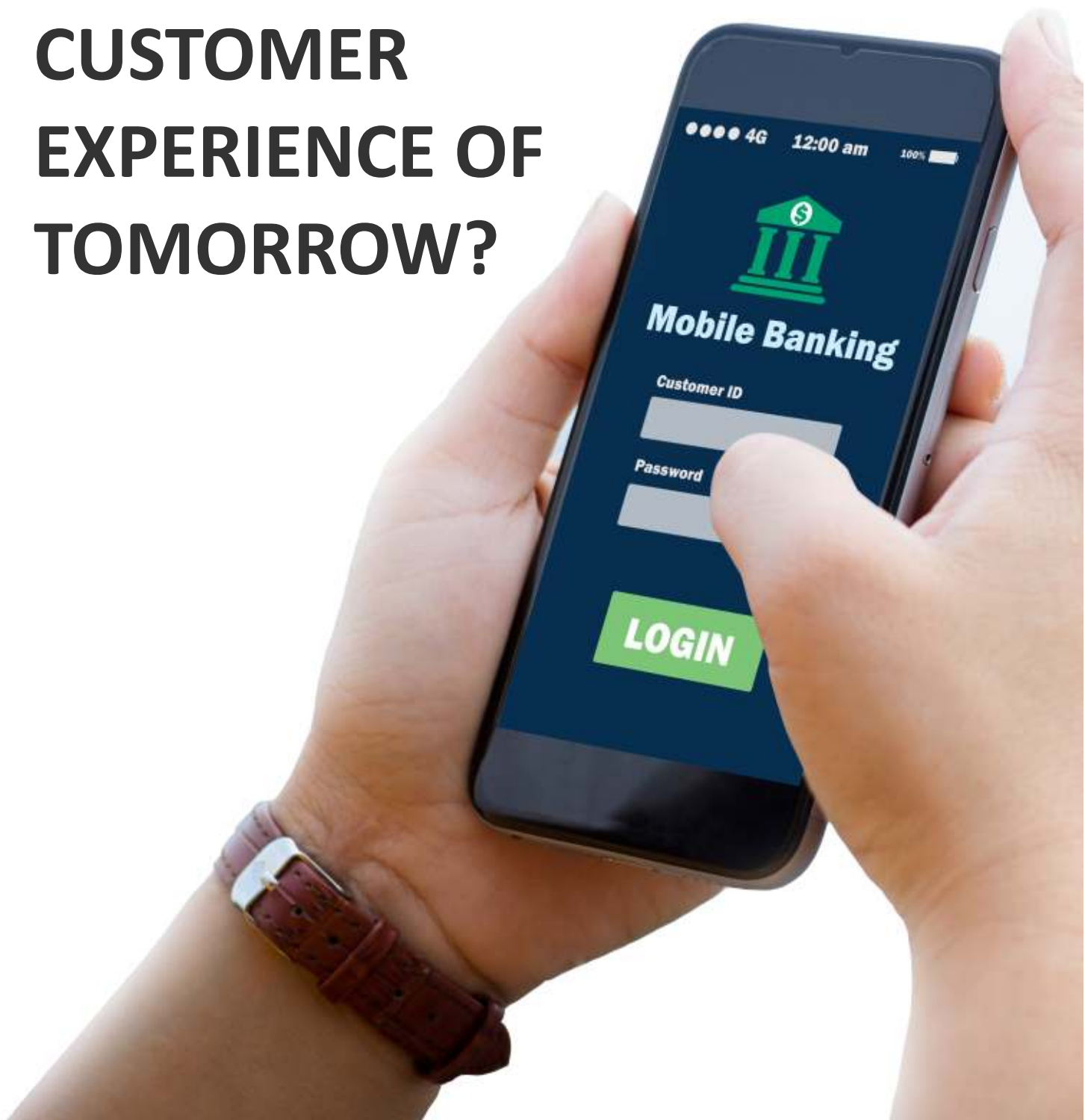


**WHAT SHOULD THE  
BANK OF TODAY  
DO TO BUILD THE  
CUSTOMER  
EXPERIENCE OF  
TOMORROW?**



The customer experience of the 'bank of tomorrow' will be more technology-enabled, customer-centric, purpose-driven, focused on tangible as well as intangible value, cater to evolving customer base, personalized and proactive, invisible, intuitive, immersive, integrated, easy, simple, guiding, and channel agnostic. Let us draw out a strategy that the banks of today can use to build this customer experience of tomorrow. We have put this strategy in a series of steps so that it is easier for the banks. Think of these steps as competencies that the bank must develop to deliver a great customer experience. These are:



Superior customer understanding and a culture of customer obsession



Deep knowledge about the profile of each customer



A great customer experience vision



Comprehensive bible of customer journeys mapped to the lowest detail possible



Detailed plan for translating the vision to action, at a strategic, tactical, and operational level



Responsibilities listed out across the organization, to deliver a genuinely great customer experience



Focus on hyper personalization



Strong technology backbone across the entire banking layers – platform, product and process



Automation across the banking ecosystem



Comprehensive ecosystem consisting of partners and other players



Focused teams aimed at producing exponential change in delivering a great customer experience



Ability to continuously measure, monitor and manage the customer experience, raise the customer experience benchmark on a continuous basis

# Understand the customer and put the customer at the centre

Customer experience starts with customer obsession. Obsess over the customer. Only then can banks deliver genuinely great customer experience. Customer obsession starts with understanding the customer needs, writing them down, and continuously refining them so that the best product ideas are born. Apple, Starbucks, Zappos – all are a result of this customer obsession.

As a bank, talk to as many customers as possible. Draw out a map that collates their expectations. Understand what they need and where the gaps are. While you do this, always think from the customers viewpoint. Why does a customer like a service or hate a product?

Understand the details. Go to the drawing board and revisit these inputs multiple times till you are able to paint a complete portrait of the customer needs.

