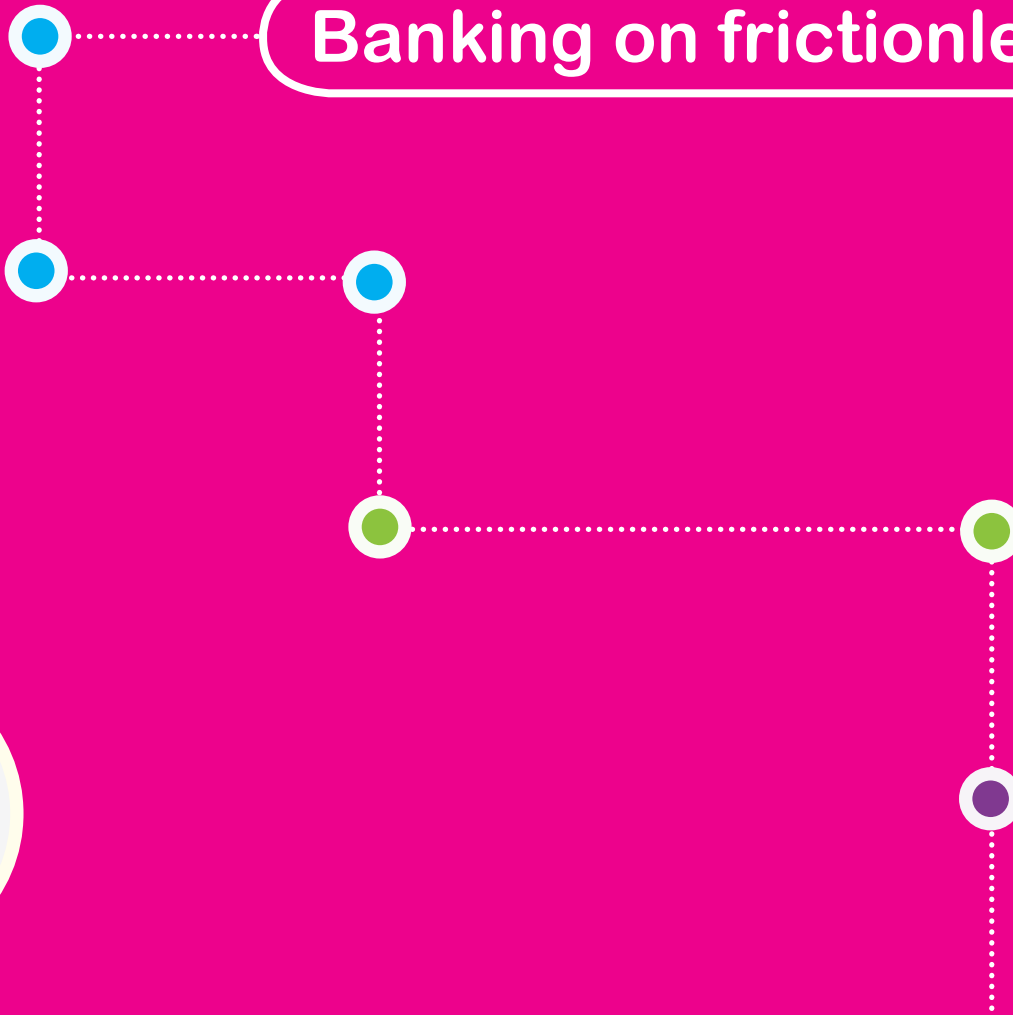


# Banking on frictionless customer journeys



# The age of the customer

**“The age of the customer”. In 2014 this was just an abstract phrase defined by Forrester<sup>1</sup>. Fast forward a few years and “the age of the customer” has become the de facto term for explaining the power shift from organisation to consumer. The landscape has changed quickly and the days of consumers accepting journeys where they are forced to go into a branch or wait for paperwork in the post have gone. Consumers now want to choose their journey regardless of legacy systems or internal bank processes. In today’s brave new world, the customer is now firmly in charge and banks that fail to respond will see the impact in terms of reduced customer satisfaction and ultimately lost customers.**

## MOST IMPORTANT FOCUS FOR 2017

The good news for the industry is that banks have recognised this shift and are responding. The recent Digital Banking Report 2017<sup>2</sup> based on a survey conducted annually across a panel of global FS leaders reflects this. It cited a frictionless customer journey as the most important focus for 2017 (54% of responders). Closely linked to this, the third most important issue for banks was the need to improve integrated multi-channel delivery (45%). These results show that delivering seamless customer journeys is a major priority for banks. But how far away from the holy grail of a frictionless journey are banks and how do banks identify and create these frictionless journeys?

<sup>1</sup> Forrester, (2011). Competitive Strategy in The Age of The Customer.

