



Customer-Centricity in Financial Services: The Rules of Engagement

A Verint® White Paper

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Foreword

Customer loyalty isn't what it used to be in financial services. It used to be that banks were more than just places where we stored money – we used to know our branch manager's name and they would act as our trusted financial advisor, mortgage broker and insurance provider. Now, many of us rarely go into branches and there are services designed to incentivize, and make it easier to switch financial institutions. What we are all seeing is a tectonic shift of power from companies to customers brought about through digital disruption. Customers can seek advice from their trusted peers and have 24x7 access to the internet at their convenience. And the emergence of digital, disruptive companies acting like the Pied Piper of Hamelin is completely changing the competitive landscape.

In this intensely competitive and disruptive financial services environment, the need for outstanding customer service has never been more critical. With its role in contributing to a company's brand promise, customer service is simply too important to be left to the devices of a single department. Outstanding customer service can only be delivered when the business acts in unison, in a highly collaborative and coordinated way. It is the customer who will be the judge and jury, and companies know that anything less than exemplary service could lead them to leave. No wonder more than 5,000 organizations surveyed by Ovum® indicate customer satisfaction as their top priority. Customer loyalty can only be won when customers feel that the brand serving them has their interests at heart. This is why today customer centricity isn't an option, but is fundamental to survival. While easy to say, it is extremely challenging to deliver across all channels, physical and digital through which the customer chooses to interact with an organization.

The entire business must be centered on the customer and delivering those outcomes that the customer desires. To be fit to compete in today's volatile and hyper competitive financial services environment, every company must become customer-adaptive. The study of consumers around the world conducted by Verint Systems, whose findings are summarized in this paper, shines a light on what customer-adaptiveness means today, and explores some of the challenges these shifting sands will present for businesses. Building on these insights, chapter five outlines the eight attributes of the customer-adaptive business.

These attributes, together with the rules of customer-centric service in chapter four, will provide you with a lens through which to assess your own organization's customer service capabilities, and what must be done to create a truly exemplary level of service and a commitment to the customer.

By Jeremy Cox, Principal Analyst, Customer Engagement Practice, Ovum

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Verint Systems Inc. (NASDAQ: VRNT) is a global leader in Actionable Intelligence solutions for customer engagement optimisation, security intelligence, fraud, risk and compliance. Today, more than 10,000 organisations in over 180 countries use Verint solutions to improve enterprise performance and make the world a safer place. Learn more at www.verint.com.

Executive summary

The financial services sector is in an era of disruption. From new, low-cost entrants in the market, to technology brands such as Apple or Google introducing new payment solutions¹, or traditional organizations overhauling their service offerings – disruption is coming from all angles. Brands in the sector are experiencing increasing pressure to boost customer loyalty and enhance customer engagement. In the past, many financial services brands have been reliant on discounts, bundling and loyalty schemes to win customers over. However, this approach can be costly and often ineffective. Boston Consulting Group has found that many loyalty programs deliver limited ROI for businesses – usually below 10 percent and often negative.² We wanted to find out whether improvements in customer service might succeed where other approaches have failed.

Questioning more than 18,000 respondents across nine countries, the research conducted by Opinium Research LLP, a UK based research agency – in conjunction with analyst and consultancy firm Ovum – reveals some telling trends and preferences. Globally, 89 percent of respondents say good service makes them feel more positively about brands. When it comes to providing a service that stands out against competitors, it's all about speed and convenience. This is reinforced by 81 percent of respondents who just want their questions answered, while 29 percent prefer it when the person they speak to was able to make decisions without checking with their manager. So getting these basics right and ensuring employees have the tools, skills and relevant information needed to help customers will be key to keeping them happy.

In a generation where we've seen the likes of Google and Facebook use customer insights to deliver smarter search results, services and product recommendations, personalization is bound to appear as a differentiating factor. Businesses that are investing in data analytics are certainly seeing rewards. From banks and insurers, to non-financial services brands, customer data is used to create a more valuable, one-to-one relationship with customers. However, the research shows that only half of respondents (52%) prefer customer service that is personalized to them and their interests and nearly half of consumers are suspicious about how their data is used.

Above all, the research highlights that consumers want a quick and effortless experience. And going the extra mile to meet these expectations will pay off. Consumers will be much more likely to recommend services via word of mouth or write reviews following a positive experience.

This report shines a spotlight on customer service and engagement in the financial services sector, as well as providing insight and guidelines on how organizations can instill company-wide best practices to ensure success and drive loyalty.

About the research

The research was commissioned by Verint in July and August 2015 in association with Opinium Research LLP, a UK-based research company. Interviews were conducted amongst 18,038 consumers in the following countries: Germany (2,006), France (2,001), Netherlands (2,002), Poland (2,001), UK (2,004), South Africa (2,010), U.S. (2,007), Australia (2,007) and New Zealand (2,000). The research was conducted online, in the local language for each area and respondents were incentivized to participate.

