multiple products into one platform with a unified view. That immediately simplifies the CX tech stack, and makes it easy to understand the customer's complete journey.

To ensure platforms and software can evolve with a growing company's needs and connect to other sources of data, it's critical to have open, flexible APIs that can be customized to work with apps, integrations, and other data sources. An agile API will be able to connect current and future software—helping ensure data stays within one convenient view. There are customer service products that offer out-of-the-box technology-partner integrations that make this process simple for common business technologies.

Though making big tech updates is a headache, the goal is to implement a solution that can easily evolve over time. As business needs change, an open platform can help ensure adaptability and smooth transitions.

Choose technology that's relatively easy to maintain—something that doesn't require a team of specialists. It should be simple to make updates and automate business processes with clicks rather than code, which can help create a lower total cost of ownership (TCO). Beware of products that are initially cheaper and “out of the box” but riddled with hidden maintenance costs.



Using technology to impact CX

Finding the right tech solution that connects disparate tools and brings customer information into one view makes the job much easier for CX teams. But ultimately, simplifying and future-proofing is only half of the equation. The rest is just as important: delivering the convenient, personalized experiences customers expect.

Today, that means providing multi-channel support, including self service, and consistently personalizing customers' experiences using data about their journey.

Provide always-on, context-rich support

For decades, phone support sufficed. The idea of email support came many years later, as did an agent-friendly platform for managing inquiries and communications, which we now know as tickets. But today's customers have many more ways to communicate with businesses, and they are eager to use them—on their terms: at their preferred time of day, with the ability to switch channels and still preserve the context of a conversation. Not having to repeat themselves is a must for customers. According to the [CX Trends Report](#), 42 percent of customers say repeating themselves multiple times is a mark of poor customer service. 2020 hasn't made customers more patient; they still have high expectations when it comes to CX. More than 50 percent will switch to a competitor after a single bad customer experience, and 80 percent will leave after several negative experiences.

Customers expect to have conversations with brands on the same channels they use in their personal lives. That includes messaging, email, and the phone. According to the [CX Trends Report](#), 20 percent of people under age 40 have started using social messaging or chat for the first time. In response, companies are adopting new channels, with an emphasis on social messaging, video conferencing, and social media.

Customers also expect businesses to listen and respond in these channels and to have the context of previous conversations, orders, and other products being used. Offering a complete omnichannel solution not only helps ensure customers have the experiences they expect, but also makes it easy for agents to access the customer data they need in a simple, intuitive interface.

According to Gartner, “By 2022, 70 percent of customer interactions will involve emerging technologies such as machine learning applications, chatbots and mobile messaging, up from 15 percent in 2018.” While adding channels is a big endeavor operationally, companies that provide support through channels that customers care about get better results for their efforts. The [CX Trends Report](#) shows that high-performing financial services companies are 30 percent more likely to offer support over messaging. These top-performing teams are a step ahead, as messaging is predicted to become the norm.

Far from deciding to leave legacy channels in the dust to embrace what’s new and shiny, the question is how businesses can unify the power of each channel to provide quality customer experiences.

It should be easy for customers to reach a helpful human being if they want to, but the truth is that they don’t always want to. According to the [CX Trends Report](#), 60 percent of customers want to resolve as many issues as possible using a company’s online resources. Furthermore, they are happy to use a knowledge base—in 2020, there was a 37 percent increase in community and knowledge base views. But customers are only willing to use a knowledge base to help themselves if they know one is available and tailored to meet their needs with updated articles and sensible navigation.

Supply an array of self-service options

Among financial services customers, self-service adoption has grown 5.4 times. Our [CX Trends Report](#) shows that when ticket volume increased, 73 percent of financial services companies with the best CX metrics added help center articles.

Self-service bots also go a long way in optimizing the experience. By making the same information in the knowledge base easier to access, an intelligent self-service automation tool can personalize answers for

customers at scale. Self-service bots, when supported with machine-learning capabilities, can even get better over time at providing the right answers to customers based on the success of its past responses.

Successfully personalize each experience

With so many different customers and types of products, financial services organizations face a huge challenge: organizing information to make sure each interaction is tailored to an individual customer’s unique situation.

But, as discussed above, 42 percent of customers say repeating themselves multiple times is a mark of bad customer service. Customers hate having to provide all the details about who they are, what products they’re using, and what issues they’re experiencing every single time they get in touch.

The dream state is a system that ensures all agents have access to relevant customer data. That way, when they interact with buyers, they’re not subject to those blind spots we mentioned earlier. They’ll also be able to provide the right solution more quickly.

When customer data is collected and organized, it paints a complete view of the customer, which amounts to more than just a collection of information. If key data is organized in a way that makes it easy for agents to find relevant customer details readily, they aren’t wasting valuable minutes looking for a needle in a haystack.

