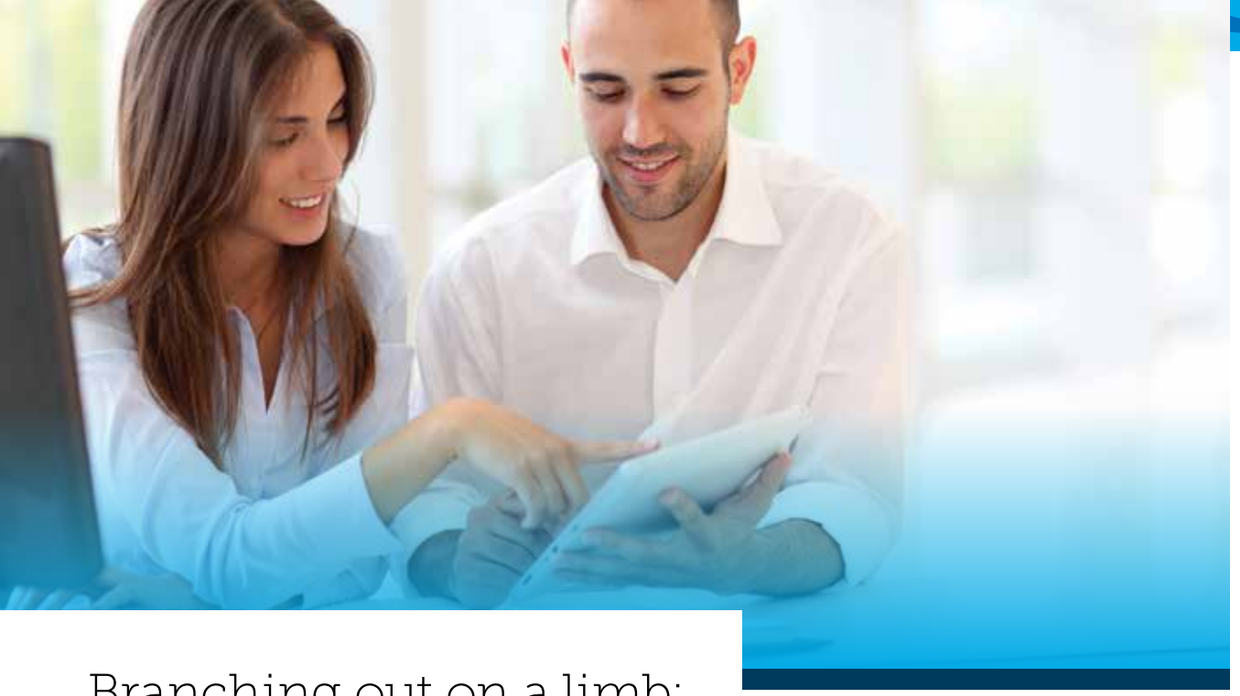

Branching out on a limb:

Thinking beyond channels to deliver unsurpassed customer experiences

In an omnichannel world, high-tech becomes high art when applied to putting the customer first.

By Scott Andrick and Monica Hovsepian

Branches have existed for more than 500 years. To put that in perspective, imagine William Shakespeare taking the earnings from his latest play and stopping at a London branch conveniently located near the Globe Theatre. Yet if Shakespeare weighed in on branches in today's mobile world, he might well exclaim "Zounds!"

Indeed, today's digital technology is changing the landscape faster than ever. 2017 marks two big technology anniversaries: The original "branch tech," the ATM, turned 50 years old in June. (The first one went live, fittingly, just outside London.) And the iPhone, arguably the biggest consumer technology disrupter of the 21st century, celebrates its 10th birthday.

Meanwhile, artificial intelligence (AI) and chatbots have entered the mainstream–alongside humans to serve customers who sometimes don't even know they're talking to machines. And as the digital native population grows, banks face the challenge of expanding into different channels while still driving sales and controlling costs.

For example, 83.1 million millennials represent more than one-fourth of the U.S. population and now surpass baby boomers. Generation Z is estimated to be even larger and its members have their own distinct habits: They purchase more on mobile devices, have a shorter attention span, and aren't as brand loyal.