¹ CNBC, "Google's Android Pay to launch in UK to take on Apple" March 2016
(<http://www.cnbc.com/2016/03/23/googles-android-pay-to-launch-in-uk-to-take-on-apple.html>)

² BCG Perspectives, "Leveraging the Loyalty Margin: Rewards Programs That Work," April 21, 2014
(https://www.bcgperspectives.com/content/articles/retail_transportation_travel_tourism_leveraging_loyalty_margin_rewards_programs_work/#chapter1)

1. Back to basics – a look at service across the board

What makes a crowd pleasing experience? It's all about speed and convenience...

It's widely understood that customer service is critical to business success. Our research finds that 89 percent of respondents say good service makes them feel more positively about brands. Whereas only 11 percent say how they are treated has no impact on their attitudes toward companies. Organizations worldwide have long debated how to provide this lucrative key to unlocking customer loyalty. To find this, it's important to delve into what matters most to customers and explore how businesses can use this information to get ahead in the customer service game.

When it comes to providing a service that is a cut above the rest, it's all about speed. Among the countries researched, on average almost half feel that companies that dealt with their requests quickly delivered a better experience than others. This ranked highest in New Zealand (58%), closely followed by South Africa (55%). However, it was seen as a lower priority in France (32%) and The Netherlands (36%).

The capabilities of customer service employees in terms of their attitudes and skills also featured highly. For example, 29 percent preferred it when the person they spoke to was able to make decisions without checking with their manager. This jumps to 42 percent in South Africa compared to just 15 percent in France, showing a marked difference in attitude between these regions. When asked to think about a recent, positive experience and think about what made it better than others, almost one third (30%) choose that the company understood his/her issue and history. Higher rankings are received in New Zealand (39%) followed by South Africa (37%). The Netherlands and Germany were less concerned in this area (23% and 24% respectively).

This emphasis on speed and convenience in a climate of rising customer expectations is further reinforced in a recent study by the UK Customer Satisfaction Index (UKCSI).³ This report found that an organization's ability to deal quickly with problems and complaints is a key differentiator between high and low customer satisfaction scores.

Rather troublesome, our research found that almost one in five consumers (18%) say they haven't had a good customer experience recently. Even more worrying for financial services sector, only 13% of respondents felt their providers deliver good customer service. Clearly there is room for improvement.

Our research indicates the importance of the basics: creating an effortless and quick experience that cuts straight to the core of the customer query. Four in five (81%) respondents highlight that their main concern was getting their questions answered, and surprisingly only 19 percent want companies to know their mood and respond accordingly. By providing an easy to navigate service supported by well-informed staff and efficient processes, organizations can lay the foundations of a memorable positive customer experience.

³ The Institute of Customer Service, "UK Customer Satisfaction Index, The State of Customer Satisfaction in the UK," July 2015 (<https://www.instituteofcustomerservice.com/research-insight/research-library/july-2015-uk-customer-satisfaction-index-the-state-of-customer-satisfaction-in-the-uk>)

Thinking about a recent positive experience you had with a company, what made this experience better than your experiences with other companies?



How personal do you need to get?

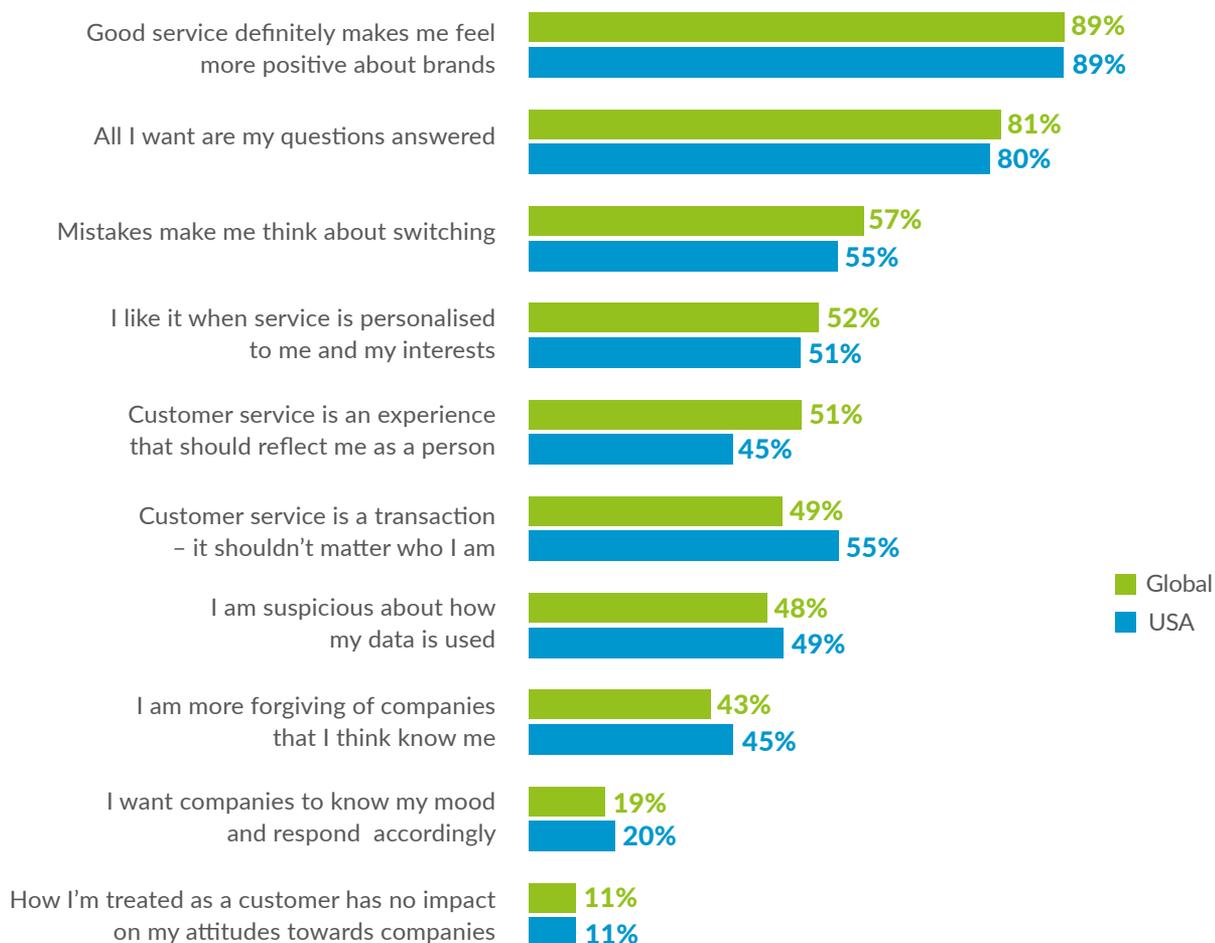
We are living in an era where data is fueling more personalized and targeted customer service. However, the research reveals some different perspectives. Just over half of adults (52%) like it when customer service is personalized to them and their interests. Poland is where this seems to matter most (72%), followed by South Africa and New Zealand (59%). The lowest was the UK with 37 percent. When looking at age