Make the customer obsession a part of your banks culture. We have seen many technology companies emphasizing on customer experience and customer obsession, but have rarely come across banks talking vehemently about customer obsession. Make it part of the bank's principles or way of working, but make sure customer obsession is imbibed in the DNA of the bank. So, as a first step towards building the customer experience for the 'bank of tomorrow,' start with customer obsession.

## Create the profile of customers

Based on the interactions with different customers and other stakeholders, draw out a profile of the customers. Understand who your customers are and classify these customers into segments that are as narrow as possible. Draw out a portrait of your customers and map them with their needs. Create a unique identity for each segment.

Remember that a 35-year-old American male who has two kids may not fit into the same segment as another 35-year-old American male who also has two kids.

To create the most accurate profile, leverage more data points. Make the customer profile a part of the banks process layer. Only then will the same kind of detail be maintained as new customers are onboarded.

A detailed customer profile will help banks to offer more accurate and context-relevant personalized offerings to its customers, a key in delivering a great customer experience.

# Define the customer experience vision

Armed with the customer understanding and the customer profile, define the bank's customer experience vision. As per a recent study by Oracle, while 91% of organizations wish to be considered as a leader in customer experience, only 37% have started formal initiatives for improving customer experience.

There are many ways to define the customer experience vision. Understand what genuinely great customer centric companies do. Think outside the box! Based on your interactions with customers, draw out what customer experience means for each customer segment.

For some banks, this vision may be a huge step forward from where they are; for others, it may be a modest change. It is heartening to see that many banks of today have a customer experience vision. Just be sure that you do not aim too low. And, be ready to revisit this, as often as possible. Who knows when a company like Uber may transform banking?

But the bank should make sure that the customer experience they want to provide, reduces inefficiencies in the whole economic space.

