



# CX FOR FINANCIAL SERVICES

**Why it matters  
and what you  
need to know**



CLARABRIDGE

# CX for Financial Services

## Why it matters and what you need to know

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# Why should banks care about customer experience?

## **COLD, HARD CASH. THE BOTTOM LINE. MONEY, MONEY, MONEY.**

As a financial services provider you are in a tricky position. People (understandably) feel strongly about their money and the organizations that hold it. Despite providing a critical service to consumers, banks are not always regarded highly. At the same time, you are also subject to stringent regulations and requirements regarding privacy and transparency.

That's why you must monitor, analyze, and manage the customer experience. Understanding exactly what customers are thinking and how they are feeling about your financial brand helps you to better serve your account holders and address regulatory requirements at the same time.

Through our research and our experience working with our many financial services customers, Clarabridge has identified key best practices that have proven successful in raising customer satisfaction levels for financial organizations.

## **Problems facing financial organizations**

Financial services organizations encounter many of the same problems as other enterprises—customer retention and loyalty, revenue growth, etc. However, we have uncovered specific problems that financial institutions face in today's business environment, based on working with some of the largest financial brands in the world.

### **Commoditization**

Banks provide a certain set of services that can be hard to differentiate. In fact, Clarabridge research shows that 22% of customers do not see a difference between financial providers.

While that's not exactly great news, it gets even worse: not only do customers find financial institutions to be about the same, they also give them uniformly low sentiment scores, a result that holds true for both US and UK banks.

### **Lowered barriers to churn**

About 17% of customers are only keeping their current provider because they think it is too difficult to switch to a different provider, and even that low percentage is rapidly declining. Online banking and electronic money transfers



**80%**  
**of banks**  
**are regarded**  
**negatively by**  
**customers.**



**22%**  
of customers think  
banks are all the same.

make it easier to switch banks than ever before. The majority of customers realize that it is no longer a big chore to make a change—in most cases they don't have to visit a branch of their old bank or their new one in order to switch.

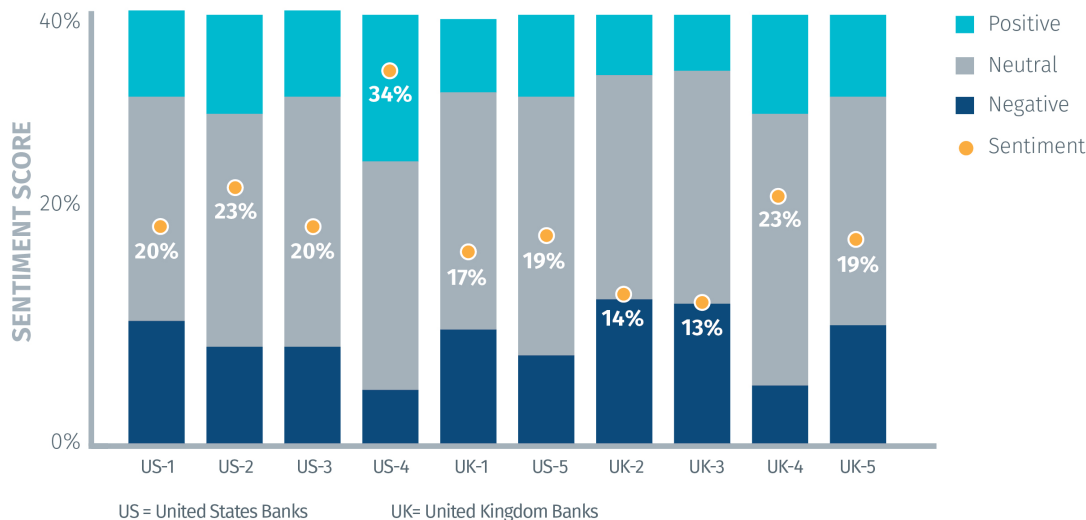
In fact, easy switching has become a competitive differentiator, with many banks publishing step-by-step instructions on their websites, offering downloadable “switch kits,” and advertising that they make it easy to join them.