demographics, this trend is led by ‘Baby Boomers’ aged 65 and over in six out of the nine territories surveyed, with 15 percent in agreement over other age demographics. This category of Silver Shoppers⁴ is an increasingly important group for businesses to appease. Research from Synchrony Financial⁵ reveals that four out of five retailers attribute nearly 50 percent of their sales to Boomers alone.

⁴ Bloomberg, “Aging Boomers Stump Marketers Eyeing \$15 Trillion Prize,” September 2013 (<http://www.bloomberg.com/news/articles/2013-09-17/aging-boomers-befuddle-marketers-eying-15-trillion-prize>)

⁵ Synchrony Financial, “Balancing Multi-Generational Retail Strategies,” 2014 (https://www.synchronyfinancial.com/8131_SYN_MultiGenWP.pdf?cmpid=OGOLABUS_NEO_OLA_0000549)

Extent to which consumers agree with the following pairs of statements.



While 51 percent felt that the customer service experience should reflect them as a person, they are less concerned about companies knowing their current mood and responding accordingly. Although 43 percent admit that when companies make mistakes, they are more forgiving of those they believe understand them. The results show a clear need to strike the right balance between personalized service and privacy for longer lasting and more profitable relationships to be created.

Despite brands now being able to precision-target highly-personalized communications, our study shows in reality, consumers just want customer service to be simpler. However, in order to provide this effortless customer experience and personalize accordingly and appropriately, brands need to work hard in the background collating and understanding their customers' needs and past purchases. Gathering and using this data needs to be handled responsibly – with agreement and support from the customer – as the study highlights consumer concerns over trust and transparency.

Building trust and data savviness

The findings from our research reveal nearly half of consumers are suspicious about how their data is used. However, it is interesting to note significant regional differences. The UK and Germany were the most concerned (63% and 61% respectively), compared to Poland (28%). While consumers in all the countries surveyed want companies to respond to their specific needs and in essence personalize the service, businesses need to provide data security reassurance, particularly in regions like the UK and Germany. A lot of this comes down to changing mind-sets and clearly communicating and demonstrating the potential benefits to their customers.

The past half-decade has seen major advances in capturing and analyzing 'big data,' which has been deployed extensively through customer engagement initiatives. For example, US Bank developed the "Your Community" App which uses location services and data to provide customers special offers and exclusive content tied to local events.⁶ Other financial services and telecommunications firms are also exploring ways to use data and technology to improve the customer experience. UK telecoms firm O2 is rolling out a service that uses SIM card data to alert a customer's bank when they arrive in a new country, allowing them to safely and securely access their money abroad.⁷ When the customer uses their card

in a shop or restaurant, their bank sends an encrypted request to O2 to confirm whether the customer's phone is in the same location as the transaction and authenticates it. These innovations have changed the marketing dynamic to a two-way symbiotic relationship, rather than a one-way push. But the customers' willingness for their personal data to be used brings issues of transparency and trust to the forefront.

Overall, one in five (20%) of consumers don't trust any provider to keep their data safe, especially in the UK and France where this concern rises to 30 percent. These regions, along with Germany, express the most reservation and distrust towards service providers. The financial services sector leads the way in terms of data protection, according to the study, with 43 percent of respondents suggesting they trust their banks to keep their data safe. However, more needs to be done across industries to improve consumer perceptions of how data is collected and used. More importantly, there needs to be a greater commitment to demonstrate the consumer benefits for the intelligent and responsible use of their data.

But despite these concerns, consumers do recognize and reward good service.