While defining the customer experience vision for the bank, keep the following questions in mind -

- **What is the customer profile that you want?**  
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- **What is the customers expectation of customer experience from the bank? Is it service time, quality of service, or is it something else?**  
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- **What is the current state of the bank vis a vis the customer experience vision that is being dreamt of?**  
\_\_\_\_\_
- **How ready is the bank's ecosystem – employees, customers, partners, regulators, and shareholders - for the change required to move forward towards customer experience vision?**  
\_\_\_\_\_
- **Is the bank's structure ready enough for this change?**  
\_\_\_\_\_
- **Does the bank have the capabilities to push for this change?**

Based on the answers, draw out a customer experience vision that each stakeholder in the bank's ecosystem can resonate with. Sometimes, customer service is not about the product that the bank offers. It may be beyond that. Look around for stories that leaders in customer experience like Zappos have to share. Zappos has had calls that lasted for more than 10 hours, which was not about any of the products that Zappos offers.

Just look at some of the samples of customer service stories at Zappos.

- Jay purchased his shoes off Zappos.com for his 'best man' stint mainly because they were the cheapest. Unfortunately, the courier routed his package to the wrong location and won't be arriving on the day he's supposed to wear it. So, he called Zappos about his dilemma and immediately got his issue solved in no time. Not only did Zappos settle the problem by offering overnight a replacement pair of shoes at no cost, he was even upgraded to a VIP account and given a complete refund.
- Zappos spreads good cheer for Thanksgiving. They teamed up with the Massachusetts Department of Transportation to cover the tolls on a particular section of the road from 5-7PM back in November 2011. Massachusetts Department of Transportation CEO and Secretary Richard Davey said they wanted to make the drivers' travel less stressful due to the holiday. Ain't that thoughtful?
- Contrary to accepted call duration metric, Zappos doesn't hurry its customers just to beat a call time requirement. This particular customer service phone call on December 8, 2012 was not even about a complaint. The Zappos customer service rep took time to have a conversation with the caller about living in the Las Vegas area which clocked in at 10 hours and 29 minutes!
- No, it is not a bad feedback. Truth is, Sarah was a happy Zappos customer. She emailed Zappos to have his son's Keen Kids Newport H2 sandals exchanged because one of its straps broke. A prompt reply was sent back to her saying that they will be overnighting her order for free and she doesn't have to send back the defective pair. When the shoes finally arrived, it was actually the wrong pair. She tried sending it back to Zappos but they refused. Instead, they told her to donate the shoes to charity while they overnight the correct ones to her.

In short, customer experience is about those special moments. Banks should make sure that they cater to these special moments as part of the vision for customer experience. And make sure everyone stands by this common purpose of customer experience.





# Map the customer journey

Gathering and analysing customer needs, while being great starting points, are not enough to take the mission towards a great customer experience forward. It is important to apply a human perspective to this data and analyse and understand the true motivational causes .

Also, leverage frameworks as you map out the customer journeys. Frameworks such as The Disney Compass map your customers and their customer journeys.

Customer journey maps tell the banks how the customers interact with the bank. It is not just a visual

representation of how customers interact with a bank, but a bible of all the customer interactions, if done right.

Mapping the customer journey will not just tell where the customers interact with the banks but will help the latter focus on customer needs across each stage of customer interaction and lifecycle. It will also clearly reflect the gaps existing in the current customer experience. This can help the banks identify and work on priorities that require the maximum focus.

# Create a holistic plan for improving customer experience

Based on the customer experience vision and the customer journey maps, the banks should create a strategy that will take them from the present state to the envisioned state.

The banks should break down the plan into strategic, tactical, and operational levels and make sure the time frames and milestones allow for agility and flexibility but is also ambitious.

The banks should also make sure that the plan caters to each of the five stakeholders. Bring in acceptance amongst all the five stakeholders. The banks should be ready to tweak the plan to make sure each of the five stakeholders are on board.

Also, the banks need to make sure that there is a process to collect feedbacks on a real time which is coupled with frequent checkpoints to see if the plan for improving customer experience is on track.