At the same time, customers' expectations loom higher than ever as they rely on banks to handle their hard-earned money. Winning the trust is key and in today's social media-saturated world, a negative customer experience—whether through a poorly handled transaction or a lengthy inquiry—can result in not only lost loyalty but also a potential PR nightmare.

Today's customers have clearly embraced digital and regularly use multiple channels to interact with their banks, according to the Accenture report *Banking Customer 2020*. They feel comfortable researching through the internet but when a problem arises, they want to interact with a human–and they prefer it face-to-face.

That human interaction—which happens either due to customer preference or friction on self-service channels—still needs to improve. Most front-line staffers want to provide great service but lack the tools. Picture the typical contact center agent with five or more applications open, and Post-It notes with hot key reminders, as they rapidly copy and paste information from one screen to the next to address a customer's needs.

The same applies in branches. Staff have no single source of truth for the customer and their engagement history in real time; they can't access data across those channels that weren't built to communicate with one another. This makes it very difficult to build the trust that long-term engagement requires.

Falling short on human interaction creates major consequences. These fully engaged customers not only own 2.7 times more financial accounts than inactive customers, but they also intend to open more accounts in the next 12 months (3.0 vs. 0.5). And, crucially, one negative experience has four to five times more impact than a positive one. While some call branches obsolete, they clearly still play a critical role in banks' relationships with their customers.

To improve channel expansion, banks should focus on technology that allows them to meet customers on any channel, at any time, as one integrated bank. Too often digital transformations start in a single front-end channel–say a cool new mobile app or a chatbot. However, that quick innovation soon becomes a new silo to manage, with customers still stuck in a disconnected experience, even if the screens are prettier.

To make customer engagement truly "channel-less," banks should aim for these three targets:

Consistent processes: Open a new account. Add an authorized user. Change an address. Whatever action you need to take, tactical improvements mark a solid step, but cannot represent the end game. The goal should be to connect the systems—and the people—who can resolve each customer inquiry end to end. Without regulatory or fraud prevention reasons for process differences, robotics and process management technology can build processes once for all channels and re-use them.

Portable work: Customers may not always have the time or information to complete a request on their channel of choice, or may submit work in one channel and check its status in another. Work in progress must transcend the original channel. Case management technology lets customers shift channels by the minute, day or week and still have their needs met, while banks can easily track each case and ensure an optimal service experience.

Actionable insights: Imagine *really* knowing your customer: where they've been, what their last conversation was, whether they've had an issue. Analytics, machine learning and decision management technology can handle that volume of data and more. Together, they add up to the AI that creates an omnichannel "brain" inside your bank. With AI context, you can tailor and personalize every engagement with real-time data. That allows you to adapt to the last click, transaction or response. And in turn, that means your agents and digital applications can always recommend the next best action to increase customer lifetime value.

Banks must move from responsive to proactive and then to preemptive engagement. With *proactive* engagement, you detect customer needs in real time as they happen. For service, this could involve suggesting the bank's new digital P2P capabilities as a quicker, safer alternative to cash after seeing large withdrawals from an ATM. For sales, this could mean offering a low-rate home equity line of credit [HELOC] as the customer walks out of a home improvement store after their third large credit card purchase of the week.

Preemptive engagement means anticipating needs before the customer knows of them. As an example, a customer purchasing an overseas airfare on their credit card could generate a sales offer for a new credit card without foreign transaction fees, or might prompt a service recommendation to set up auto-pay on bills to avoid delinquency while traveling. The common theme is that all the alerts are relevant, timely and delivered in the customer's preferred channel of choice.

Your bank may be dedicated to delivering seamless, personalized customer experiences. But guess what? So are your competitors. The real challenge comes in turning vision into reality faster than they do. With technology, you must invest your resources in more than shiny new toys.

High-tech becomes high powered when it helps you bring your customer service mission to life. When it comes to pleasing the crowd, not even the Bard himself could write a better script.

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