**When your customers are unhappy with your brand, there is a good chance they'll consider making a change.**

**Increased regulation and risk of fines**

In the light of recent financial industry scandals, regulations are now tighter than ever. [The Wall Street Journal](#) reports that in 2014, US and European banks paid nearly \$65 billion in penalties and fines. This record-breaking number was an increase of about 40% over 2013, which was the previous high.

**Sentiment by Bank**



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- Positive
- Neutral
- Negative
- Sentiment

Some of these penalties are directly tied to poor customer experience. In the US, for example, the Consumer Financial Protection Bureau (CFPB) collects consumer stories to help identify problems that they need to investigate, giving the banks only 15 days to respond to the customer and the CFPB for most cases. The CFPB seeks restitution for customers and levies penalties against offending organization.

If you are really listening and understanding customer sentiment, your customers' feedback will not only prevent fines, but identify areas for improvement.

## What should you do?


How should you respond to these challenges? How can a Customer Experience Management (CEM) program help?

### Listen to your customers

Create a formal Voice of the Customer (VoC) program so that you know what the market is saying about your banking brand. You can monitor emails, Twitter, customer service calls, and other sources of customer intelligence such as the CFPB database to identify problems, complaints, and other red flags.

Listening to VoC lets you identify problems early so you can fix them. It lets you harvest the great ideas of your customer base for improvements or innovations in your products. It also lets you get a realistic look at how your customers really perceive your brand. Consider that 80% of CEOs believe they deliver a superior customer experience, but only 8% of their customers agree (Bain & Company). Collecting and using VoC data is the only way to close this gap.

**To improve the customer experience, you have to know what customers are experiencing.**



**US and European banks paid \$65 Billion in fines in 2014.**

### Concentrate on service

Across all industries, 90% of customers have stopped doing business with a company after experiencing poor service, and banks are not exempt. In fact, customer service is the most commonly mentioned issue for both US and UK banking consumers according to Clarabridge research, and sentiment about service is negative across the board.

#### CX IN ACTION



One large banking organization uses the Clarabridge CX Intelligence Platform to analyze over twenty different sources of customer data, including online ratings, customer emails, member feedback, satisfaction survey results, call center agent notes, mobile app data, blog comments, and social media conversations. The analysis uncovered problems with their website which were driving down customer satisfaction. The root cause was discovered to be a browser incompatibility issue. Once that was resolved, customer satisfaction rebounded.



**Stand out by providing exceptional service.**

Customers in the UK are 61% more likely to mention online banking than their American counterparts, and they are also more likely to mention branch employees. US conversations tend to be about bank and account services, particularly lending.

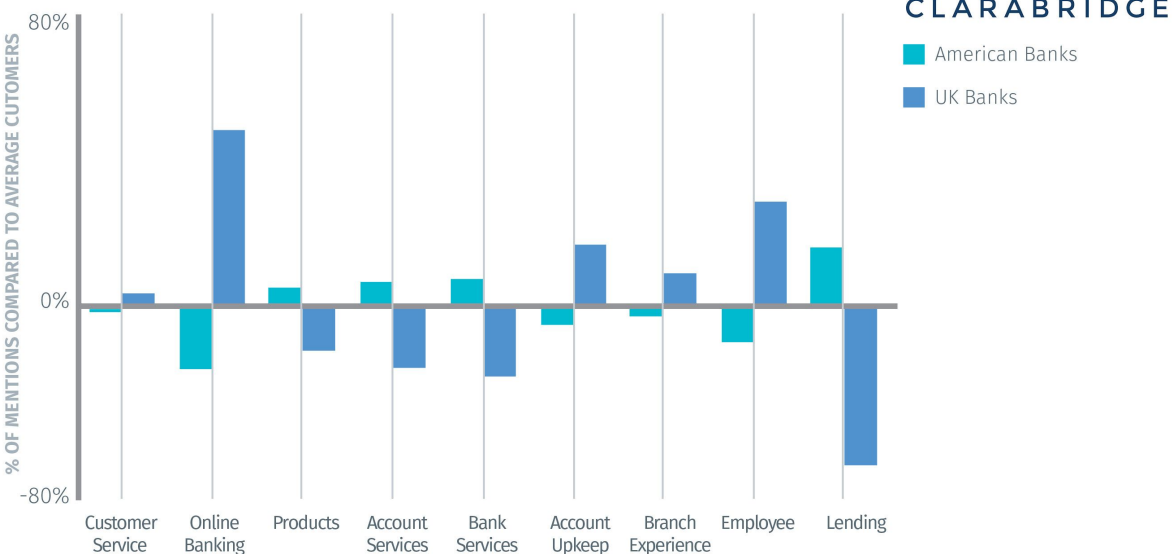
Bank employees who are trained to be helpful and to be knowledgeable about services would go a long way to differentiate a financial institution in either country.