# Communicate the vision and draw out clear responsibilities

No single department handles customer experience. Hence, it is not the job of one team or one function to define and execute customer experience. In fact, customer experience, like people management, cuts across all the organizational silos and the goal of creating a genuinely great customer experience is the accountability of every single stakeholder of the bank's ecosystem. Break the silos and make sure customer experience is a reality that is omnipresent across the bank.

After the bank draws out the plan for improving customer experience, it is important that each and every person is educated on the same. Communicate the vision of customer experience across the organization. Make sure the bank's employees identify themselves with this vision of customer experience.

Educate them, retrain them, and establish a culture of customer obsession across the organization.

While delivering great customer experience is not the job of a department, it is equally important to draw out clear responsibilities for each role as part of this process. These will act as a guide and will help each employee identify what he or she is supposed to do as part of the overall bank's vision for customer experience.

Apart from all this, one rule will help the different stakeholders deliver great customer experience – go over and beyond. If each of the employees and other stakeholders of the bank decide to go over and beyond and do what is in the best interest for the bank's customer, genuinely great customer experience will be a norm.

## Focus on hyper personalization

It is important that the plan for improving customer experience should be based on personalization. As mentioned before, personalization will be the key to success in the future for the banks of tomorrow.

As per the latest reports from the Financial Brand, only 31% of the customers feel that their personal financial institutions know them and their financial needs well .

This is certainly a gap that the banks of tomorrow need to fill if they need to make sure that their customer experience is the best and personal.

In fact, as per recent reports, personalization is not enough, hyper personalization will be the key.



To focus on this and to deliver personalized customer experience, banks need to do the following:



**Understand each of the customer** in as much detail as possible and build a detailed portrait of the customer, which is mapped across the life of each customer.

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For each customer, **build a customer map** which highlights the needs vs gaps and the difference from the customer experience vision that the banks want to provide. Use this map continuously and fill the gaps as the customer evolves.

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**Be ready to be part of the life events** of each of the customer. To be ready, banks will have to start listening. Just like Amazon Echo or Google Home, banks will have to adopt the habit of being particularly good listeners and connect to the purpose of the different transactions that its customers make.

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To connect to the purpose of each transaction, **leverage technology and make sense of the data that each customer generates**. To deliver a hyper personalized experience, leverage technology to the fullest, digitalize all internal and external processes. While technology may be a broad-based term, for personalization, it is important to understand that I am using the term technology as a sum for digitalization and other aspects like machine learning, artificial intelligence etc.

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Last, but not least, educate each employee to treat each customer as different. Would it not be wonderful if the bank employees were able to connect to the customers through their first name? This is called as first name relationship. First names are powerful. Banks should **aim to build first name relationship** with the banks customers to build personalization.



# Leverage technology

Technology will be the lynchpin for delivering a great customer experience. The importance of technology cannot be said in a few paragraphs.

But we need to understand that along with the entire bank, the technology infrastructure is also undergoing a rapid transformation.

As a bank, to enable customer experience, these are the following steps that banks can do from a technology perspective –

- Create a technology vision aligned with the customer experience vision.
- Draw out the current infrastructure and map the gaps vis a vis the technology vision.
- Make digitalization a way of life across the entire banking process rather than think of it as an addendum. As part of the digitalization process, integrate technology as part of the customer experience.
- Create a process where technologies like big data analytics, machine learning, blockchain, and virtual reality are continuously explored and included in improving products and services. Also, be ready to learn from other industries like retail which are always at the forefront of innovation in leveraging technology to build superior customer experience.
- Build a rapid action team that will leverage new technologies and build minimum viable pilot products and test them on a sample market.
- Continuously explore ways to improve existing products and services through technology, either through incremental or exponential changes.
- Educate the entire bank about the impact of technology and create tech and finance savvy bankers, rather than just finance savvy.