Going the extra mile pays off: How important is customer centricity in building trust and good customer service?

For service providers across the board, taking the time and effort to go above and beyond customer expectations will bring fruitful rewards. Our research revealed that three in five consumers say they tell friends and family if they receive good customer service that goes the extra mile. This rises to 64 percent among those that say good service makes them feel more positive about brands. This is significantly higher than Verint's 'Service is the New

Marketing' study conducted in 2012, which found that just 24 percent of respondents tell friends and family about experiences with service providers.⁸ Over the years, consumers are becoming more vocal. This was particularly evident in South Africa (79%), followed by New Zealand (75%). French participants, however, are less likely to tell friends and family about their experience (48%) – a regional trend that is also played out across social media.

⁶ Mobile Marketer, "U.S. Bank deposits national sweepstakes to fuel community app downloads," January 2016 (<http://www.mobilemarketer.com/cms/news/strategy/22078.html>)

⁷ The Guardian, "Ever had your card declined abroad? Let your mobile worry about that now" January 2016 (<http://www.theguardian.com/money/2016/jan/16/card-declined-abroad-mobile-phone-payments-rejected>)

⁸ Verint, "Service is the New Marketing," November 2012

Also in the 2012 study, just five percent of consumers globally discuss positive or negative experiences with brands on Twitter. But in 2015, it rose to 17 percent of respondents across the globe discussing positive experiences on social media. Interestingly, according to a report by The Northridge Group Inc.⁹ in the U.S., more than twice as many consumers use social media as the main channel for making comments (8%), questions (7%) and complaints (6%), over problem resolution (2%). It also reveals that one-third of consumers who have used social media for customer service say the channels don't meet expectations. As more and more customers adopt social channels to engage with brands this needs to be addressed.

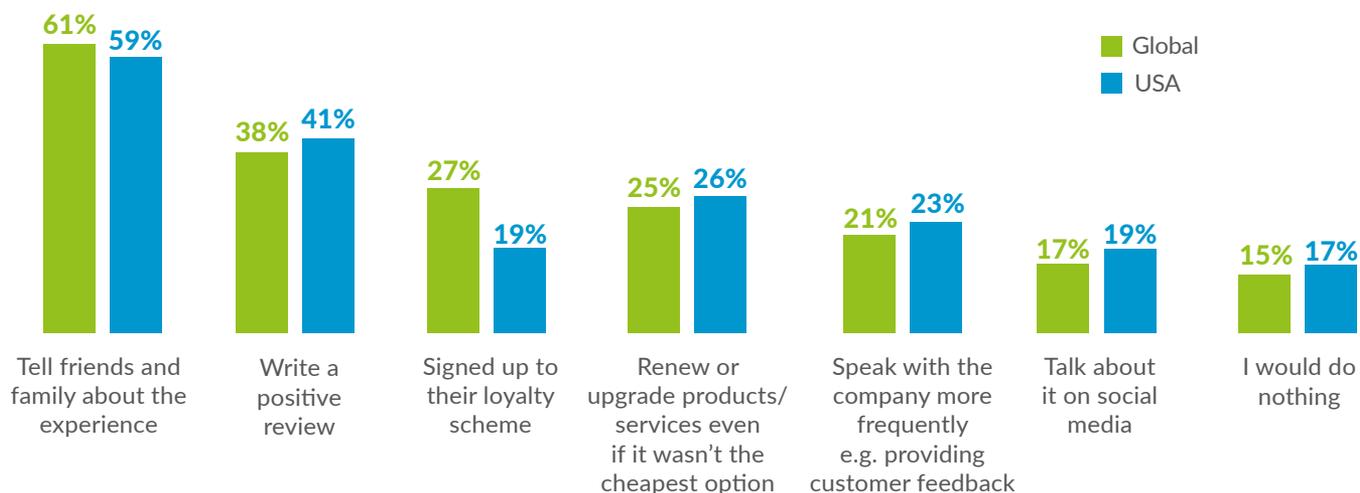
What's more, internet users are now more likely to be influenced by things they see on social media. Epsilon¹⁰ recently found that Facebook is the most influential social media platform. Twitter is also ranked highly, but only for Generation Y (18-34 year olds). This shows how important it is for service providers to not only have a presence on these channels, but to try and do all they can to encourage customers to shout about their positive experiences. Organizations need to up their game in this area if they want to succeed

and profit from the ripple effect that emanates from a drop of digital customer endorsement.

When asked about service that went the extra mile to keep the consumer loyal, the study reveals that two in five customers write positive reviews and over a quarter have signed up to a company's loyalty program. This consumer willingness to write positive reviews can be incredibly lucrative for brands. Given that digital agency BrightLocal found 88 percent of consumers trust online reviews as much as personal recommendations,¹¹ encouraging them to do this with exceptional service will help businesses win against competitors. In addition, one quarter would renew or upgrade their product or services, even if it wasn't the cheapest option, when they experience service that went the extra mile.

In some instances, consumers have been compelled to share their positive experiences with the media. For example, a customer of UK bank First Direct was so touched by the bank sending her condolence flowers after she mentioned her bereavement that she felt the need to tell others and wrote to a UK national newspaper, *The Daily Telegraph*.¹²

What customers are most likely to do following customer experience that went the extra mile.