### Have the right team in place

To provide a great customer experience across every channel (website, call center, branches, and drive-thru lanes), you have to have a customer-centric culture. And to have a customer-centric culture, you need the right organization in place—from executive sponsorship to front-line employees who care about good CX.

Build a team that includes both **customer insights professionals** and compliance specialists in order to make sure that your customer experience efforts are satisfying both your customers and regulators. The compliance specialists focus on internal processes and policies, while the customer insights team employs data analysis techniques to identify trends and root causes that point to violations. Together, these teams work to both detect violations and “making “preventive defense” a part of regular business decision making,” as mentioned in the *Wall Street Journal*. A Chief Customer Officer creates and implements strategies to put the customer first.

## UK vs. US Conversations





**70%**  
**of customers**  
**would give you**  
**more business**  
**if your advisory**  
**services were**  
**better.**

### **Provide more & better advice**

Customers are looking for their financial service providers to give them guidance. 70% of customers mention that if advisory services at their bank improved, they would give their bank more business.

However, customers don't feel like bank employees are knowledgeable enough to give them advice. "Employee knowledge" actually gets the lowest sentiment scores of all of the elements of employee experience. Customers mention the need for additional training frequently, with the word coming up in 20% of employee knowledge comments.

It is clear that customers feel that their questions are not being met with the level of attention and knowledge that they expect.

Here are some real customer comments that we looked at:

*"From when have your advisors been trained to operate on the basis of assumption and not actual investigation of facts??!?"*

*"You would think that after 250 years in business your staff would be adequately*

*trained!!!" Please train your staff properly and give them the tools to do their job.*

On the other hand, when customers have positive comments about getting good advice, it correlates strongly with increased customer loyalty. For example:

*"I have to tell you if you continue to hire and train personnel as you have with Kelly I will remain a loyal customer for a very long time."*

**Your customers need to trust your employees to give them good advice.**

### **CX IN ACTION**



PNC Bank recently appointed a Chief Customer Officer as part of its CX initiative. They are one of a growing number of financial institutions to join this trend.



**32%**  
**of customers who are very dissatisfied with a problem resolution close their services.**

### Solve problems (and do it quickly)

Customers care a lot about how you solve their problems. In fact 58% of customers who are highly satisfied with how you resolve their issues will end up giving *all* of their financial business to you. On the other hand, 32% of customers who are very dissatisfied with the way you address their problems close some or all of their accounts.

And you have to move fast. Customers get more frustrated by the speed at which their claims are handled than the quality or resolution of

their issues. And when problems are solved proactively, the resulting positive sentiment is very highly associated with mentions of customer loyalty.

