

4 Ways for Financial Organizations to Meet Customer Needs While Lowering Cost-to-Serve

Introduction

In response to pandemic restrictions imposed by governments and businesses worldwide, financial organizations rapidly reassessed their operations and migrated to fully digital environments. An already competitive marketplace required new technology to meet customer demands for efficient, accessible, and personalized service.

Of course, stepping up to new customer service challenges often requires investing in the latest technology. One particular solution will enable the financial sector to meet these evolving customer needs, while also reducing the cost-to-serve: digital self-service.

By investing in digital self-service, financial organizations can ensure cost-cutting efficiencies while customers continue receiving the personalized, results-oriented service they expect from your institution.

What is Digital Self-Service?

[Digital self-service](#) is the overarching term for customer service tactics that empower users to independently resolve issues or answer common questions through digital channels, which includes chatbots or FAQs.

According to industry analysts, digital self-service is gaining momentum as the primary way to engage with customers, complete transactions, and resolve pressing issues. [A recent Gartner study](#) found that 85% of all customer service interactions start with self-service and that self-service accounts for 64% of all customer engagement.

By placing some of the simpler issues in the hands of customers, financial services organizations can:

- Raise the volume of support handled by a self-service platform rather than customer service representatives
- Lower total support costs by using artificial intelligence (AI) to resolve customer queries
- Improve customer satisfaction and foster brand loyalty by reducing frustration and cultivating trust

However, be aware that self-service is more than simply adding chatbots or including an FAQ on your site; rather, it should be part of an overall [digital transformation strategy](#).

If your organization is looking to implement digital self-service but is still a little unsure of the return on investment, take a close look at these four ways your business can best use self-service technology to guarantee customer satisfaction while reducing cost-to-serve:

1. Make Efficiency the Key to Growth

The foremost goal of many customer service teams is to ensure customer satisfaction by providing quick, efficient, and personalized service. Self-service is expected to be the most significant way to ensure both.

What does that translate to in cost savings? A live-channel customer contact costs an organization \$8.01 per contact, Gartner found. The cost of a single self-service contact? Ten cents.

[Britam](#), a diversified financial services group that serves countries in Africa, understands the importance of meeting these requirements. The company, which offers life and health insurance, retirement planning, and asset management, [launched an ambitious IT-enabled business transformation project](#) to create convenient solutions for customers, staff, and agents while enabling growth in profitability across regions.

The result? Britam has the necessary capabilities to respond to new, incoming customers' requirements, further enabling its regional and local growth strategy.

By leveraging self-service to handle lower-value interactions, financial service organizations can bring about significant cost-savings while meeting customer demands quickly and efficiently. This is how businesses, like Britam, are able to scale and grow.

2. Establish a Single, Centralized Location

By creating a self-service customer portal with FAQs, knowledge bases, chatbots, and virtual assistants, customers can go to a single digital destination to find the information they need.

Why is this so important today? Streamlining the customer experience by centralizing knowledge keeps customers in one location and avoids the frustrating task of having to return to a platform to get questions answered more than once.

[Infosys Finacle](#), a growing India-based organization that helps traditional and emerging financial institutions drive digital transformation and service over a billion consumers, recognized the critical need for more efficient and satisfactory support.

In response, Infosys launched the [Finacle Support Portal](#), which enables customers to monitor the status of a ticket, see real-time in-progress patches, and access the Finacle PhraseBook, a glossary of banking terms and FAQs, all in a single location. Today, more than 160 leading banks and 50 Infosys Finacle partners use the portal to provide the support that the modern-day consumer requires, no matter what channel they use.

3. Provide a Virtual Environment that Surpasses In-Person Service

Customers are increasingly relying on mobile self-service to complete transactions that were once handled in-person, according to [a study by J.D. Power](#). During the height of the pandemic, the study notes, “37% of retail bank customers said they were using their bank’s mobile app more frequently than ever before, and 48% said their preferred means of depositing a check during that period was via mobile phone.”

Post-pandemic, “15% to 20% of US customers said they expect to increase their use of digital channels once the crisis has passed,” noted [a report from McKinsey & Company](#).

Customers are demonstrating a willingness to engage with companies virtually, the report continued. For example, one European bank found that “customers came to view getting advice and product information online as more available, personal, and informative than going into the branch or calling the contact center. The bank saw a significant uptick in remote channel adoption among customers.”

4. Personalize Self-Service Solutions

In [another 2020 report](#), McKinsey & Company asserts the pandemic has “made personalization—and the empathy and connection that go with it—even more critical.” The report takes the long view, noting, “Companies should make hyper-personalization in customer care a top goal for 2025.”

Financial services customers expect a personalized experience that is tailored for their individual needs, whether that is finding relevant information, completing transactions, or receiving targeted alerts and updates. [Santander](#), a retail and commercial bank, created [a new, mobile-responsive website](#) that leverages user segmentation to deliver personalized views based on device or social network information.

An intuitive self-service platform knows and anticipates the needs of the customer, its conversation partner. Engaging customers in a personalized dialogue that can point them in the right direction and make the most appropriate recommendations ensures efficiency, saving the customer precious time while reducing the cost of each customer service interaction for an organization.

Provide a Modern Solution to Meet Your Customers’ Needs

While most financial services institutions are eager to implement digital self-service, these businesses must first devise a focused strategy that brings everything together in a customer-friendly way. Developing a digital transformation strategy is the first step your organization can take toward implementing self-service and ensuring your organization is on a path to future growth and profit.

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