



Banking Customer Experience

How to Define, Measure and Boost CX Value Drivers

PART 2

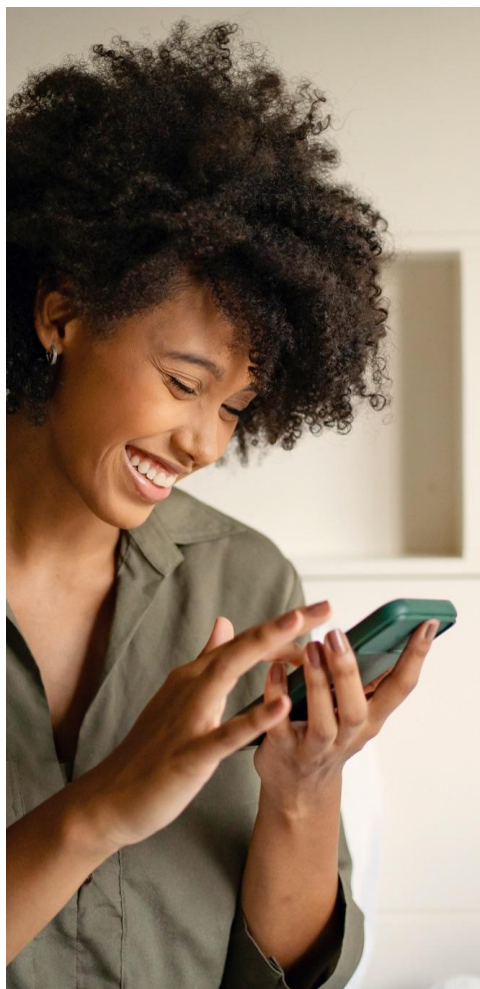
A recent survey by BAI, a banking research organization, noted that just

4% of banks rated their customer experience as excellent.

That's a stunning indictment, but what exactly constitutes an exceptional experience for your bank's customers, and how does the bank measure these metrics? Unfortunately, most banks can't answer either of those two questions.

This series of articles will help your bank identify the experiences that need to be improved or instituted and the value these enhancements will add to your results.

[In the first installment](#), we described the essential elements of the banking customer experience when acquiring customers. Now, we'll focus on how to maximize existing customers' value with customer experience.



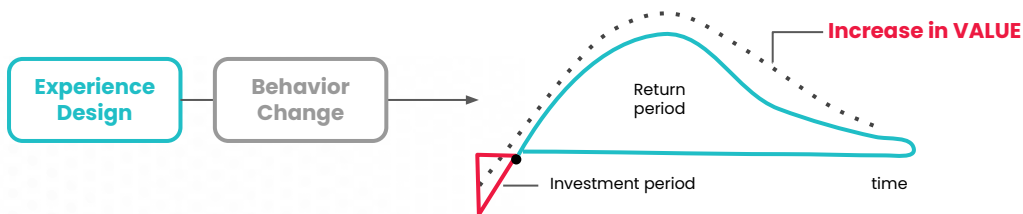
First, let's start with some **basics**.

A bank, or any other enterprise, aims to increase the value of the customer relationship with experience enhancements that change value-generating behaviors.

Put more simply, your bank wants to increase the value of each customer interaction, the frequency of those interactions, and the length of the relationship.

Relationship Value Model

GOAL: increase the value of the relationship (area under curve) with experience enhancements that result in value-generating behaviors.



Net present value of the customer relationship rises with increases in:

1. **Value** of the interaction
2. **Frequency** of interactions
3. **Longevity** of the relationship

The banking customer lifecycle has five distinct phases that require different experience enhancements to change customer behavior in value-generating ways. Each stage has unique aspects of customer experience to optimize, technical requirements to get there, and key performance indicators (KPIs) your bank must measure to gauge progress.