The banks of today are constantly impacted by the rise of technology and in an increasingly digital world, they are being constantly being compared with technology giants such as Google and Amazon. Banks need to continuously leverage technology to create a genuinely great customer experience so that they are able to play a more integral part in their customers life.

# Automate

To create personalized customer experience that is invisible, intuitive, immersive, and integrated, banks should automate to the extent they possibly can. This will certainly make the customer experience better and help banks to acquire and leverage data that they can use to continuously improve customer experience.

Automation will be successful only if it is integrated with human interactions. To deliver a great customer experience, banks should focus on building human checkpoints that will engender the automated processes.

Not automating can seriously impact customer experience. Imagine the cost if a person must wait on the phone to talk to a customer service agent for more than five minutes. Many people avoid calling a customer care centre just because they are afraid of the ensuring wait.

Automation has the potential to exponentially transform customer experience. As per Forbes, 'with automation assisting in customer experience, companies can focus on more high-touch interactions with customers and use technology like machine learning and natural language processing to understand what the customer is really trying to do. If a customer is contacting a bank call centre every week to automatically check their balance or transfer money, machine learning can discover that what that customer really needs is a new type of account or an online profile. With that information, human customer service representatives can reach out and get the customer the right solution to help in the long run.'

Automation will help banks build to provide high quality experience to each of its customers. To make sure banks achieve success in their journey towards automation, the banks need to go through the following steps –

- Map the customer journeys and create a customer journey bible. Make sure each of the customer journeys contain the processes that are visible to the customer as well as processes that are invisible to the customer.
- Apart from the customer journeys, create a value stream map of all the processes across the bank. These should include all the internal processes and all the external processes.
- Identify processes and customer journeys that can be automated. Classify them into two– can be automated immediately or can be automated, but not immediately.
- Identify the way to automate these processes – either through internal single threaded teams or through external partners. Ideally, banks should not try to do all of automation alone. Aim for 100% automation.
- Create a plan for automation – internal and external. For processes which cannot be automated immediately, create a no-going-back plan with clear cut dates and milestones.
- Focus on executing the plan. Create intermediate checkpoints and make sure the execution is on track.

The choice is with the banks if they want to make customers wait for hours or help its customers realize the power of invisible, intuitive, immersive and integrated banking through automation.



# Create an ecosystem

To create the bank of tomorrow which delivers a great customer experience, banks cannot do it alone. They need the right group of friends. And with these friends, they need to build the right ecosystem.

What will the future look like for a banking ecosystem? The bank will act as a platform for a number of financial and non-financial service and product providers to come together and compete and collaborate within themselves to provide the best products and services to the bank's customers. Too much to digest? To put in simple terms, the 'bank of tomorrow' will be like a marketplace like Amazon where many companies will come together to sell their products and services. The job of the bank will be to orchestrate the experience across the customer lifecycle and focus on providing the optimum tangible and intangible value.

This model is proving a success everywhere. In fact, ecosystem companies such as Amazon, Alibaba and Tencent are eating into the bank's pie!

To counter this emergence of new competition, and to continue delivering better customer experience, the banks need to look at the following steps –

- Decide on the ecosystem model to be followed. I can foresee two models - one where the bank is at the centre and the partners are at the periphery. The bank provides necessary services to the periphery companies who will provide customer experience. Or, the bank can be at the forefront of the customer experience and leverage partners to create necessary products and services. Selecting the right ecosystem model will be based on the customer experience vision that the bank wants to provide, and its capabilities.
- Identify partners who will fit the ecosystem model that the bank has selected. These partners may come in all shapes and sizes - in fact, competing banks can be potential partners. Banks need to evaluate and select partners based on well-defined criteria and make sure each align to the customer experience vision set by the bank.
- Once the partners are identified, banks should focus on creating mechanisms that will enable value delivery across the ecosystem. There is also a need to measure the value delivered by the partners on a continuous basis. The bank should concentrate on building or buying systems that will help it to measure, monitor and manage this value delivered.
- Create mechanisms and incentives that will entice and enable partners to build and develop products and services by leveraging the bank's technology and other infrastructure. Think Apple or Android. These ecosystems were not built in a day. Rome was not built in a day. The bank need to be patient to obtain scale of economies and network effect.
- It should also be able to collect feedback from customers on a real-time basis and ensure the feedback forms a loop and the partner delivery model is continuously tweaked to reflect the feedback collected.

