

Written by Jennie Siat

[Insert author]

[Insert date]

Customer Experience Technology Transformation in Financial Services

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Introduction

According to the World Economic Forum¹, the Fourth Industrial Revolution is underway, and it is changing the whole world. Technology-driven evolution transforms how human civilisation operates. The financial industry is not immune, which means how the financial services businesses handle their customer service also changes.

The practical usage of various technologies and compliance to regulations surrounding them would determine whether a business can be sustainable in the long run. The financial industry itself is changing rapidly. With a convergence of cultural, social, technological, and economic variables coming into play simultaneously, today is a challenging time for any business.

However, significant challenges come with big opportunities. Fast-acting adaptable companies are likely to enjoy first-mover advantage privileges and be able to capitalise the market long before the others. It would be key to increasing the bottom line, winning the market share among competitors, and achieving longevity.

Evolving from transaction-centric to customer-centric, today's financial services and the fast-paced economy require updated tools. These tools include but not limited to the following: high-speed and high-volume transaction automation, powerful data analytics, agile management systems, social and mobile customer service processes, omnichannel user experiences, and seamlessly integrated electronic transactional mechanisms.

Moreover, consumer trust and loyalty have gone downhill, which can only be improved with new approaches based on data-driven insights and analytics. The much-needed technological automation can be rectified by utilising a comprehensive CRM (Customer Relationship Management) like Dynamics 365.

¹ Klaus Schwab. "The Fourth Industrial Revolution: What It Means, How to Respond." World Economic Forum. (January 14, 2016).

With this technology, financial services companies would have access to customer data from multiple data points, which can be used to provide better offerings to each customer. Managed optimally, it can increase consumer experience and loyalty.

In this paper, topics covered are the critical areas of change, challenges in maintaining growth and increasing profitability, urgency in delivering exceptional customer service, flexible solutions for financial services, and discover how Dynamics 365 can improve your customer service. Dxxxxxx is your partner in ensuring your financial services businesses remain sustainable and thriving.

Key Areas of Change

With the current state of the on-going technology revolution, these are the key areas of change affecting global businesses, including financial services companies, today.

1. Demographics
2. Consumer behaviours
3. Role of Technology
4. Regulatory Compliance Needs
5. Automation Technology
6. FinTech
7. Financial Services
8. Customer Services in Financial Services

Demographics

Today, six generations are living together. They are GI Generation (born 1901-1924), Silent Generation (born 1925-1942), Baby Boomers (born 1943-1964), Generation X (born 1965-1979), Millennials (born 1980-2000), and Generation Z (born 2001-2018, as of the writing of this paper). According to Pew Research ², the Millennials have surpassed Gen Xers as the largest generation in the U.S. labour force.

In New Zealand, this generation will dominate the workforce by 2020 as cited from Sunday Star Times ³. The Millennials are known for being the first "digital native" generation. Naturally, they have certain expectations of how things work: fast, real-time, integrated (multiple-app integration), and automated.

² Richard Fry. "Millennials Surpass Gen Xers as the Largest Generation in U.S. Labor Force." Fact Tank Pew Research Center. (May 11, 2015)

³ Te Ahua Maitland. "Millennials Set to Take Over the Workforce by 2020." Sunday Star Times. (February 25, 2018).

Consumer Behaviors

Since the 2008 Great Depression has passed, the newly booming economy works under a new set of rules and expectations. Therefore, in addition to the above digital-native expectations, consumers are now behaving more cautiously. It is an important fact to note as it influences most finance-related decisions.

For instance, since the Millennials grew up in a global recession and graduated college with poor job prospects, it is understandable that they choose to be conservative with their finances. In return, this behaviour translates to low trust in financial services businesses. Any technology that assists in winning their business would be extremely valuable.

Role of Technology

With the proliferation of mobile devices and social networks, cloud computing, and Big Data, business performance is profoundly affected by how those technologies are integrated. For instance, businesses that incorporate data-driven technologies early from the beginning of a buyer's journey would be able to take advantage from detailed historical, behavioural, and predictive analytics, which are vital to positive revenue growth.

Cloud-based SaaS technologies continue to drive change in how businesses perform globally. They provide an unprecedented opportunity for financial services businesses to compete without having to be restricted by in-house technological limitations.

