

Shrinking the experience gap

Make no mistake: Research-along with the gut feeling of bankers and business leaders of all stripes-confirms that the customer is the absolute king, queen, prince, and princess, particularly in how they rate the importance of their experiences while doing business.

The technology giant Oracle recently issued a couple of reports focusing on the importance of the customer experience. Mike Webster, Oracle senior vice president, summarizes one of the reports this way: "Oracle recognizes that the pace of change in the global market place is unprecedented. The view we have is that customers are now in charge, demanding the provision of commerce anywhere, the benefits of the competitive market place, and the latest technologies to enhance their shopping experiences. This is the age of the individual who wants every retail interaction to be 'good for me,' to be defined and dictated by 'my' preferences." This particular survey report has these conclusions: While there is no one-size-fits-all approach to complete commerce, retailers should focus on enabling commerce anytime, anywhere (56% of respondents), the provision of easily navigable channels online (61%), in-store product showcases (62%), and a vibrant, engaging environment (56%). That's what Oracle says customers want. In its other survey, Oracle finds that businesses generally are falling short of the mark. For example, this latest survey finds that while almost every surveyed executive agrees with the need to be a customer-experience leader in their industry, 37% are just getting started with a formal customer experience initiative, and only 20% consider the state of their customer experience initiative to be advanced. More disturbing is the disconnect between how businesses and customers perceive the fallout of a bad customer experience: 49% of the executives say customers will switch brands due to a poor customer experience, but 89% of customers say they actually have switched brands due to a bad customer experience. "We recommend that organizations map their customers' journeys to identify specific improvement areas that will help them cross the execution chasm. By empowering customers and employees, breaking down organizational silos, and implementing flexible processes and technology tools, organizations can deliver personalized, seamless customer service through the entire experience life cycle," says David Vap, group vice president at Oracle. Turning specifically to banking, it's instructive to note some research by Beyond the Arc, which recently analyzed more than 15,000 complaints that customers submitted to the Consumer Financial Protection Bureau involving 76 financial institutions. The most frequent complaints, it found, were billing disputes, concerns about interest rates, and credit reporting. Even some of the financial institutions generally considered as providing the best customer experiences, were faulted for the timeliness of their responses and possible dissatisfaction with the final resolution of claims. Rather than wringing one's hands over such news, it could be the catalyst for change. Right now, in fact, because of new technologies, banks have the chance to kick start a new era of dominance in customer service. At least, that's what a new white paper from Accenture claims. "The digital era could not have come at a better time for the banking industry," Accenture's paper begins. "With bank customer loyalty and trust at a low point, following the recent financial fallout and the economic downturn, banks are in need of a fresh start. Rising to the challenge of reconnecting with customers, rebuilding trust, and renewing the banking experience, banks are starting to explore digital technologies." In fact, three distinct but related avenues of such renewal are identified:

- The intelligent multichannel bank-Builds on enhanced multichannel experiences using strategic analytics solutions to engage customers and meet their financial needs effectively.
- The socially engaging bank-Leverages social media interactions to increase customer intimacy.
- The financial/nonfinancial digital ecosystem-Leverages, in particular, the power of mobile technology to put the bank at the center of an ecosystem selling financial and nonfinancial services.

"By having a truly digital business, banks can move away from reactive, transaction-based customer relationships, toward a more intimate, proactive, and personalized experience across multiple channels, products, and services," the report concludes. Banks are in the business of banking, of course, not technology development, and so depend on those who are in that kind of business. This demand has not been ignored by the suppliers. IBM, for instance, has just announced new marketing and sales innovations specifically designed to allow retailers to deliver a consistent shopping experience for consumers across multiple touch points, including the store, mobile, and online. The new software includes solutions intended to:

- Help retailers provide consumers with an efficient, streamlined, and personalized shopping experience.
- Incorporate social media data into campaign metrics to tell sellers which channels are the most effective.
- Help marketers analyze real-time and historic data on buying patterns and purchases and across all buying preferences.

"The retail industry and consumer habits are changing faster than anyone could predict. The digital experience is influencing changes in the store and online and the winners are those that are making omnichannel retailing a reality today from presale to postsales service," says Craig Mayman, general manager at IBM. All of which ties back into what Accenture considers a "digital first" strategy. Such a strategy is marked by these principles:

- Attention-Anticipate customer needs and guide them to the relevant product or offers quickly.
- Insight-Leverage analytics, data mining, and other technologies to understand customer preferences and needs.
- Connection-Provide a seamless experience across channels and devices.
- Relevance-Deliver improved service by developing digital applications that recognize contextual signals and engage customers within that context.
- Availability-Deepen the relationship with customers by giving them access to virtual relationship managers and other digital tools and services all day, every day.

As Robert Sims, of the Boston Consulting Group, says in the accompanying story headlined "Client focus produces superior financial results," "Customer-centricity has been seen as a best practice for a number of years. But now-in the 'new new normal' environment-it has become absolutely essential as far as the world's top banks are concerned." ## Sources used in this article include: Banking on Digital: Building Trust and Innovation in Financial Services -- Full Text IBM Helps Retailers Deliver Consistent Brand Experience Across Expanding Consumer Buying Channels Make My Retail Experience 'Good for Me,' Reveals New Oracle Global Research New Oracle Global Research Study Finds that Brands Could Lose up to 20% of Revenue Due to

Poor Customer Experiences, Yet Many Struggle to Develop Successful Strategies
Complaint Data to Enhance Customer Experience

Beyond the Arc Analyzes CFPB

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