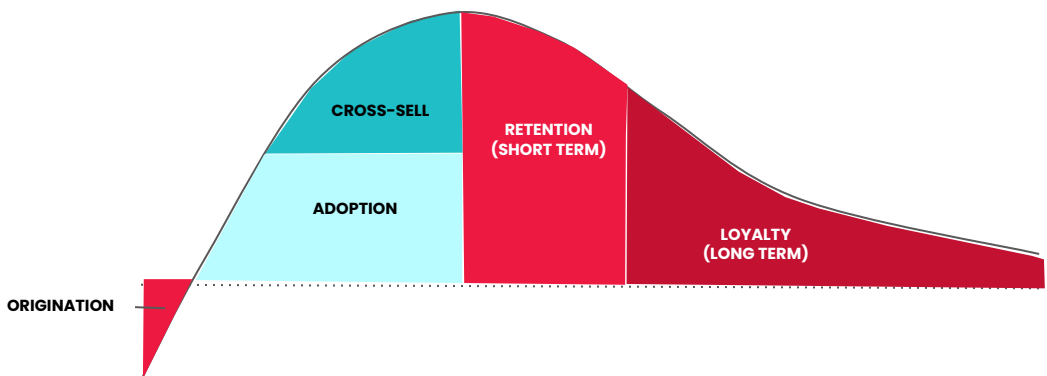
The five phases are:

- 1) Acquisition or Origination
- 2) Adoption of digital services
- 3) Cross-sell
- 4) Retention
- 5) Loyalty

In this paper, we'll focus on 2 and 3, which address the early stages of the customer relationship.

Five CX Strategies & A Relationship Curve

Mapping strategies to the customer relationship



Each CX-enhancement strategy applies to a critical component of relationship value – whether to reduce costs, increase revenue, or decrease attrition – which all result in increased value throughout the relationship.

Adoption of **Services**

Experience Essentials

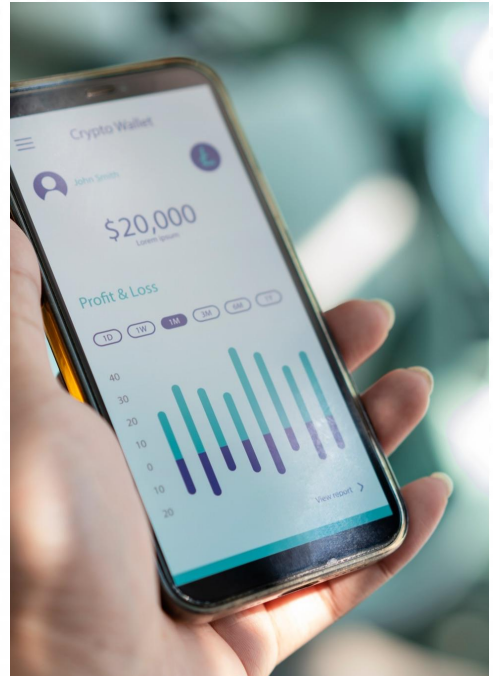
Education

Let's start with a retail customer who opened an individual checking account on your website.

The customer has many questions at this point. Ask yourself if your bank addresses these issues adequately.

For example, does the customer have to set up a direct deposit of their paycheck now, or can they do it whenever they want? Have you provided your bank's routing number and the new account number so they can set this up with their company's payroll provider?

When will I receive my debit/ATM card? Can I visit a branch to get my card immediately? Can card shipping be expedited for a fee? How can I order checks?



I recently changed my primary banking relationship, and because my wife and I wanted a joint account, we had to visit a branch.

I tried to open an account online but was advised to visit a branch with my wife to establish the account.

Despite this mild inconvenience, I noticed that the in-branch experience was nearly identical to the online one.

Technical Requirements

From a technical standpoint, ensuring your bank's new customers enroll in digital services is a matter of data processing and message delivery, both at the start and periodically after. My new bank delivers weekly emails that answer common questions like, how do I avoid fees? How do I order checks? (Yes, we still need them occasionally).

