

Trusted Customer Interactions

standing at the crossroad
of human and artificial intelligence

Expert Paper

Executive summary

This paper examines the recent developments of customer service in the financial services industry through an overview of customers' new expectations and the new challenges that arise from those. Our findings show that customers are now more inclined to stay loyal to service providers that provide them with personalisation, proximity, convenience and reactivity across the different channels.

Introduction

In the financial services industry, customer retention is a major challenge. With the growing number of communications across channels and the evolution of customers' expectations, advisors have difficulty maintaining differentiating and trusted customer relationship. To improve customer loyalty, most banks are investing in new digital channels deployment as well as advisor empowerment. By using technology to automate repetitive tasks and facilitate team collaboration, advisors can dedicate their expertise to the most complex and profitable tasks¹.





New customer expectations

Customer loyalty has recently been affected by the increase of online service options and the customers' expectations have soared simultaneously. In Europe, 73% of customer service leaders are seeing an increase in support volumes across written channels such as email, live chat, social media², etc. In the banking sector, 41% of customers said they are now more comfortable handling financial interactions online than they were prior to the pandemic³.

With the increase in the use of digital communication channels, remote advising has become essential and companies have evolved to efficiently process all these new digital customer requests⁴.

All organisations can harvest the benefits of these changes by rapidly reimaging their customer relationship management and delivering a remarkable client experience powered by technology.

In order to consistently outperform the market, banks must undertake a strategic approach to meet their customers' expectations. This means identifying a target customer segment and working systematically to understand its needs and expectation⁵. Then, the main question is "How to best answer them?" – with which products, on which channels, with which level of automation...



Retail consumers' expectations

Convenient, frictionless and personalised experiences through multiple communication channels.

- 57% of customer service leaders in EU have seen an increase in customer expectations since February 2020⁶.
- There has been an 18% increase from 2018 to 2020 of bank customers doing their banking on a mobile app or on their banks' websites⁷.



Corporate and SME customers' expectations

Real-time data and 24/7 experiences with tailored insights and recommendations through a wide range of digital services.

- Fintech adoption among SMEs could grow up to 64% in the next years⁸.
- 28% of SMEs have changed business bank accounts in the last two years, citing better online and digital customer support (31%) and better services (29%) as the main reasons for switching⁹.



VIP customers' expectations (e.g. private banking)

Constant availability and pro-active customised financial advice.

- 1/3 of clients report being unsatisfied with the quality of financial advice from their main bank¹⁰.
- 25% of European private banks express a desire for a fully digitally enabled private banking journey with remote human assistance when needed¹¹.

² Freshworks, insights and predictions of customer service leaders, <https://awl.li/7m12f>

³ The Financial Brand, Covid could cost banks big, <https://awl.li/7q9nh>

⁴ Worldline webinar, Transforming customer interactions, <https://awl.li/mhftv>

⁵ EY, How banks can stay relevant as customer preferences change, <https://awl.li/5onts>

⁶ Freshworks, insights and predictions of customer service leaders, <https://awl.li/vbdfc>

⁷ The Financial Brand, More Digital Banking Experiences, <https://awl.li/htudg>

⁸ EY, Global FinTech Adoption Index, <https://awl.li/03nif>

⁹ The Paypers, Report shows SMEs are frustrated with business banking, <https://awl.li/wy37z>

¹⁰ McKinsey & Co. The future of private banking in Europe, <https://awl.li/rwlxa>

¹¹ McKinsey & Co. The future of private banking in Europe, <https://awl.li/rwlxa>



Challenges for adopting new customer interactions

The common denominator for all three customer segments mentioned above (retail, corporate and private banking) is an increase in digital customer requests. We have entered an age of dematerialised interactions and it is essential to focus on advisory as a means of reaching the objective of customer satisfaction. Organisations need to look at the tools their service teams are using, their priorities, how the team is built, how they approach the customer and how advisors work with feedback; only then can they build a deeper understanding and empathy for the customer and earn their trust.

Trust and proximity

In 2018, 43% of consumers said that they trusted their financial institution to look after their financial well-being. In 2020, this percentage fell to 29%¹². But why would customers trust erode when so many innovative digital solutions have emerged to support them?

It appears that the recent shift to digital has presented opportunities but also challenges, with new digital touchpoints not always suited to satisfy the customers' need for support and proximity. While the rise in digital engagement has allowed Financial Institutions to increasingly serve their customers remotely, it has also highlighted the gaps in a 100%-online customer journey. In order to forge a strong relationship of trust with consumers in this digital-first era, financial institutions have to maintain a high proximity despite the prevalence of remote interactions – and make more personal and relevant connections with them. To maintain proximity, it is also crucial to identify the customers' preferred channels of interaction – especially with the emergence of additional ones (live chat,

chatbot, video, etc.). In fact in 2020, 64% of customers reported starting using a new customer service channel and 85% of teams reported having to make changes to their support in order to accommodate the quickly growing written channels such as live chat and email¹³. Those new touchpoints make it easier to conveniently answer customers' inquiries, and the rise of self-service channels has freed up the precious time of advisors so they can re-focus on more value-added requests. Nonetheless, banking customers still surprisingly favour emails when contacting their bank in 2020 and emails will most likely continue to be the most effective channel for customer onboarding¹⁴.

Whatever the touchpoint, the use of semantic and sentiment analysis can enable financial institutions to provide more trusting and seamless interactions, and to resolve issues more quickly. This makes interactions more consistent and enables organisations to make recommendations for the customer based on his 360-degree profile. Furthermore, financial institutions can leverage customers' feedbacks to identify areas of improvement, turning the data collected into actionable insights.