<sup>2</sup> Marous, J. (2017). 2017 Retail Banking Trends and Predictions.

# An industry facing change

Banks are being defined by the experiences they deliver to customers more than ever before. As new challengers enter the market and organisations from outside financial services such as Amazon and Apple, set a new benchmark by which all companies are measured, the bar for all organisations has been raised. The 'always on' consumer is demanding a service that can be consumed at their convenience and through channels of their choosing. Added to this, the proliferation and fragmentation of channels has further increased the pressure on customer journeys, forcing organisations to deliver a joined up and flexible journey. Combined, these factors are reshaping and transforming customer journeys and banks are having to respond by reshaping business processes and strategy.

**72**  
PERCENT  
STILL  
USING  
F2F


The pressure on customer journeys is further magnified for complex journeys such as mortgages and customer onboarding, where the customer journey can be long and complex. In these complex and non-linear journeys the opportunities for stalling or break points is increased and typically result in higher drop offs.

Consumer appetite for digital and self-serve journeys has seen exponential growth, with UK banking apps being used 10.5m times per day<sup>3</sup>. However, it would seem that a lack of frictionless journeys for more complex journeys is forcing customers into face-to-face channels. According to Deloitte, 72% of individuals still use F2F to access financial services.<sup>4</sup> Similarly, 59% of individuals are still seeking financial services advice in person<sup>5</sup>, so we can see that banks have some way to go when it comes to streamlining more complex customer journeys.

<sup>3</sup> British Bankers' Association World of Change Report 2015

<sup>4</sup> Deloitte, The Deloitte Consumer Review: Reinventing the Role of the High Street (2013)

<sup>5</sup> Market Force Information, UK Banking - 2016 Consumer Experiences & Competitive Benchmarks



Digital transformation has swept across the financial services industry becoming the focus for banks who have seen an opportunity to service customers at a reduced cost. However low cost channels are often typified by being low engagement and this can lead to lower customer satisfaction, higher drop-off rates and lower completion rates if customers are forced down these digital channels when the journey is more complex.

Customers who are on a 'happy path' will move seamlessly along a self-serve journey however, for more complex products (e.g. mortgages) these journeys can quickly fall apart if there is not an element of assistance, whether that is to help consumers through a failed journey, explain and illustrate complex products or simplify the document signing stage.

The real winners in the customer experience race will be those who allow customers to move seamlessly between self-serve and assisted journeys when the journey demands it, ultimately optimising the balance between service and cost.



# Creating frictionless customer journeys

**?** So how do banks achieve the holy grail of a frictionless customer journey?

## Reimagine customer journeys

The first step many banks are starting to take is to design customer journeys at a granular level. To create a frictionless journey, banks must identify the issues and understand the breaking points that are causing delays or causing abandonment in the customer journey. Are customers being forced down a channel that they don't want to use, such as being forced to go into a branch or waiting for documents to arrive in the post? Are customers being asked to complete multiple forms? Are product comparisons well communicated or are customers left confused by the range of options open to them?



All of these issues and many others create breaks, disconnects and inefficiencies in customer journeys that negatively impact on businesses through increased drop offs, decreased completions and reduced NPS scores. The challenge for banks is to first identify the break points and then solve these problems in a way that is simple and intuitive.

# Creating frictionless customer journeys

## The post-channel era

Over the last few decades, organisations have increased the number of channels through which customers can access them, whether that's through a branch, telephone or most recently through digital channels. However this has largely been a siloed approach and the ability for customers to move seamlessly between channels has been limited. In an attempt to offer a joined-up service, omni-channel has become a new focus allowing customers to move between channels as their journey demands it.

In today's post-channel era, the focus on channels has shifted to customer journeys. Customers now expect to decide how their buying journey will happen and they want organisations to be the facilitators of these journeys not the directors. The implication here is that journeys are no longer fixed or linear, so need to be flexible enough to allow customers to seamlessly move between channels. For banks this means breaking down channel silos and reorganising around the consumer not the internal processes and legacy systems. Customers don't think in terms of channels, they think in terms of overall experience across whatever channel(s) they choose to engage. Banks now need to reflect this behaviour.



