

Reimagine Financial Services: Customer Journey

From bricks & mortar to contact centre 2.0



Reimagining the Branch

By Simon Gray



Digital is now the primary engagement channel within financial services. But a significant proportion of customers still value human interaction. The resulting need to maintain a physical presence could still include a branch network, but maybe not as we've known it. What might this 'contact centre 2.0' model look like? How can you ensure it meets customers' varied and changing demands, while controlling your cost-to-serve?

For a lot of us, using cash is now rare. Visiting a branch is even rarer. But demand for the personal touch and the physical presence that goes with it haven't gone away.

In a survey of 2000 consumers we carried out this year, **17% said that a branch was still the channel they used to interact with their bank most often, and 12% the telephone. Even more cited the branch (29%) and the telephone (19%) as one of their three preferred options.** Undeniably, far from footfall falling away entirely, these findings suggest that more customers would use these channels if they could. But closing so many neighbourhood branches, as well as the time it often takes to get through to a call centre, might preclude this.

The optimal channel mix

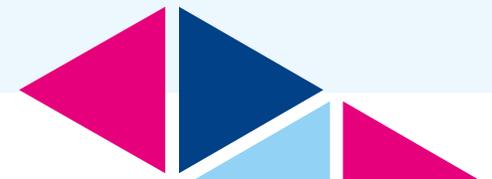
Why are the branches and the telephone still so popular when online, mobile and other digital channels are generally more convenient?

As our survey highlights, age is a factor – preference for physical channels is highest among people over 55. But online websites are still the most common form of bank interaction among older customers. This indicates that what they and others want is a selection of channels, rather than a binary choice between physical and digital. The value of a broad omnichannel mix is further reflected in the fact that demand for the branch and telephone increases when the needs become more complex – taking out savings and investment products, for example.

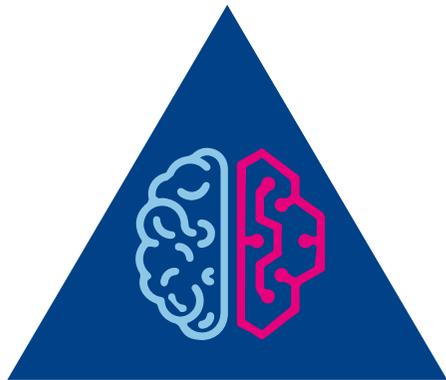
Further reasons to maintain at least some physical presence include the need to project your brand when new apps and FinTech competition are creating an ever more crowded digital marketplace.

If we look beyond financial services, it's noticeable that scions of digital commerce such as Amazon are now developing a visible high street presence, though the user experience at Amazon Fresh is a long way from a conventional grocery store.

Ultimately, the ability to speak to a real person is an important part of your social responsibility, especially when serving vulnerable customers. However sophisticated the chatbot, a customer who's lost their job and is behind with their mortgage payments is likely to feel more comfortable speaking to a human being who can empathise with their situation.



The financial institutions leading the way in the move to contact centre 2.0 are not just rationalising, but revolutionising their physical presence. Three priorities stand out to lead the way:

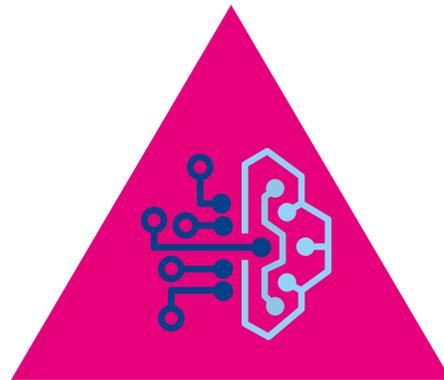


1. Blend the digital and physical

Recognise when and why some customers want to use a physical (eg. branch) or digital channel. You can then build your channel mix and underlying operating model around this. As part of this hybrid model, it's important to make the most of analytics, machine learning and other digital capabilities to provide teams with the personalised insights they need to develop the best solution for their customers.

Key priorities include assessing vulnerabilities and developing personalised and proactive responses as well as ensuring that customer-facing teams have received the training and authority they need to meet complex demands and maximise the potential of these person-to-person settings.

Make your chatbots, voice-activated channels and other machine learning-enabled engagements as intuitive, personalised and 'human' as possible. Developments in areas such as voice biometrics, smart routing and natural language processing are pushing back the borders of possibility to the point where it's increasingly difficult to distinguish humans from machines.



2. Rethink the branch

The traditional branch and call centre are not the only ways to sustain the personal touch. Emerging alternatives can not only be more cost-effective, but also more convenient and useful for customers. Video conferencing is one option, though few participants in our survey currently use it to engage with their bank despite it having become the default for other business meetings. More effective deployment and marketing of voice conferencing are therefore needed.

Banking and other financial services can also be embedded into other outlets such as post offices or supermarkets. Further co-branding options include a common high street point of contact for a number of different banking and financial services groups. The customer facing personnel can answer queries directly and act as a gateway for further support.



3. Control the costs

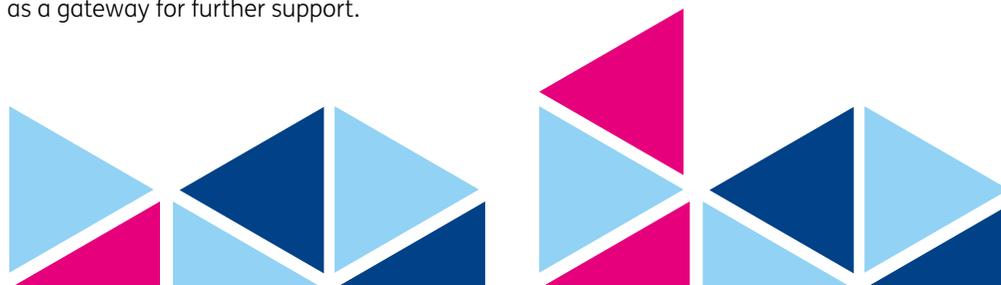
A key challenge is how to make this personal touch financially viable when the brick is so much more costly than the click. In part, this means ensuring that high touch service is targeted at high margin business such as lending or wealth management. It also means maximising the value of the time spent with customers by automating routine tasks on the one hand and ensuring that your people have the customer's profile and details of previous interactions in front of them as soon as they speak on the other. Going through it all again is both needlessly frustrating for your customers and costly for you.

The perfect mix of bricks and clicks

Rather than bricks replacing clicks, the emergence of the contact centre 2.0 forms part of the wider evolution of the customer journey within financial services. The overriding priority isn't how small a physical footprint you can maintain, but how to maximise the value from it through the perfect physical and digital blend. To be a true leader, your business needs to be agile and able respond quickly to these shifts in customer expectations and associated ways of engagement.



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