⁹ The Northridge Group, "The State of Customer Service Experience 2015 Report," August 2015 (<http://www.northridgegroup.com/The-State-of-Customer-Service-Experience>)

¹⁰ Epsilon, "Digital Shopping Tool Impact Study 2015," July 2015 (<http://pressroom.epsilon.com/new-study-from-epsilon-reveals-impact-of-social-and-mobile-in-deconstructing-the-shopper-journey/>)

¹¹ BrightLocal, "Local Consumer Review Survey 2014," July 2014 (<https://www.brightlocal.com/2014/07/01/local-consumer-review-survey-2014/>)

¹² The Daily Telegraph, "First Direct Kindly Sent Me Flowers After Telling Them of a Bereavement," June 2014 (<http://www.telegraph.co.uk/finance/personalfinance/money-saving-tips/jessicainvestigates/10881280/First-Direct-kindly-sent-me-flowers-after-telling-them-of-a-bereavement.html>)

2. Financial customer service under the microscope

Consumers across the globe are placing greater emphasis on the basics of customer service, demanding a quick and easy-to-use service from providers. This needs to become a mantra for organizations, laying the foundations to delight customers. But personalizing this service, within the digital framework that encapsulates modern customer interaction, raises further issues of data-use and responsibility. Organizations have some way to go in effectively communicating and demonstrating this to consumers. Building this trust through good proactive service is the secret to fostering customer loyalty and driving potentially lucrative endorsement across global digital and social platforms. So how is the financial services sector performing?

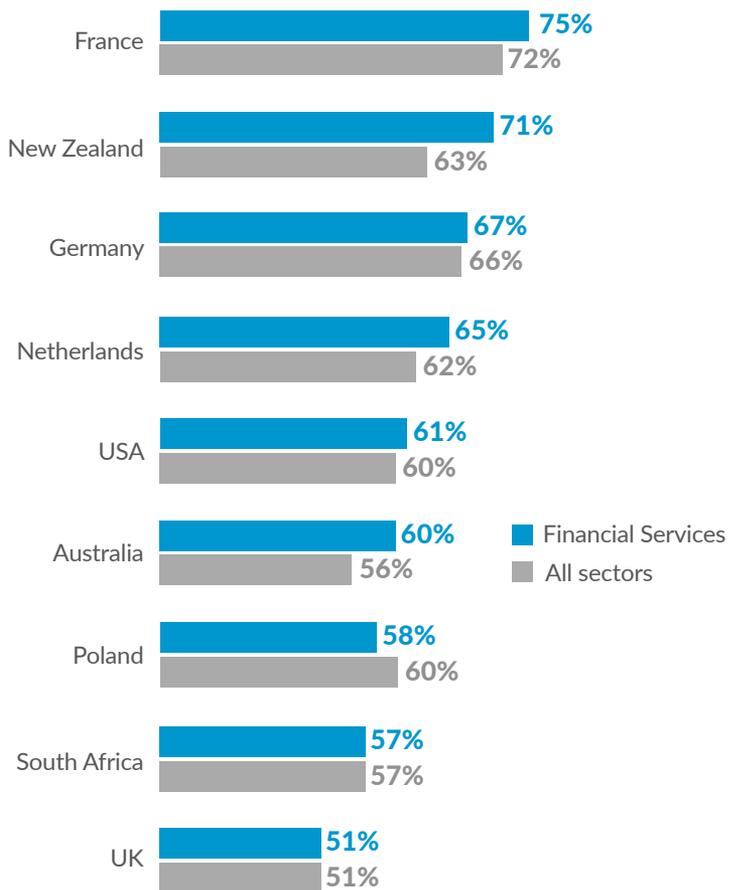
Building trust

Looking back at our research, when questioned about which service provider is the most honest and transparent in their dealings with them, the financial services sector leads the way with 16 percent, whereas only two percent trust online retailers. Banks (26%) were the most popular choice, followed by insurance companies (18%). Banks also ranked highest for being trusted to keep data safe (43%), but this was as low as 35 percent in France and 36 percent in Germany. Financial services companies are evidently working hard to instill consumer faith and trust. However, these statistics could also be explained by the fact that consumers tend to expect banks to have higher standards of personal information security than other service providers, given the nature of their business and the sensitivity of data they hold.

Customer retention worldwide

Looking across the nine countries surveyed, our research found that on average 61 percent of customers have been with their current provider (across each sector) for more than three years. However, the financial services sector has a slightly higher retention rate, with 63 percent of customers being with their financial services institutions for more than three years.