Content management systems (CMS), a module of modern digital experience platforms (DXP), make personalization and message timing a reality for banks of all sizes. But first, you need to deploy a **marketing intelligence engine** (also part of a DXP) to collect, analyze and act on customer data.

Key Performance Indicators

If you've improved the customer experience, the data should confirm it.

Your bank should establish goals for customer adoption of digital services using industry benchmarks. For example, most customers should use your online and mobile banking applications. Indeed, registering for online banking should be part of the onboarding process once an account application is approved. Text the new customer a link to download the mobile app.

The new client should also receive clear instructions to enable direct deposit of their paycheck and get periodic reminders by email or text to set this up.



Cross-selling Additional Services

Experience Essentials

Offers Management

I have a checking and savings account with my new bank and already use two of their credit cards. When I opened the new accounts, the bank inquired whether I rented or owned my home. Additionally, they frequently ask me to update my income to assess whether to increase my credit lines. However, the bank could offer mortgage loans and other forms of credit using the same data. For example, the bank still needs to determine when I might be in the market for a car loan.

Cross-sell is a great place to use tactics you can deliver if you have a Digital Experience Platform or DXP. For instance, if a checking customer visits an educational article on your site about mortgages, we can serve them modules on the home page, or other suitable places on the site, that offer mortgages.

You can do the same if the user clicks on an ad or an email link. Essentially, any data you have about where the user has browsed, on- or off-site, can help deliver a more relevant experience to that customer so that they receive the right messages or offers at the right place and time.



Targeting

Your bank should have a dynamic home page that serves relevant content based on your knowledge of that user. For instance, a small business customer would see different options, messages, and content on the homepage than a retail banking customer would. A DXP used with a modular Design System can deliver that experience.

Account Aggregation

Banks must provide customers with a dashboard to consolidate their financial accounts.

Doing so will reinforce to the customer that your bank is their primary bank, helping them manage their entire portfolio. For the bank, it means intelligence about your customers' complete financial picture.

Technical Requirements

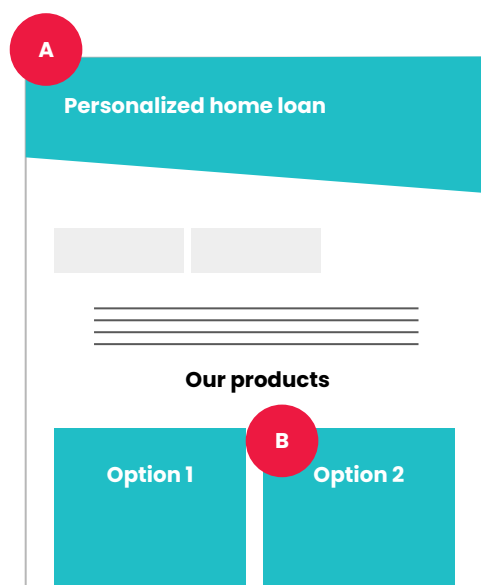
A data-sharing network, such as Plaid or Yodlee, typically provides account aggregation for banks, although banks should also consider implementing their own APIs for data exchange.

Content management systems (CMS), a module of modern DXP platforms, make the process described above accessible to banks of all sizes. But first, you need to deploy a **marketing intelligence engine** (also part of a DXP) to collect, analyze and act on customer data.

Visitors to your site will have unique identifiers, known as cookies, attached to the pages visited on your website. Based on an analysis of page engagement, create alternative homepages to serve the user with a relevant offer on subsequent visits. You can customize what you want on these alternative pages – perhaps just the header image and message.

Once the user clicks on the offer, take them to a page specific to the chosen product.

For example, if the user clicks on a mortgage offer, you could take them to a page such as the one here:



Key Performance Indicators

Banks judge cross-selling success using metrics such as products per customer and the percentage of customers with more than a certain number of products, typically one or two.

But banks need to measure how well they know their customers' needs in the context of their complete financial picture.

In the next installment of our series, we will demonstrate how to improve customer experience to create and sustain customer loyalty.



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