

# 3 Ways Financial Organizations Can Enhance Their Digital Customer Service Strategy

# Introduction

As we move into a post-pandemic world, investing in customer satisfaction will become a priority for financial services organizations intent on maintaining and building a loyal customer base.

Today's financial services industry operates within a global, dynamic environment that prides itself on competition and resilience. The COVID-19 pandemic challenged financial institutions worldwide to reassess customer service models and tap into the potential of digital platforms designed to meet customer requirements while supporting global efforts to ensure a safe and secure environment.

Use this guide to understand the elements of an effective digital strategy and how your financial services organization can implement them to ensure you are offering an efficient and reliable customer experience.

## Reimagining the Future of Customer Service

Digital transformation has been imperative for financial services organizations intent on staying competitive well before the COVID-19 pandemic.

In 2019, according to Gartner, “one-third of financial services CIOs identified digital as their top business priority,” up by more than 8% from the previous year.

Since March 2020, financial organizations worldwide have learned quickly that a robust, digital-first customer service strategy is required to maintain long-term business resilience and success in a competitive sector. In the early months of the pandemic, the [J.D. Power 2020 U.S. Retail Banking Satisfaction Study](#) found that “52% of retail bank customers classified as branch dependent before the COVID-19 pandemic, and successfully transitioning them to digital—without compromising customer experience—will be critical in the weeks and months ahead.”

**It is now abundantly clear that COVID-19 has acted as a catalyst for digitization. In addition to accelerating digital adoption, the crisis has also served as a litmus test for banks' digital infrastructure.**

Deloitte, 2021 Banking and capital markets outlook

## Elements of an Effective Digital Strategy for the Financial Services Sector

Since a digital customer service strategy is one facet of an overarching customer experience strategy for today's financial services organizations, it's critical to first determine the organization's overall vision and strategy. This strategy should then dictate what digital and traditional channels should be used.

To make any digital customer service strategy a success, utilize individuals from IT and customer-facing teams to form an official committee that will be in charge of executing the digital component of the customer service strategy. If your financial institution is ready to take its first steps towards digital transformation, here are the three most important elements to keep in mind for building an effective strategy.

### 1. Reassessing the customer experience in the post-pandemic world

Every element of the customer journey needs to support the financial services customer and make their experience better. This will require in-depth knowledge of how a typical customer interacts with the business throughout their journey. Traditional means of customer service alone will no longer be sufficient for serving the needs of connected customers as these slow, reactive processes cannot effectively anticipate and deliver against fast-changing customer expectations.

While general digital customer service solutions can be found throughout many other business sectors, financial services businesses should avoid taking a one-size-fits-all approach when developing their digital customer service strategy.

To gain a deeper understanding of the typical customer journeys, ask the following questions:

- What channels are currently provided to financial services customers, traditional and digital? Which of these are most popular?
- Where are the points of conflict during a typical banking customer journey when a customer will reach out for help? Remember to consider the entire journey, from first-touch to purchase and afterward.
- Is it possible to streamline this journey?
- Are there commonly asked questions or processes that customer service teams spend a lot of time answering?

By planning and executing a tailored digital customer strategy, leaders will be better equipped to optimize business efficiencies, accommodate growing customer bases, and move quickly to meet future needs that arise.

## 2. Implementing technology

With a more comprehensive understanding of typical customer behavior, assess and implement the technologies needed to execute the overall strategy.

Investments in these different technologies should not be made in isolation or simply to keep up with the latest trends. Rather they need to make sense for customers within the context of the larger customer service strategy and business requirements.

There are different emerging technology trends, but we will cover a few of the most important ones in this guide.

### Self-Service

**The first step to excellent digital customer experiences is self-service.**

Empowering customers to find the content and information they need themselves is not only how customers prefer to interact with businesses, but also brings immediate benefits such as cost-savings and productivity gains by reducing the number of calls into the customer support center.

Businesses should be working towards digital-first customer service, having a limited number of highly skilled service representatives who can tackle difficult situations, with the majority of customers being guided through self-service offerings.

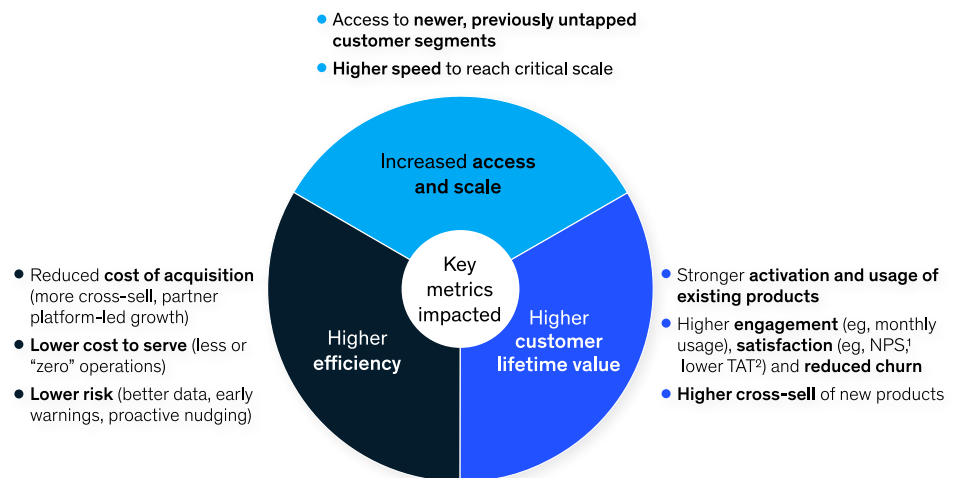
Consider how to begin offering self-service channels; [learn more about implementing a self-service strategy by reading our guide here.](#)

## Artificial Intelligence and Machine Learning

AI technologies will become more commonplace in enhancing existing applications and processes. Although many businesses want to seize the opportunity to use AI to improve customer service, many are struggling to discover the right use case for AI.