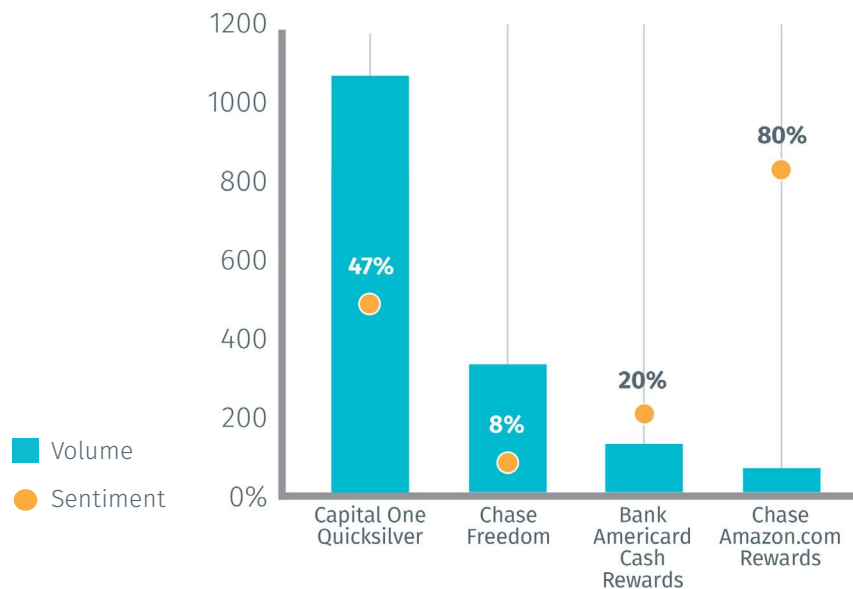
More customer comments:

*Not only did they help with my request in regards to my account but they also helped me resolve an issue with my credit!!*

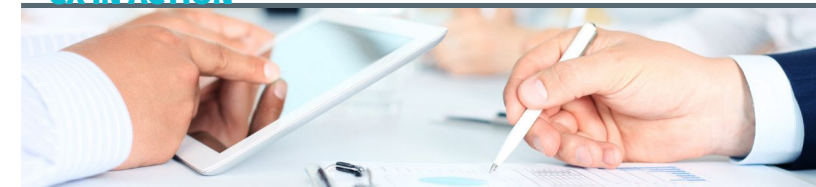
*I am really happy with your bank and have never had an issue that has not been resolved.*

*Am I going to get an answer to my non confidential questions Zack or are you unable to answer and do your job due to the bank not*

### Credit Card Holder Sentiment



### CX IN ACTION



A large US-based bank and brokerage implemented Clarabridge to help expedite their handling of customer feedback. Reports that use to take 100+ hours can now be produced reliably in 30 minutes.





**18%**  
**of adult**  
**consumers have**  
**three to four**  
**credit cards.**

*training properly and not giving their workers the knowledge they need to help answer simple questions about the laws of the bank?*

*Can someone please explain why my 64 year old deaf Mum is still waiting for a new bank card despite her last one expiring in November?*

**Make sure customers know you are working as fast as you can to fix their problems.**

### **Know your specific audience**

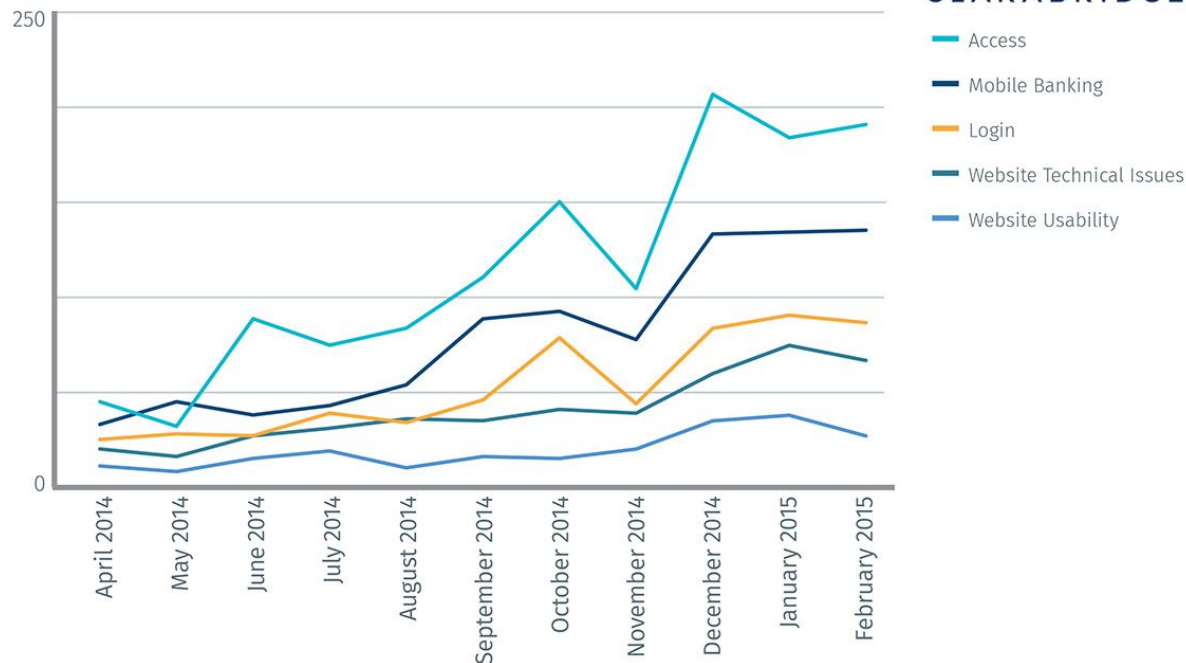
Different segments of the banking audience have different banking wants and needs. For example, millennials express high sentiment around credit cards that offer them significant rewards.