Regulatory Compliance Needs

As one of the most heavily regulated industries, financial services must continuously comply with the latest laws and regulations. Therefore, there is a tremendous need for core technologies that facilitate compliance across systems.

Among them include the following features:

1. To audit interactions across channels, touchpoints, and repositories.
2. To streamline regulatory-required processes for consistency and speed.
3. To secure roles and to be able to audit security and administrative actions.
4. To unify data storage, search, and retrieval functionalities.
5. To adhere to online privacy and security laws, such as the new EU (European Union) GDPR (General Data Protection Regulation) law starts to be enforced on May 25, 2018.

Automation Technology

Automation technologies play a significant role in the transformation of the financial services industry. The integration of various SaaS tools with AI (artificial intelligence) provides a seamless experience throughout a customer life cycle, starting from being prospective customers, to being new and active customers, eventually, as evangelists.

Such digital advancement is ready to be incorporated in financial institutions as the driver of customer service and engagement, which is designed to ensure a smarter service and smarter sales revolving around the customers' lives.

FinTech

The proliferation of fintech (financial technology), which gave birth to cryptocurrencies, such as Bitcoin, Litecoin, Ethereum, and Ripple, is made possible by blockchain. The blockchain is a revolutionary digitised, decentralised, public ledger transaction known as "blocks."

It provides a way for transactions to occur by reaching a consensus on an immutable digital history stamped with the time of creation and transfer and other specific distinctive information, which allows complete confidentiality without the need of using a trusted intermediary. In a not-so-distant future, we can expect to see the financial industry adopting blockchain in various areas.

Financial Services

Today, financial institutions and financial services companies are no longer towering figures with a cold and rigid brick-and-mortar presence. Digital wallets, online banks, and online brokers are now user-friendly and customer-centric institutions that operate in a down-to-earth manner with handy apps and highly compatible digital presences.

While online brokerages have existed since the early 2000s, one of the latest online business models in this industry is the 100 percent online banks without any physical branches, like Ally, Ferratum, and Bank5Connect, which are gaining momentum worldwide.

Customer Service in Financial Services

In this digital era, financial services businesses must focus on customer service, as the underlying transaction-centric structure has shifted to become customer-centric. Customers' demands for faster speed, personalisation, seamless integration with various apps, better security, and overall positive digital experiences need to be fulfilled properly. Good news is, a well-developed CRM tool can track customer data from multiple touch points, so personalised experiences that are key to winning businesses and retaining customers can be made possible.

Challenges in Maintaining Growth and Increasing Profitability

Achieving sustainable growth and longevity remains challenging to financial services businesses. Various factors have a negative impact on the bottom line, such as low-interest rates, reduced profit margins, increase costs, and more competitors, including financial-industry outsiders, such as budgeting and productivity apps.

The following are the key areas where financial businesses should focus to increase profitability, attain positive growth, and achieve longevity.

1. Customer experience management
2. Personalisation comparable to other digital experiences
3. Profitability analytics
4. Targetted offers and personalised services
5. Business agility

Customer Experience Management

With the current customer-centric demands, the quality of the buying journey and customer lifecycle experiences are valuable differentiators among competitors. Thus, UX (User Experience)-based design is no longer a luxury, but a necessity, and it must be integrated early on with a strong understanding of customer psychology and design thinking. In a nutshell, the overall favourable experience in using the service must be matched with the technology and the design experiences.

This would require financial firms to reconsider their focus, so it is not merely on efficient transactions but also ensures that the buying stages (awareness, consideration, and decision) are served positively. Centring on customers' needs and wants is crucial in ensuring on-going positive company-customer relationship. How customers feel about the overall experience is as essential as the standardised financial experiences.

Personalisation Comparable to Other Digital Experiences

It is important that customer experience in using your financial services should be comparable to other digital experiences, not merely with competing companies. Prospective customers and existing customers are likely to compare your cloud-based SaaS, mobile app, social media presence, and overall online experiences with Google, Amazon, Netflix, AirBnB, Uber, and others, instead of merely with Chase, Prudential, Simple.com, Geico, Schwab, Ally, and other finance-related app and web presences.

Such high customer expectations should be a valid reason for using personalisations throughout the buying journey and customer lifecycle. In general, the elements of personalisation in financial services include:

- Tracking in-depth behavioural data across each marketing channel.
- Centralising all behavioural data and combining it with any additional sources data to be merged to a unified profile for each person.
- Analysing and interpreting data to understand what it entails, including each person's preferences and impulsive buying intentions.
- Using real-time data to customise the person's digital experience with high relevancy.