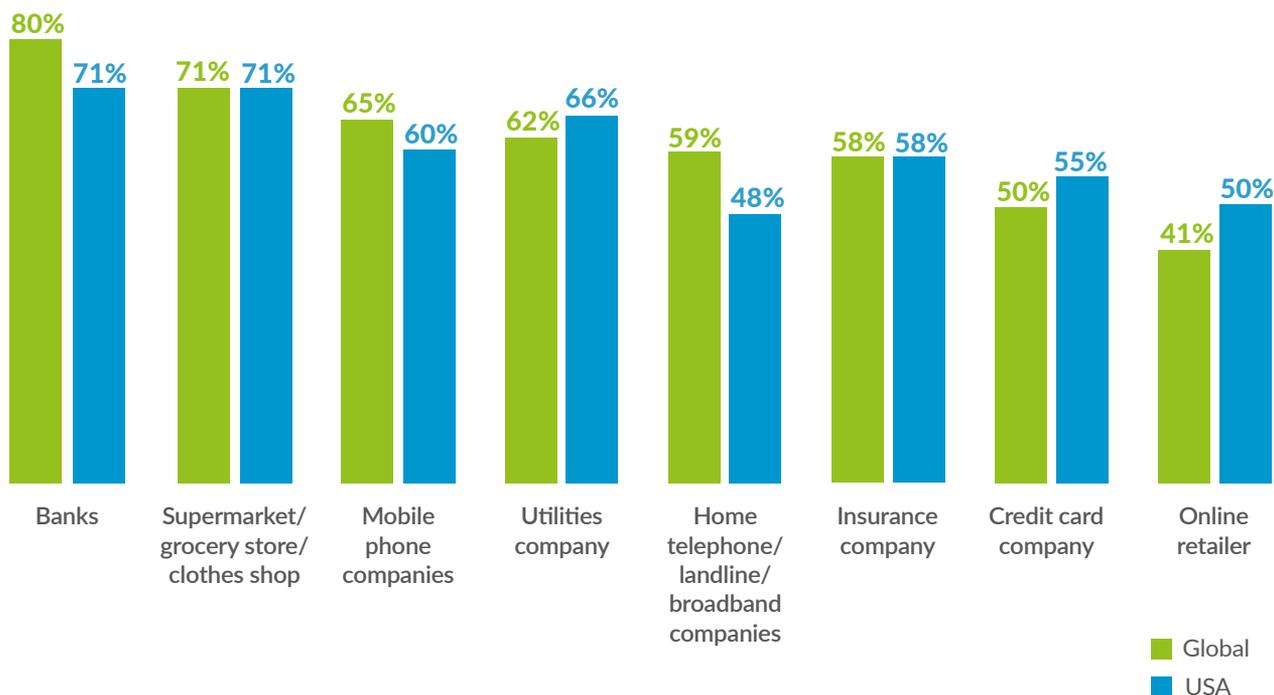
The global averages for customers that have stayed with service providers for more than three years across countries.



Breaking this down further within the sector, the research finds that customers tend to stay with their banks longer than other providers. On average 80 percent of customers have been with their bank for more than three years, while only 58 percent had been with their insurer and 50 percent with their credit card provider for the same period.

Financial services loyalty is strongest in France and New Zealand, where 75 percent and 71 percent of customers respectively have stayed with current financial service providers for three years or more. Conversely, the United Kingdom and Poland are the least loyal with 51 and 58 percent respectively. Globally six percent of customers have been with

The global averages for customers staying with providers for more than three years across industry sectors.



their financial services providers for less than two years, demonstrating the continued risk of customer churn. As Emmett and Mark Murphy¹³ write in their book, *Leading on the Edge of Chaos*, acquiring new customers can cost an organization around five times more than retaining current ones. Organizations need to focus on extending retention periods to reduce the pressure on acquisition of new customers.

¹³ Emmett and Mark Murphy, "Leading on the Edge of Chaos," 2008 (<http://www.slideshare.net/nenevinay/leading-on-the-edge-of-chaos-presentation>)

What makes customers switch?

With customer churn an ever present threat, when it comes to customers switching financial services providers, the research reveals the main motivation to switching is finding a less expensive alternative (24%).

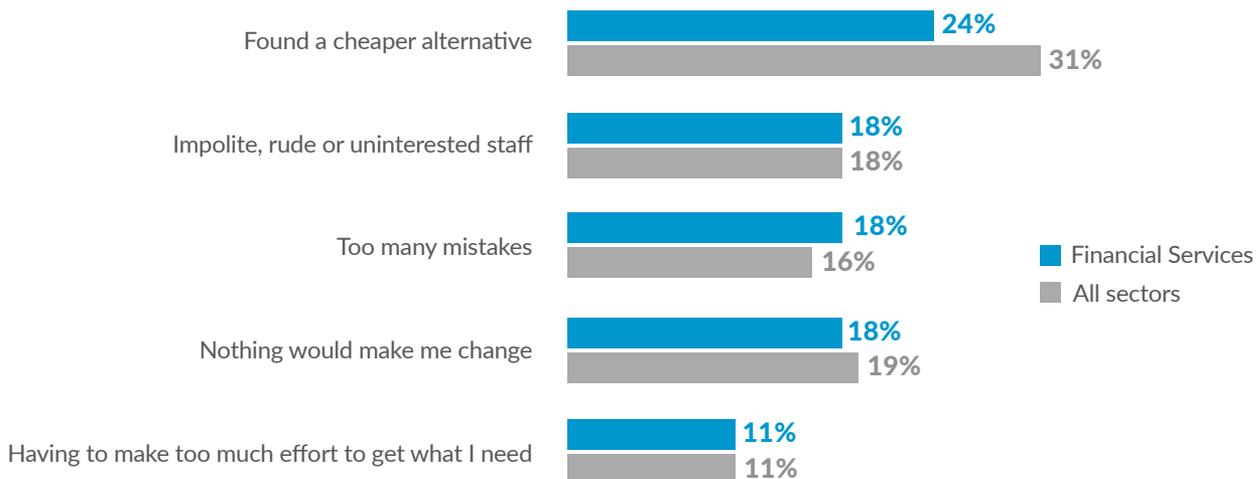
The performance of the organization and the skills or personality of customer service employees also have an impact on brand loyalty. After finding a less expensive alternative, the next biggest influencers of the switch include making too many mistakes and impolite, rude or uninterested staff – both with 18 percent.