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**With an AI-first approach to customer engagement, banks have the opportunity to reap gains in crucial areas.**



<sup>1</sup>Net promoter score.  
<sup>2</sup>Turn around time  
Source: McKinsey analysis

McKinsey  
& Company

1 <https://www.mckinsey.com/industries/financial-services/our-insights/reimagining-customer-engagement-for-the-ai-bank-of-the-future>

Like investments for any technology, banks and other financial businesses need to first identify how AI can be utilized to improve the customer service journey or address specific pain points facing financial services organizations. Industry analysts advise making the best use of customer data to better understand the most pressing requirements and what tools would be most valuable.<sup>2</sup>

When considering the advantages of AI and machine learning, successful implementation of these tools requires an awareness of the need to maintain a human-like interaction that will foster customer satisfaction despite the industry-wide move towards digitalization and customer acceptance of this format and loyalty.

**Almost 42% of respondents anticipate increased investment in AI technologies at their firms over the next year. AI should be embedded/combined with other technologies, such as cloud, IoT, 5G, and distributed ledger, to create multiplicative value.**

Deloitte, 2021 Banking and capital markets outlook

## The Role of Digital Experience Platforms

As the number of technologies used and digital channels added increases, customer service technology stacks will start to contain disparate, overlapping systems leading to disjointed customer experiences. To combat this risk, [digital experience platforms \(DXP\)](#) can facilitate the integration of existing services into one unified, user-friendly platform.

Let's take a look at how a DXP can help a bank elevate its customer self-service with a DXP.

Imagine Money Bank. Customers expect Money Bank to provide a digital service experience that not only ensures consistency on every device, but is also seamless, and allows for transactions to be completed without hassle.

In order to compete and stay relevant, Money Bank moved its business online. But simply migrating services online had an unexpected result. The bank was now left struggling with a complicated tech stack. In other words, Money Bank's

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<sup>2</sup> <https://www.deloittedigital.com/us/en/blog-list/2020/transforming-the-financial-services-industry-through-human-connection.html>

banking portal, website, mobile app, internal intranet and other tools were disjointed. Instead of providing customers with a single portal where they could complete transactions, the bank found itself with the unwanted challenge of investing in extra technology and manpower to make sense of siloed data and ineffective business processes that caused frustration among customers and threatened to reduce the bank's customer base.

In order to create a seamless experience for their customers and a more efficient process for customers, Money Bank turned to a DXP that redesigned the bank's business process around the customer and created a modern portal that could be accessed from any device.

As a result, Money Bank distinguished itself from the competition with an efficient digital experience that offered customers the same level of personalized service that they received at in-person branches. The bank retained—and grew—its customer base while reducing service costs by moving more transactions that could be handled digitally to a self-service platform.

**The imperative to accelerate transformations to a digital-first and more agile organization has never been greater, and it exists globally.**

McKinsey & Company, The 2020 McKinsey Global Payments Report

## Cybersecurity

While saving time and easily accessing their services is critical, your customer's main concern will be their security. Therefore, any digital transformation strategy must address the requirements of security-conscious customers.

**A growing number of firms—22% overall, and as many as 35% in some segments—have a technology committee to oversee cybersecurity.**

McKinsey & Company, Cybersecurity: Emerging challenges and solutions for the boards of financial-services companies

Moving forward, ensuring you have access to the latest and most secure technology must take precedence. The boards of financial services companies have been “integrating cybersecurity into their technology strategies, including the oversight of technology investments, digital-transformation programs, and the development of differentiated customer experiences,” according to McKinsey & Company.<sup>3</sup>

More than ever, security is a crucial component of modern banking systems, and that means the entire customer service journey must adhere to the strictest security requirements; [learn more about how your organization can best meet these security requirements for websites](#).

### 3. Measuring success

Measuring a strategy’s effectiveness is equally critical to its implementation. Track metrics such as:

- Length of time it takes for customers to resolve their issues
- The volume of calls coming into customer support
- The number of users that log onto each of the digital channels provided
- Cost-savings from adding digital channels

As part of any financial services organization’s efforts to enhance its digital customer service, it’s critical to ensure that these changes are having a positive impact on your KPIs, or key performance indicators. Make sure to incorporate a regular assessment of tactics and channels to implement improvements and build out an experience that will actually be beneficial for customers.

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<sup>3</sup> <https://www.mckinsey.com/business-functions/risk/our-insights/cybersecurity-emerging-challenges-and-solutions-for-the-boards-of-financial-services-companies>



# Putting Everything Together

**In some countries and segments, the likely sustained increase in digital penetration could result in a recovery of revenue pools to levels matching our pre-COVID-19 expectations for 2021.**

McKinsey & Company, 2020 McKinsey Global Payments Report

Despite the unique needs and requirements of every financial services organization and customization requirements, organizations should be aiming to provide their customers with an efficient, seamless experience that inspires trust and loyalty.

Over the next few years, as the financial services industry emerges from pandemic-related setbacks, those organizations that are ready to devise a digital transformation strategy will be prepared to take their first step towards meeting the new customer service needs in a post-pandemic world, ensuring their organization is on a path to future growth and profit.

## Moving Forward

Getting started on a digital-first customer service strategy for your financial services organization may seem difficult and resource-intensive. However, the investment and commitment put into maturing a digital customer service strategy will be well worth the benefits of optimized business efficiencies, increased agility and scalability, and ultimately, enhanced customer experiences.

A critical aspect of digital customer service is self-service. [Read more about how to effectively enable self-service in your financial organization.](#)



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