With the advent of philosophies like Open Banking and PSD2, the importance of creating an ecosystem will be on rise. Banks will have to create an ecosystem that will focus on delivering the best customer experience across the entire customer lifecycle. Irrespective of the fact whether banks want to be part of an ecosystem or not, they will be part of this reality. Keeping in mind this fact, banks should take careful steps to be part of the right ecosystem so that the focus towards customer experience is not diluted.

# Build focused teams to execute the strategy

Yes, customer experience is not the job of one single team or department but is the responsibility of everyone in the bank. But banks should also realize that certain initiatives aimed at improving customer experience need focused teams.

Many banks make the mistake of adding these initiatives as part of hundreds of others, and quite often these die a natural death. If customer experience is a top priority for the banks, they need to make sure that these initiatives are handled by teams with unwavering focus. Technology giants like Amazon have used the principle of single threaded teams to get a great amount of work done.

Making sure that the teams are focused on one goal will help the banks deliver results in a quicker way. It will also help them maintain focus towards improving customer experience.



# Measure, monitor, manage and raise the benchmark

Even as a foundation is laid for improving customer experience, it will be equally important to measure, monitor and manage customer experience provided on a real time basis.

Banks will have to leverage systems that will focus on the following:

- Measure customer experience generated by different stakeholders, including partners in the ecosystem, that I had mentioned before.
- Continuously monitor transactions that customers make across the entire customer lifecycle, and identify the tangible and intangible value for each.
- Create enterprise wide metadata-based reports and alerts for select stakeholders and provide meaningful insights and intellect to enable them to take proactive action.

By using systems that are capable of handling the above, banks should focus on building a feedback loop that will help them realize where they stand and take necessary actions as needed.

Continuous improvement will be key. Using the feedback received, banks should focus on raising the benchmark for customer experience on a continuous basis. Banks cannot afford to be dinosaurs who got extinct. Cliché alert – Banks, like any business, is all about customer experience. Poor customer experience can cost banks more than USD 7 billion,

which highlights the importance of ensuring a great customer experience. For the ‘bank of tomorrow,’ there is a need for creating the customer experience of tomorrow. Only then will the customer of tomorrow continue to bank with it. Attracting new customers, generating more revenue from existing customers, driving down costs for each transaction and increasing retention – all will depend on a genuinely great customer experience that is invisible, intuitive, immersive, and integrated.

Banks that focus on providing a better customer experience every moment will not only create an increased market impact, but also help build more trust. As I said, for any organization, trust is essential as it will help the organization fulfil the promise they made to their customers in the first place.

The ‘bank of tomorrow’ will need to create seamless experience and seamlessly integrate with the customers life. And, it should go back to the drawing mode and focus on exceeding expectations - not one time, but every time, all the time.

As a ‘bank of tomorrow,’ a genuinely great customer experience is essential, but, in recent times, what do you think has made customer experience come to the centre? It is the rise of a new set of competitors and the speed at which they ideate and execute, forcing the banks to sit up and take notice. This is what I will talk about in the next chapter.

## About SunTec

With 125+ clients in 45+ countries, SunTec is a trusted partner of leading organizations across the Banking, Financial Services, Insurance, Telecom, and Travel industries. Headquartered in India, SunTec has operations in the USA, UK, Germany, UAE, Singapore, Canada, and Australia. SunTec Xelerate platform and products include relationship-based pricing management, enterprise product management, enterprise billing and statement management, ecosystem management & monetization, benefits & loyalty management, deal management, dynamic offer management and enterprise indirect taxation management.