However, there are distinct variations within the financial services sector. For banks customer service is key, with the biggest catalyst for switching providers impolite, rude or uninterested staff. Meanwhile, price is the biggest factor that prompts a switch in insurance providers, ranked at 34 percent – significantly

above the financial services average. However, only 13 percent of respondents said that they felt their preferred financial services company delivered good customer service. Banks performed best across all industries polled, with just under one quarter (24 percent) responding positively. Credit card providers performed particularly poorly in this regard, with only four percent of respondents worldwide saying their provider delivers good customer service, this was as low as two percent in France and three percent in the Netherlands and New Zealand.

The 89 percent of customers who said that good service definitely makes them feel more positive about brands is one to bear in mind and these results should serve as a wakeup call to many providers in the sector. While there are always going to be varying barriers to switching providers and creating loyalty in financial services, it's clear that when aspects of customer service don't meet expectations, consumers are willing to take their business elsewhere.

The rules of engagement: What frustrates consumers enough to make them switch providers to a competitor? The global average shows:



3. The game changer – what drives loyalty?

Getting the basics right

When asked directly about what makes them feel loyal towards brands, many customers are drawn in by the quality of the product or service. Of the companies that respondents are most loyal to, more than one in five (22 percent) say it's because they love the company's products or service offering. Following that, service is key. The research found that customers felt most loyal towards brands that provided many channels for them to contact the organization (20 percent) and who consistently showed them they understand their needs (19 percent).

Verint's study finds that speed and convenience are consumers' top priorities when it comes to service. They want their questions answered quickly and on first contact. This means it's important to have complete and real-time information about customers at employees' fingertips. This must be systemic across every interaction channel. Whether customers choose to contact their financial services provider through social media, online or video chat, by phone, email, text message, or by visiting a branch, employees need to take quick action to respond and be empowered with the means to do so effectively.

Facilitating this breadth of contact methods is not simply about opening up different communications channels. Brands need to think about which one is appropriate given the context and situation. For example, someone who calls a customer service line with a complaint is unlikely to welcome a sales approach, but they might appreciate it by email after the issue has been resolved.

Engaging and empowering employees

Ensuring that customer-facing staff have the knowledge and skills to deal with requests will help enable businesses to get the basics right. A 360-degree view of customers and their data is important, but it's also about providing adequate training and empowering employees to make decisions themselves, rather than speaking to their managers.

Businesses need to ensure that each employee from the front office to the back office buys into this customer centric culture. Why invest all this time in getting the background processes in place, if customer facing staff then fail to deliver good service that gets the basics right. Engaging staff in the work they do and listening to their feedback will directly impact the customers' experience. As Richard Branson, Founder of Virgin Group says, "If you look after your staff, they'll look after your customers. It's that simple."

4. The rules of engagement

To get ahead in the customer service game, the new rules of engagement include:

- **Meet the needs of the customer** – arm the organization with the right information, tools and processes to provide the speedy service that customers demand.
- **Create an effortless experience** – understand customers, and use this knowledge to deliver the right level of personalized service every time.
- **Make it easy to engage** – offer a range of ways for customers to contact the organization to provide flexibility and meet the demands of a diverse customer base.
- **Avoid relying on discounts and loyalty schemes** – only an average of eight percent said offers and rewards actually make them more loyal.
- **Be transparent and open with customers about the use and security of their data** – let them know how it helps deliver a better customer experience.
- **Go the extra mile** – creating memorable experiences can pay off and be rewarded by brand champions telling friends and family, engaging on social media and writing positive reviews.

5. Eight steps to success to implement the rules of engagement

Jeremy Cox, principal analyst and customer engagement expert with Ovum, has created eight steps to success for organizations to implement the Rules of Engagement.

Firms must become customer-adaptive to meet the rapidly evolving behaviors of customers and to remain relevant.

Ultimately, the biggest challenge for any enterprise is to be persistently relevant to the customers it hopes to serve and retain. The rules of engagement shouldn't be seen as a one-time solution. To succeed, any enterprise must sense, respond and adapt to customers.

Today, customers expect far more in terms of service and as this research shows, this means building firm foundations and creating a business centered on delivering outcomes that the customer desires and values. To make this work, every organization irrespective of industry must develop an omnichannel customer engagement capability, which is the ability to deliver an excellent and relevant experience via any digital channel or human interaction.

This demands an organization to maintain a wide level of coherence and coordination, if the brand promise is to be fulfilled. Customers don't care how a business is organized, they want, as this research shows, the answers they need as fast and as easily as possible via the communication method of their choice.