In another case, a bank learned that older customers were having trouble with mobile deposits both because they didn't trust smartphone apps with their money and because they had trouble holding the camera on their phones still to get a clear enough picture of the check.

Yet another user segment to look into includes users of mobile apps. As mobile banking increases, it is really important that you have a way to spot problems in this area, such as the login issues that spiked by 168% just after the release of the iPhone 6.

**Provide a customer experience that is tailored to your customer.**

## **Mobile Comments Trends**





**41%**  
**of customers who  
opened a new account  
in 2014 did so  
because of the  
customer experience.**

## The bottom line: Customer Experience counts

In Ernst & Young's 2014 Global Consumer Banking Survey, customer experience was found to be the most critical driver in increasing customer loyalty. "The way I am treated" drove customer trust more than any other element of the customer journey, beating out fees, rates, locations, and convenience. Unfortunately, banking customers are more often left feeling frustrated rather than loyal. An organized CX program helps you at the corporate level and with individual branch operations.

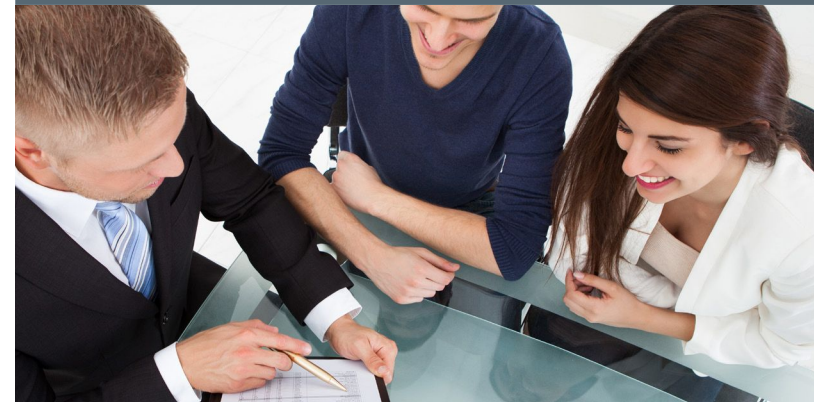
Enterprise Customer Experience means listening to and addressing your customer feedback at a high level in order to contribute to strong improvements in both overall and touch-point net promoter scores (NPS). Web content, adjustments to overall processes, and branding messages can all be driven by your customer experience program.

At the branch level, customer analytics can provide a window into wait times, individual employee performance, branch cleanliness, and a host of other day-to-day issues that could be causing problems for your customers. This kind of operational CX helps every

member of your organization to maintain a customer-centric focus.