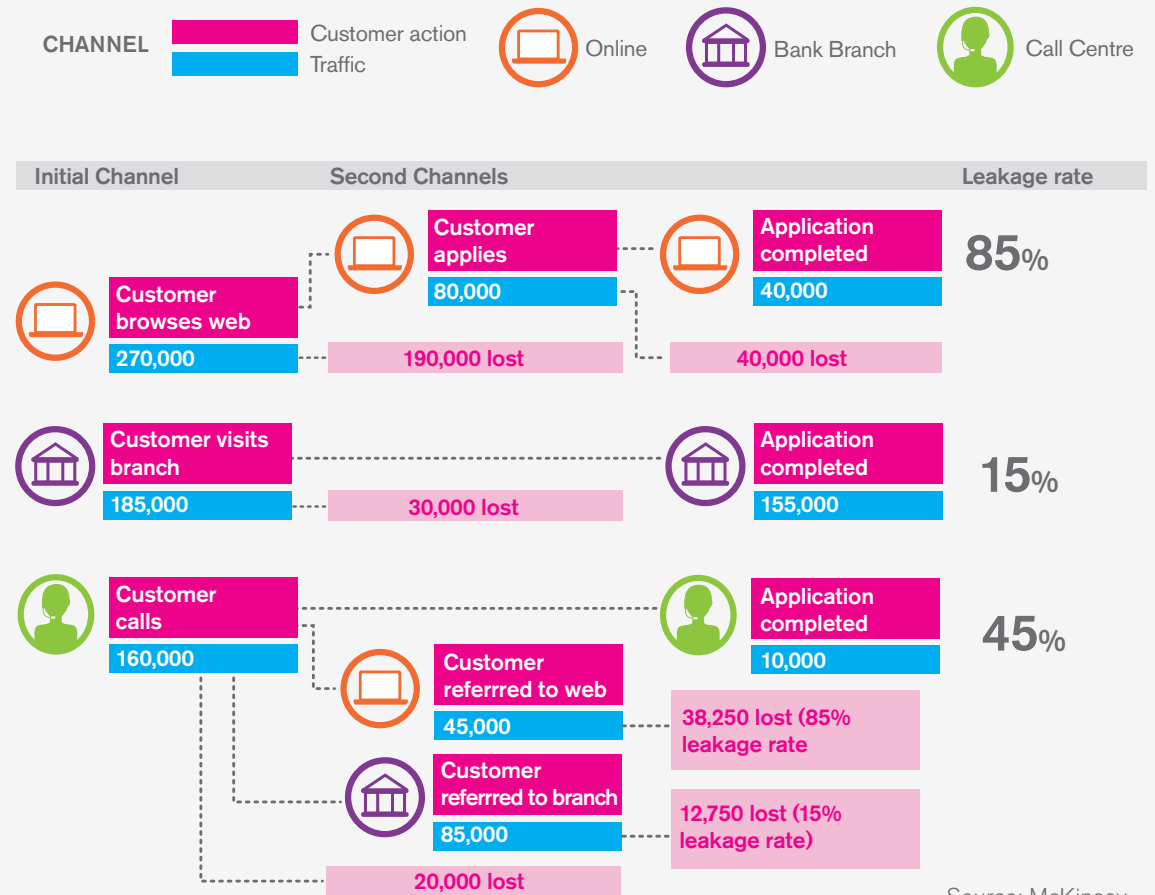
# Creating frictionless customer journeys

## The post-channel era

Banks that develop successful omni-channel strategies are greatly rewarded. In fact research by the Aberdeen Group<sup>6</sup> found that organisations with the strongest omni-channel engagement strategies retain an average of:

**89%** of their customers compared to **33%** in those companies with weak strategies.

We can see from this McKinsey<sup>7</sup> analysis (right) that in complex journeys the completion rate increases when an element of human intervention is present. The challenge for banks is to offer assistance in the most cost effective and efficient way and at the right point in the journey. Only then can they achieve the optimum balance of cost and service.



<sup>6</sup> The Aberdeen Group - Why Omni-Channel Strategy Matters (2013)

<sup>7</sup> Digitizing the consumer decision journey (2014)

Source: McKinsey

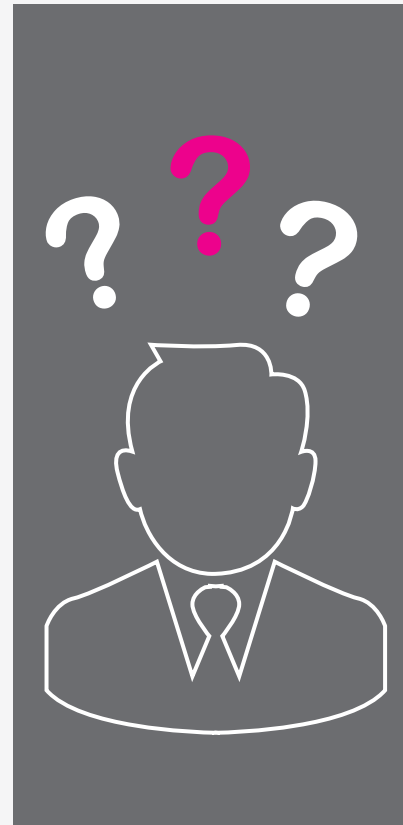
# Creating frictionless customer journeys

## Leveraging technology

Technology can reshape a customer journey and drive the digital transformation agenda, however, for organisations operating within the constraints of legacy systems, progress has been slower than hoped. As a result, many have found it difficult to move past simple customer journeys with very few examples where complex journeys have been transformed.