¹² The Financial Brand, More Digital Banking Experiences, <https://awl.li/ozpt0>

¹³ Zendesk, New CX for a new world, <https://awl.li/1pzh9>

¹⁴ The Financial Brand, Emphasis on digital branding demands changes, <https://awl.li/6onc4>

Technology and collaboration

Human-centred remote channels will be essential in order to ensure successful customer experiences as well as proximity, and financial institutions are investing in improving their digital service journeys¹⁵. The right use of technology can drastically improve and strengthen any customer service channel while ensuring the right level of convenience and personalisation.

Banks can now use AI to streamline the customer interaction services, tailor them to the customers wishes, leverage data and deploy new technologies that will add value. For instance, AI-driven chatbots and voice assistants can be embedded into customers' and advisors' interfaces to enhance service quality and personalisation, while AI can also become crucial to detect fraud and enhance cybersecurity in risk management.

The increased customer requests are also requiring a stronger toolbox to prevent advisors from being overworked, and to maintain their efficiency and team collaboration, which is key in a remote environment. It can be achieved with transfer requests, multirecipient conversations, moderations, internal comments, shared knowledge base, prospect management and onboarding tools, among others.

For email notably, technology can empower advisors with new services such as real-time opportunity identification, integrated AI-based semantic analysis and answer suggestions, supported by an extensive knowledge base. Through this channel, banks can provide secure documents exchange between the customer and their bank advisor, or internally between experts, as well as secure digital signatures for loans, etc¹⁶.

Security and confidentiality

Governments worldwide warn that the continued growth in the use of digital channels increases year by year the risk of cyberattacks across both new and existing digital channels. Ensuring high levels of security across touchpoints is crucial to ensure customer data integrity and confidentiality. This is a significant concern of notable proportions for consumers saying that they would be willing to switch providers due to data security concerns¹⁷.

Fraud such as advanced spear-phishing is becoming more difficult to stop or prevent, which increases the fraudsters probability of success, up to 75%¹⁸. Security must be considered upstream of any digital channel's improvement, in order to prevent attacks and ensure confidentiality of data.

In addition to the loss of customers, security breaches can also have serious financial repercussions. 1,025 IT Managers surveyed globally stated the following¹⁹:



lost data due to lack of cyber resilience preparedness



have seen their organisations being impacted by ransomware within the past year



have experienced increased phishing attacks



saw an increase in impersonation fraud within the past year



of the respondents' organisations experienced an attack spreading from one user to other employees



have been affected by downtime due to an attack

¹⁵ Worldline webinar, Transforming customer interactions, <https://awl.li/s682v>

¹⁶ Worldline, Secure and seamless interactions, <https://awl.li/rhl3a>

¹⁷ Accenture, Discover the patterns in personality, <https://awl.li/49xcu>

¹⁸ Mimecast, State of Email Security 2020, <https://awl.li/czqxh>

¹⁹ Mimecast, State of Email Security 2020, <https://awl.li/czqxh>

Conclusion

Achieving trusted customer interactions

Customer loyalty can be achieved when the customer can conveniently choose his or her preferred communication channel, and most importantly when the organisation can quickly identify (and reduce) customer dissatisfaction.

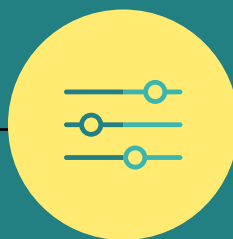
Findings from our report show that all customers segments are more inclined to stay loyal to service providers that provide them with personalisation, proximity, convenience and reactivity across the different channels. The right use of technology can drastically improve and strengthen any customer service channel²⁰, by automating repetitive tasks (e.g. RPA), facilitating team collaboration (e.g. semantic analysis) or smoothing the customer experience (e.g. chatbots).

The synergy of human and artificial intelligence will enable advisors to digitally replicate the level of quality and intimacy experienced in branches, and ultimately to focus on their real purpose: human relations.

"I'm planning on buying a car"



James searches for information related to car financing



He simulates a project and explores options



He discusses with an expert to validate his needs



He receives financial coaching and weekly saving digest



He discusses with an advisor to validate next steps



He agrees on his financial plan and read contract details



He completes his saving project and finalise last details



He signs his online contract then stored in is secure vault





Business case

“Teleworking at a French tier-1 bank”

Accessing advisory services through remote and secured channels

Due to the pandemic, Worldline saw an increased demand among its client base for better tools for analysing and acting on workforce data and AI-enriched tools. The tools provided by Worldline are used to inform on workforce policies and guide specific employees in using their time and energy on the most important customer dialogues. The solution also lets the AI screen, assess and answer the standard requests that can be automated²¹.

Covid-19's impact on customer interactions

One of Worldline's bank client was experiencing an overflow of customer requests in their written channels. In 2014, the number of received emails was 6 million and in 2019, this had risen to more than 11 million emails with the number of advisors not following the same growth.

The bank was in need of an IT tool that could segregate and prioritise the requests, giving the customer a fulfilling answer with a minimum of waiting time and without compromising the customer/bank proximity. The solution also helped the customer service team to gain a clear overview of the requests and know exactly which internal experts should be asked for help if needed.

Secure messaging platform between advisors and customers

By deploying an omnichannel messaging platform, Worldline optimized how agents and advisors manage communication internally and externally.

With the assistance of artificial intelligence, one third of customers could find the answer to their request without contacting an advisor. This reduced the workload significantly and ensured that manual labour was not used for trivial enquiries but could be focused on more complex and hence value-generating customer service activities.

For the remaining requests which required the attention of a human, advisors were able to use semantic analysis and collaboration tools to improve their efficiency.

Thanks to the support of Worldline, this client increased satisfaction levels with reactive, convenient and personalised interactions guaranteeing proximity at all stages of the customer journey.

About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros.

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