Profitability Analytics

Data plays essential roles in decision making, identifying opportunities, and responding to customer expectations. Thus, using reliable analytics tools, including Google Analytics, Kissmetrics, or other advanced technologies, to track and measure prospective and existing customers' behaviours through multiple touch points is the key to better customer service, while also increasing profitability. Recognising and using the most suitable analytics services is imperative to business growth and longevity.

Targetted Offers and Personalised Services

The data sets collected through various analytics tools justify various digitised targetted offers and personalised services. The use cases of personalisation include providing relevant contents, helping prospects in finding appropriate resources, communicating with prospective and existing customers, and creating customised emails and mobile and social contents. It would involve top-notch technologies, strategies, and detailed implementation to ensure all details are adequately covered with benchmarks from best practices in the industry.

Business Agility

In this highly volatile global economy and market requirements, being agile and responsive is a must. Reactions must be fast and accurate to ensure market share retention. This, in return, would require well-structured internal systems and processes supported by the most advanced, flexible, and adaptable technologies. Agile team members and flexible leadership would determine the degree of business agility.

Urgency in Delivering Exceptional Customer Experiences

Customers expect financial services to be integrated into their life seamlessly. Moreover, with the Millennial and subsequent digital-native generations are getting more involved in decision making, the only to gain their trust and win their approval is through adopting 24/7/365 mobile and social-based services. The urgency is real.

1. Omni-channel experiences
2. Heavy personalisation
3. Mobile and social customer service

Omni-Channel Experiences

Customers expect every piece of information they provide and transaction they complete to show up on all devices and apps. Seamless integration and effortless-intuitive user experience are two important traits to fulfil. This would require both the appropriate technologies, strong UX designs, and detailed executions.

Heavy Personalisation

Multiple-touch data points would provide the necessary foundation for massive personalisation that covers customer handling early in the buying journey and customer lifecycle. It would allow for faster conversion with data attribution and, eventually, turn new and repeat customers into evangelists, which are key to business longevity.

Mobile and Social Customer Service

Serving customers on both mobile and social media networks would feel seamless with their other digital experiences. Moreover, it is also favourable to your employees as it allows them to work flexibly and, possibly, remotely. This "seamlessness" factor is a significant factor in this new generation of financial customer service.

Adaptable Solutions for Financial Services with Microsoft Dynamics 365

In this highly competitive industry, superior customer service determines success factor. Those who serve their customers well enjoy revenue growth, profit increase, and overall business longevity. This is where Microsoft Dynamics 365 comes into play by providing the following:

1. A 360-degree view of customers, advisors, and agents
2. Providing personal, customised, and intuitive customer experiences
3. Efficient overall operations
4. Cost-effective mobile and social technologies
5. Creating innovation platform.

A 360-Degree View of Customers, Advisors, and Agents

This CRM technology provides a comprehensive, sweeping 360-degree view of customers, advisors, and agents. With transparency and various data points, business decisions can be made more accurately and holistically.

Providing Personal, Customised, and Intuitive Customer Experiences

Interactions between the company and the customers become much more personal, customised, and intuitive. When things flow seamlessly and effortlessly, a favourable experience follows. Customer satisfaction becomes more likely if not guaranteed.

Efficient Overall Operations

The comprehensive CRM view provides high efficiency in business operation. Checks-and-balances also occur organically, as one part cannot be separated from the others. It allows errors to be caught early in the processes.

Cost-Effective Mobile and Social Technologies

The omnichannel experiences that integrate both mobile and social technologies with seamless data syncing and robust UX design ensure positive experiences that translate well to customer satisfaction and loyalty. All these in addition to cost-efficiency.

Creating Innovation Platform

The built-in frameworks and capabilities can be expanded and adapted to cater growing business' requirements, evolving market needs, and changing regulatory compliance. Overall, it provides a peace of mind to financial services businesses to change as needed since the platform is designed to be responsive.

Dxxxxxx is Your Partner in Improving Customer Service

Discover how your financial services businesses can continue to grow rapidly and flexibly with Microsoft Dynamics 365.

CTA:

<http://dynamics365.Dxxxxxx.co.nz/Dxxxxxx-and-dynamics-365-for-financial-services>

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