**Customer Experience makes a difference at both the corporate and branch levels.**

### CX IN ACTION



At Capital One, "the customer" is front and center in the Bank's management and operations. Capital One has made a corporate shift to elevate customer experience to a top-tier business strategy. Through their CX program, Capital One aspires to create experiences that turn customers into passionate ambassadors; satisfaction is just not good enough. In the past 12 months, they have seen double-digit improvements in both overall and touch-point NPS scores. Capital One received the CXC Luminary Award in 2015 in recognition of their outstanding CX efforts.

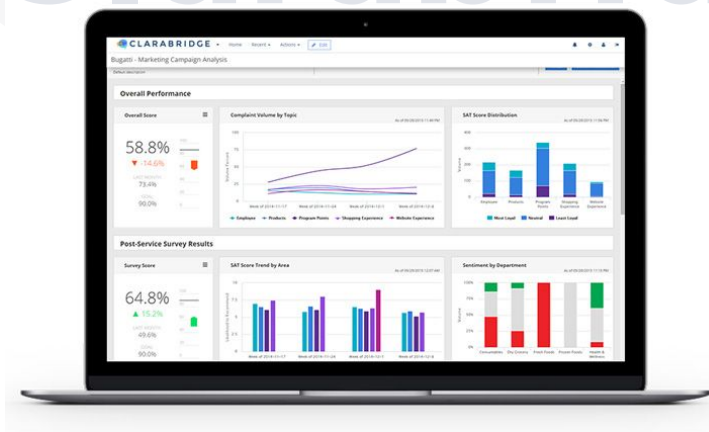
# About Clarabridge

## OUR MISSION

Our mission is to help businesses put customer feedback to work. The ability to accurately interpret all feedback from all sources (social media, call center, review sites, surveys, inbound emails, and more) and quickly respond is critical for a successful CEM program.

## FAST FACTS

- SaaS provider of customer intelligence and analytics
- 850+ global brands served
- Founded in 2006
- Headquartered in the Washington DC metro area with offices in San Francisco, London, Barcelona, and Singapore
- Led by CEO and founder Sid Banerjee, named as *Washington Business Journal's* most admired CEO in 2014
- 300+ employees worldwide
- Offers the world's most comprehensive customer intelligence platform, powering customer experience management programs
- Served customer experience professionals, marketers, customer care leaders, and operations managers
- Key clients include ADP, Capital One, G.E. Healthcare, Orbitz, PetSmart, Red Roof Inn, Unilever, and Verizon



## OUR SOLUTION

Clarabridge helps you find, understand and use customer feedback that is hidden in silos across your organization and in other public forums. Putting customer intelligence to work empowers your business to make big and small decisions and drive your customer experience management programs.

Clarabridge offers the world's most sophisticated customer intelligence platform. This platform connects to all sources of customer feedback and analyzes it to detect emotion, context, and root causes, as well as predict future customer behaviors. The analysis is presented in dashboards and reports and can be used for driving action with customer engagement, case management, and alerts.

## WHY CLARABRIDGE?

**Connect to every source of customer feedback.**

Clarabridge is the only technology platform that can analyze feedback data from all sources, all in one centralized hub. Clarabridge analyzes data from social media, online chat, call center recordings, agent notes, surveys, online review sites, and many other sources.

**Smash silos, and empower your entire organization.**

See customer feedback come to life in user-friendly dashboards, reports, and alerts. Share this information through your entire business, and create a customer-centric culture.

**Tune the solution to meet your specific business needs.**

Even though we offer out-of-the box industry templates to get you started, you can tune the system to your exact business needs to ensure that the information is relevant and actionable.



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Clarabridge helps hundreds of the world's leading brands understand and improve the customer experience. Powered by the industry's most sophisticated customer analytics engine, Clarabridge collects and transforms all forms of customer feedback into intelligence, allowing businesses to activate the voice of the customer across the enterprise.

Clarabridge serves over 800 businesses including Bank of America, US Bank, TD Ameritrade, Charles Schwab and Bank of Montreal. Founded in 2006, Clarabridge is privately held with offices in Washington D.C., San Francisco, London, Singapore, and Barcelona.

For more information, visit [www.clarabridge.com](http://www.clarabridge.com).  
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