The term 'loyalty' should be replaced with 'advocacy.' Customers become advocates when their experiences with an organization are positive and they trust the firm has their interests at heart. Companies that take a purely transactional view of the customer and have only their own interests at heart, will fail to create advocates. With the advent of comparison websites and increased regulation to make switching easier, they will continue to remain at risk.

To implement the rules of engagement firms must orchestrate eight critical attributes.



Delivering it right the first time and making it relevant sounds easy, but to put the rules into practice, the business must act in unison. Ovum has identified eight critical attributes that need to be orchestrated effectively. This is complex and involves significant transformation, in people's attitudes, skills, and

the emotional intelligence to understand what the customer is trying to achieve and to respond in the most appropriate manner. Process and technology can then be harnessed to drive customer-centric outcomes.

1: Visionary leadership that centers the organisation on the customer and outcomes

- CEO and leadership team must set the agenda and provide a genuine customer-centered sense of purpose.
- The CEO must empower, enable and harness employee commitment to the customer.
- Values and transparency matter to foster trust.
- Rewards, Key Performance Indicators (KPIs) and metrics must be aligned to foster desired employee behaviors.

2: An engaged workforce is essential, if customers are to be treated with respect

- The link between employee engagement and customer satisfaction levels has long been recognized.
- A strong sense of purpose and belief in the value of their work as well as support for personal development are critical.
- Empowered and engaged employees are also more able to resolve customer issues without recourse to a long chain of command. As we have seen in this research, delivering a rapid and relevant response to customers is essential.
- Develop an effective Voice of the Employee (VoE) program to assess morale and identify barriers to employee engagement.
- Hire employees who are passionate about customers and willing to bring something of themselves and have the emotional intelligence to provide positive customer interactions.

3: Highly collaborative and rapid access to relevant expertise

- Routine enquiries can be handled by most employees, but for more complex enquiries rapid access to relevant expertise is essential.
- Embed collaboration tools such as enterprise social networking (ESN) in customer processes.

4: Acute sensing and sense making are essential to ensure relevant customer interactions

- Use of real-time, predictive analytics aligned to the customer's historic data can be critical to support next-best-actions to help resolve customer queries quickly. Good knowledge and content management systems supported by predictive analytics will also enhance the customer experience by teeing up relevant knowledge and content to resolve the customer query.
- A multichannel Voice of the Customer (VoC) program is an essential closed-loop feedback mechanism to help resolve any outstanding issues quickly, as well as identify any systemic weaknesses in the delivery of the customer experience. Sentiment analysis of customer attitudes expressed on social media should also be included.

5: Create an omnichannel customer engagement capability that delivers the brand promise

- Ultimately, to consistently deliver a relevant and mutually rewarding customer experience, service must be placed within the wider omnichannel customer engagement challenge.
- Don't bolt on a new channel, but rather use it in conjunction with existing ones and make sure it delivers a consistent level of service to the customer.

6: Develop continuous innovation as a competence

- In the UK, retailers John Lewis Partnership (JLP) has created an incubator program and competition to identify high potential technologies that can be brought to bear an outstanding customer experience.
- Also in the UK, First Direct, the retail bank, which consistently leads customer satisfaction ratings, employs and coaches contact center agents with the emotional maturity to build rapport with customers, and help them achieve their aims.

7: Develop end-to-end processes to underpin the omnichannel customer engagement capability and foster enterprise-wide alignment and coherence

- Design from the customer back, not the product out to customers, to develop customer friendly processes that minimize friction and maximize speed to resolution.
- Customers can also be very unpredictable, so processes must be adaptive to allow for resolution of complex queries.

8: An adaptive enterprise architecture

- Many larger organizations are held back by legacy systems in addition to legacy thinking. Enterprise architecture should provide a clear line of sight to the strategic goals of the enterprise and ensure that the business and IT architectures are fully aligned.
- Increasingly, firms are adopting cloud delivered systems of engagement, which makes sense as this offers more rapid adaptation and the ability to experiment and trial new means of satisfying customers.

As we can see, putting the rules of engagement into practice will take cross-organizational and transformational effort. Above all, it always comes back to leadership. In this customer-empowered world, leaders must lead, not mandate.

Conclusion

Our research has shown that customers just want convenient interactions with their financial services providers and their questions answered the first time, every time. It also shows that getting the right level of personalized service is also important in order to keep them coming back. However, the rules of customer engagement are less to do with personalization at all costs; it's more about making life easier for consumers. Though people today are wary of overly friendly brands, they have no patience with firms which can't get the basics right. The financial services sector needs to work hard to get the balance right--ensuring the service they deliver reflects, and continuously evolves in line with, what their customers actually need.

The key to success is to giving your customers the ability to communicate with you as they wish. It is then important to have the right tools, technologies and resources in place to understand their needs, history and concerns so that you can deal with their needs quickly and efficiently.

Successful customer engagement and securing their loyalty means embedding a customer-centric culture across the entire organization. Above all, businesses must have the right people with the right skills to support it in order to play by the rules. Falling short of these will only put you behind in the game.

For more information about how to improve customer engagement, please visit: www.verint.com



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