

Customer Experience

A Critical Differentiator for Financial Organizations

Introduction

This article will consider how customer behavior in the financial services industry is changing as advances in technology, and a pandemic, move customers more to remote, online, and applications. It will look at trends and expectations for the future, and it will highlight key strategies for businesses to implement if they want to ensure the most effective and enjoyable customer experience. Those that apply relevant strategies will set themselves up to be competitive in the future business landscape.

Changing Customer Behavior

Many factors affect customer behavior, but they can be broken down into four major areas:

1. Social and personal life
2. Ad-hoc events
3. Government regulation
4. Technology

Your business can tailor its services to customers undergoing specific life events, respond to ad-hoc events like a pandemic with social distancing and work-from-home, and possibly influence laws in your industry. But one area where you have complete control and can affect the customer experience greatly is your technology. And these are all related. As we have seen from the pandemic, customers adapt quickly, and capital often flows through the path of least resistance.

The key to developing [your digital strategy](#) is this: “Digital experience strategy isn’t an IT-driven initiative, it’s a customer-needs driven initiative. There’s a huge difference between simply using digital technology and actually leveraging it to improve customer experiences and better address customer needs.” It’s possible that the pandemic has merely forced many businesses to adopt new technologies that would have flourished and won market share had they been introduced in any environment.

These are some [specific trends](#) you may see now:

1. Increased digital adoption: people shifting to digital platforms for day-to-day needs.
2. Change in mobility patterns: less use of public transport, more remote working, etc.
3. Change in purchasing behavior: move to value-based purchasing and online shopping.

So how are these trends going to affect financial services?

Expectations in Financial Services

The obvious expectation from customers in the current environment is that financial service companies will provide digital access to accounts and resources. This digital self-service can take different forms, and your business should consider what fits its brand best. Focus on the outcomes you need, and reflect on the following questions:

1. Do you provide any services that absolutely require in-person contact?
2. Is your current digital presence adequate to inform your customers?
3. Do you have a customer portal that users can access independently?
4. Do you have a lengthy FAQ that could benefit from an AI “Bot?”
5. Do you already have digital resources that can be leveraged?

These are just some areas of your digital experience to consider. The theme is that customers expect to be able to access their accounts and all their functions at all times, and without the need for human intervention — until it’s needed. If your business can invest in technologies that make the customer experience more independent, it can reduce overhead and increase profit. If you can develop a good transition from technology to real humans where necessary, your customers won’t miss a thing.

Key Strategies Being Implemented

Once you've defined your specific expectations for your business and customers, it's time to develop a strategy to serve them best while maintaining a well-oiled internal machine. Here are some of the key strategies currently being implemented:

Websites

Websites are simple... and foundational. In a new age of digital expectations, your website still acts as your business's front door, but it's not enough anymore. Your business needs content, tools, applications, and customer service that work together, all supported by accurate, actionable data.

Customers are satisfied when they are empowered to manage their finances how and when they want, while at the same time they are able to count on expert advice and service when they need it. Ease of access while maintaining security should be a focus of financial service businesses.

Do your customers know where to go for key performance indicators, pay their bill, research an investment, view the latest press releases or laws, and speak with a representative? The more you can make your website interact with email, applications, text, social media, and future innovations in a simple, smooth way, the more seamless and enjoyable your customer experience will be.

Self-service Portals

The demand from customers to be able to access and transact with their financial accounts should be embraced by financial institutions. [Self-service portals](#) allow customers to do many things that once required an in-person meeting or phone call with a human, and this trend will continue. Customers enjoy the autonomy it provides, and businesses enjoy the cost-savings.

The key is having the right balance: Your customer shouldn't have to speak with a manager for something as simple as a withdrawal, but they also shouldn't be forced to ask endless questions to an AI Bot in hopes of finding a customer service phone number. Businesses should monitor data to avoid either of these extreme cases and find the happy medium where customers are empowered and supported equally.

Headless APIs

Application programming interface (API) is a fancy term for software that allows two devices to talk to each other. In a world where people are using more and varied devices, the need for a seamless experience across those devices is greater than ever. Your customers want to be able to see updates on their smartwatch as they hit the gym in the morning, sneak a peek at their account from their work computer, and read the latest news from their tablet after dinner.

A **Headless API** is one that can connect to any end-user device. This not only simplifies integration with your customers' current devices, but it invests in the future by acknowledging that the next device is right around the corner. Your business needs a single source to deliver content and services to avoid a disconnect in any area of the customer experience, now or down the road.

Listening to your Customers



There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

Sam Walton

Can you hear the voice of your customer? What do they want? Surely you know what services they want — you designed your business around that. But how do they want to experience that service? Innovators such as Carvana recognized that one Toyota Camry is virtually the same as another. But people absolutely hate going to a dealership, waiting for a salesperson, spending hours test-driving, and kicking the tires only to feel grifted at the end of it all.

How you deliver your service is as important as what you offer. Millennials are infamous for their focus on experiences. One side of this is their propensity to spend on travel and other experiences rather than buying, say, a Toyota Camry. The other side is that they will be drawn to companies that provide the most effective, pain-free experience, no matter if it's as fun as a car or as necessary as insurance, banking, taxes, investing, or another financial service. Gen Z is no different, and this trend may continue for many years.

Designing a Data-driven Strategy

Garbage in, garbage out. When designing your strategy to provide the best customer experience, you must gather data at every customer touchpoint and have a means for organizing that data to give meaningful statistics. With this, you can see the ideal customer experience, how it changes over time, and even influence and personalize it based on if-then tests. You can also see what is and isn't working and pivot on a dime.

Consider the below steps in creating a better customer experience using data (and [see more details](#)):

1. Select and capture the right data
2. Take a holistic approach to data analysis
3. Be agile
4. Predict customers' wants and needs (but don't assume)
5. Meet customers where they are
6. Communicate your unique selling point
7. Map the buyer's journey
8. Don't sacrifice performance
9. Use every platform
10. Refine your strategies

The vast majority of customers cite customer experience as the most important factor in making a purchase. It is a broad topic that deserves all of your attention to get it right because it's the gift that keeps on giving. Repeat customers are more profitable and easier to keep happy. Happy customers refer to new customers and build your brand and reputation for you.

When considering the customer experience you're trying to foster, think about all the factors that go into it. Your employees, from frontline salespeople to IT in the back rooms, affect how your customers rate their interaction. The technology your business leverages can make the experience easy and even fun or painful — and that customer's last. And a strategy that integrates people and technology to deliver the best service in the best way is a recipe for success.

[Learn how to leverage digital self-service to win the CX battle in the financial industry.](#)



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