Aside from being well organized in a unified platform, customer data should also be accessible to all agents providing support. And any information an agent collects over one channel should be added to the platform so agents working in all the other channels can see it in real-time. It may sound like a lot of work to achieve personalization, but it’s mostly about selecting the right technology that makes it all par for the course.

² Gartner, Magic Quadrant for the CRM Customer Engagement Center, Brian Manusama, Nadine LeBlanc, Simon Harrison, 11 June 2019

Responding to major disruptions in financial services

When it comes to meeting customers' soaring digital expectations, financial services businesses have a lot on their plates. Research from [Accenture](#) shows that 50 percent of consumers expect financial providers to offer propositions beyond traditional financial services—meaning they expect digital offerings.

At the same time, financial services are facing rising ticket volumes. According to our [Agility Datasheet](#), ticket volumes soared by 38 percent in the second quarter of 2020. At the same time, [69 percent](#) of agents are feeling overwhelmed by this surge.

In this environment, maintaining customer loyalty and keeping retention levels high is an uphill battle. To meet client expectations in the face of such odds, financial services companies can benefit from a multi-faceted approach:

- Set up omnichannel communication
- Prioritize agility
- Increase CX budget

Set up omnichannel communication

Financial providers recognize that customers want to interact with brands in meaningful ways, so they're looking to expand communication. [Seventy-eight percent](#) of financial services businesses say they are looking for new ways to engage customers.

But connecting with customers on more channels can be risky without the right software. Agents who have to

manually switch from tool to tool to resolve conversations on different channels will quickly become overwhelmed.

With an omnichannel communication tool, agents get a unified view of customers' conversation history across channels. Instead of juggling messages, agents can see communications in one place and quickly access customer information to resolve issues quickly.

These benefits seem to pay off. Financial services businesses with the most satisfied customers are [2.6 times](#) more likely to have adopted omnichannel communication.

As financial service companies build out their omnichannel communication, they may be unsure about which channels are worth investing in. Our data points to messaging. According to the [CX 2021 Trends Report](#), financial services companies leading in customer experience are 1.7 times more likely to use messaging apps.

Use messaging apps such as WhatsApp and Facebook to give customers the answers they need on the go. Chatbots can offer customers personalized investment or mortgage options based on spending patterns and online behavior. They can also provide 24/7 support to customers for issues that need to be resolved after hours.

To keep tabs on all conversations, integrate your messaging channels with an omnichannel messaging tool like Zendesk. With the tool's flexibility, you can

easily move conversations with sensitive financial information from less secure messaging channels to encrypted channels for enhanced privacy.

Prioritize agility

At an agile financial services business, the CX team can easily adopt new technology to understand customers and improve their brand experience. But obstacles like intense auditing requirements make it hard for financial services to be flexible. [Ninety-one percent](#) of financial services leaders find altering how they provide customer experience is difficult.

But the COVID-19 pandemic has shown that being agile is not a choice but a necessity. Our data shows that [forty-nine percent](#) of financial services companies are looking for new ways to become more agile.

Make agile less of a buzzword and part of your CX strategy by:

- **Implementing self-service options.** Reduce ticket volumes by anticipating customers' questions and answering them in self-service resources. You might provide information about loan processing or account applications in knowledge base articles and FAQ pages, freeing up agents to attend to more complex problems. Self-service resources were a major asset for financial service businesses during the pandemic. When ticket volume increased during the pandemic, [73 percent](#) of financial services companies leading in customer experience added help center articles to cope with the demand.
- **Adopting flexible technology.** Financial services companies with the rapid resolution times are [2.2 times](#) more likely to use workflow management tools. Use collaboration tools to send automated responses, easily find relevant customer data, and direct customers to the right team member. Chatbots, in particular, can help direct customers to resources, recognize when a human needs to intervene, and ensure the team member has the right context to address support requests.

Increase CX budget

Inflexible and old systems make it near impossible to quickly respond to customers without wasting time and resources. Currently, [46 percent](#) of bankers see "legacy systems as the biggest barriers to the growth of commercial banks."

To keep up with the demands of their customers, banks are updating their tech stack. Respondents to the [Zendesk 2021 CX Trends Report](#) reported budget increases at 54 percent of the financial services companies.

You don't need to break the bank to improve your customer experience. Instead, opt for a customer service software that ticks all the right boxes to make sure the investment is worthwhile. Look out for a tool that offers intuitive workflow management, integrates with apps in an existing stack, has AI capabilities, supports self-service, and provides omnichannel support.

Zendesk provides it all

Zendesk helps financial service businesses provide personalized and secure services to customers across all channels. With our platform, you can access customer data from a single interface and provide personalized support at scale with self-service and chatbots. Zendesk also integrates with other tools in your stack, so you can access information across tools with ease.