One exception is the RBS DigiDocs platform that allows a customer to seamlessly move between digital and telephony channels when applying for products, uploading/downloading supporting information and signing documents. RBS has transformed complex journeys where individuals fail on the “happy path” or where multiple parties are involved in providing and signing documents. What’s important is that DigiDocs utilises technology to facilitate a transformed journey and wasn’t technology for technology’s sake. The DigiDocs platform was designed by working backwards from the customer journey with technology being leveraged to solve real pain points in the journey.

## Eliminate confusion



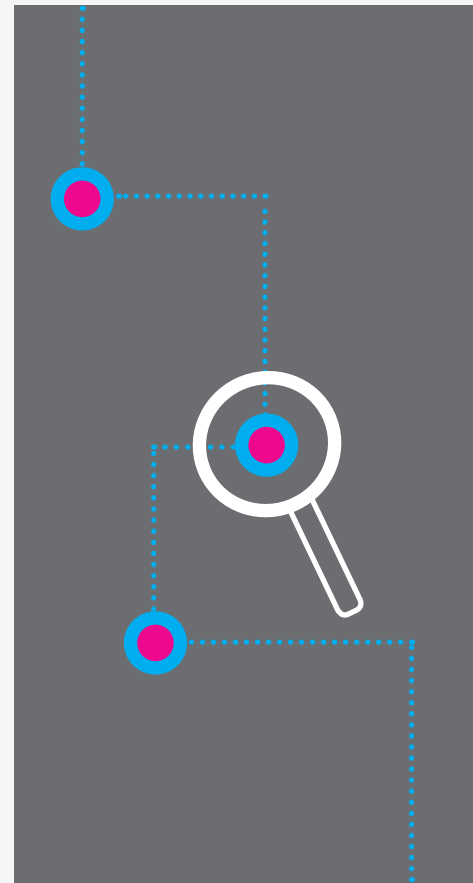
A common cause of friction in a customer journey is confusion and lack of clarity. This can cause multiple customer queries, a lack of trust and breaks in the journey. In some extreme cases, this lack of clarity has led to remediation/compliance issues. To drive truly frictionless journeys banks need to deliver clarity in terms of product features, pricing and compliance practices. Those banks that do this will eliminate compliance risks, reduce customer service queries and remove friction from the journey.



# Creating frictionless customer journeys

## The right measurements

To understand how journeys are performing, banks need to measure journeys not channels. Without visibility of the whole customer journey, the bank won't be able to fully understand how a journey is performing. It is no longer sufficient to measure each channel in isolation, journeys need to be measured from the perspective of the customer not the bank. For example, call centre measurement is centred around measurements such as average call handling time (AHT), however this can deliver a narrow and misleading view of the customer journey. While AHT tells an organisation how quickly an agent has dealt with a customer, it doesn't measure the effectiveness of the call - whether a customer's query was resolved on the first call, or whether the customer had to call back a number of times to get their issue resolved. A myopic focus on single measure, e.g. AHT, leads to distorted results where two 9 minute calls is better than one 10 minute call. Similarly, measures need to take into account if the customer has previously used another channel to try and solve their issue, but have (for example) been forced to change channels (possibly against their will) in order to get a successful outcome.



To achieve frictionless customer journeys, banks therefore need to measure the effectiveness of the overall journey, taking into consideration complex and non-linear customer journeys. While channel-level metrics are interesting to understand a single aspect of a customer journey, focusing exclusively on siloed channels can often be misleading and impacts the overall effectiveness of the customer experience.

## The future of frictionless journeys

While banks have made significant progress towards offering the customer choice and convenience, a truly frictionless journey is one which gives the customer choice and allows them to move between channels seamlessly. Journeys in the future will allow customers to start their journey as self-serve, request help via chat when they have a problem,

engage with a customer service telephony assistant to show, share and sign documents, then move back to self-serve to finish their journey – all seamlessly without the need for delays or breaks. The utopia is one which seamlessly optimises the right blend of channels to maximise the experience for the consumer while reducing the cost of the customer journey for the bank.



White paper by Vizolution.

### About Vizolution

Vizolution is a CX Tech company focused on streamlining customer journeys. With a SaaS suite of digital products, Vizolution supports the omni-channel strategy of it's customers to eliminate the breaks in customer journeys.

To find out more about Vizolution visit [www.vizolution.co.uk](http://www.vizolution.co.uk)