Omnichannel Banking in a Seamless Society

How integrated technology is driving elevated customer expectations in banking and beyond

Omnichannel banking aims to provide consistency for the consumer across all channels: digital, mobile, ATM and in-branch. It's crucial for financial institutions to embrace this concept, because our world is increasingly digital, and more components of our day-to-day routines like shopping, entertainment and news are immediately accessible and inherently linked. What's more, these routines aren't carried out anonymously—the retail, entertainment and news outlets we seek out typically know something about us as consumers, and strive to predict what else we might want or need.

This culture change has fostered a consumer base with high expectations for products and services, namely consistency and cohesion across all of a product's platforms and points of service, and an interface that uses consumers' habits and history to anticipate future needs.

The growing availability and accessibility of technology that meets these needs and expectations means customers can and will abandon products and services that fall short. So, just as customers are able to easily search for the best price on a sweater, they also can comparison shop for a financial institution that provides them with the most seamless and helpful experience.

This white paper outlines the challenges banks face in implementing omnichannel banking that meets the growing expectations of an increasingly savvy and demanding public; it also offers insight into trends that may shape approaches to omnichannel efforts.

DON'T NEGLECT THE IN-PERSON CHANNELS

The term "omnichannel banking" once was synonymous with digital—and later, mobile—banking, but it's evolved to mean much more. A true omnichannel experience spans all platforms, providing not only consistency across channels, but also the ability to pause and resume activity with no interruption to service or impression. Customers should feel secure in the knowledge that whatever method they choose—mobile, desktop, ATM or branch—the system with which they interact has the same "feel" to it, is equipped with the same knowledge about them and can offer the same helpful solutions based on that knowledge.

But what many omnichannel discussions leave out is the in-person component to banking. In a digital world, consistency of data and experience seems straightforward: one central system to drive all interactions and manage all data. A true omnichannel experience, however, extends to the customer's interaction with bankers and tellers.

The branch staff should know and understand the same things about the customer that a mobile app would, to truly cultivate the omnichannel experience at a face-to-face level.

For example, if a customer starts to open a checking account online, the branch staff should be aware of it and be able to resume the account opening in person, when and if the customer visits the branch. Even better, a staff member could see this activity within the bank's Customer Relationship Management (CRM) software and place a proactive call to the customer: "I see you started to open a checking account online and stopped at x point; do you have any questions I can answer?"

This same holistic view of the customer's experience is crucial to the call center channel of banking and its role in case management. Customers most often consult the call center when there is a problem, so a deep understanding of their banking needs and previous banking encounters with other channels is important.

PRIMED FOR PERFECTION

The need for consistency across platforms, to pause and cross channels without interrupting workflow, is heightened by customer expectations set by companies like Netflix and Amazon.

A Netflix subscriber—one of an estimated 75 million in 2016—knows that no matter how he logs on to his account—whether via smart TV, on a mobile phone or using a tablet—the Netflix interface will know:

- where he paused a movie the night before or two weeks ago (and will ask if he'd like to resume it now)
- how many episodes of a series he's watched, and where he should jump back in
- what kind of programming he enjoys overall, and what other programs to suggest to him based on past habits

No matter which channel he chooses, the customer's experience is consistent. Moreover, Netflix is well informed about what the customer might want or need.

The wide reach of Amazon Prime, with more than 63 million subscribers in the United States alone, has indeed primed the consumer public to expect a seamless delivery of service across all platforms.[1]

A Prime member's interactions with Amazon— Prime delivery service (within hours in some markets) of retail goods, print and e-book browsing and ordering, Echo smart home technology, video and music streaming—are all interconnected.
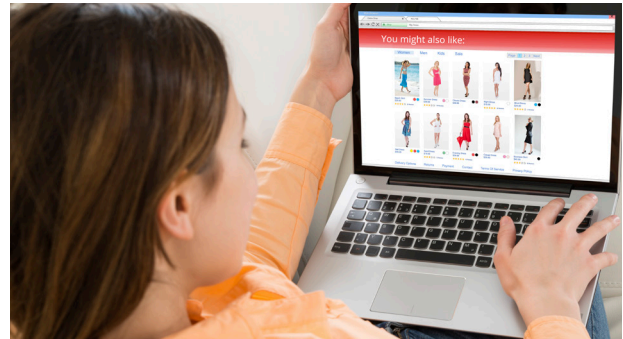
- The Echo speaker can tell a Prime customer where her Amazon orders are in the shipping process.
- The Amazon retail interface is aware of items the customer added via Echo to a shopping or to-do list (and suggests helpful products from Amazon to fulfill both).
- As with Netflix, the Prime streaming video service can be paused, resumed and accessed seamlessly regardless of which platform the customer chooses.
- A customer can pause reading an eBook (likely on her Amazon-produced Kindle), and "keep the story going," resuming at the same point with the audiobook version via Amazon's Whispersync product.
- Finally, all of the customer's viewing, purchasing and questioning habits contribute to the data that leads Amazon to make predictive suggestions of products to purchase.

And if memberships are any indication, the consumer appreciates and seeks out this synthesis: in 2016, Amazon's number of Prime members surpassed non-Prime customers.

Today's consumers are accustomed to this kind of uninterrupted integration of services and information, including the familiarity with and anticipation of their habits and preferences. So it's understandable that they might become frustrated when their other providers, including banks, fall short of these expectations.

Celent's April 2016 survey of North American financial institutions revealed the startling gap between this smooth and seamless ideal that today's customer has been groomed to expect, and the reality of the typical banking experience.[2] The survey asked institutions about customers who began an application process online but decided to pause the application to seek in-person help at a branch.

In more than two-thirds of the responding institutions, the customer would have to begin the process again from scratch.

What impression does the customer take from this redundant process? Not only has his bank not anticipated his needs or stored his information; but also it has actually ignored his efforts and rendered them a waste of time.

If consumers view the bank branch staff as subject matter experts and turn to the bank as an "advice center," as Mercator tells us, how much confidence does the consumer have in an "expert" who has no access to the information the customer has already provided?[3]
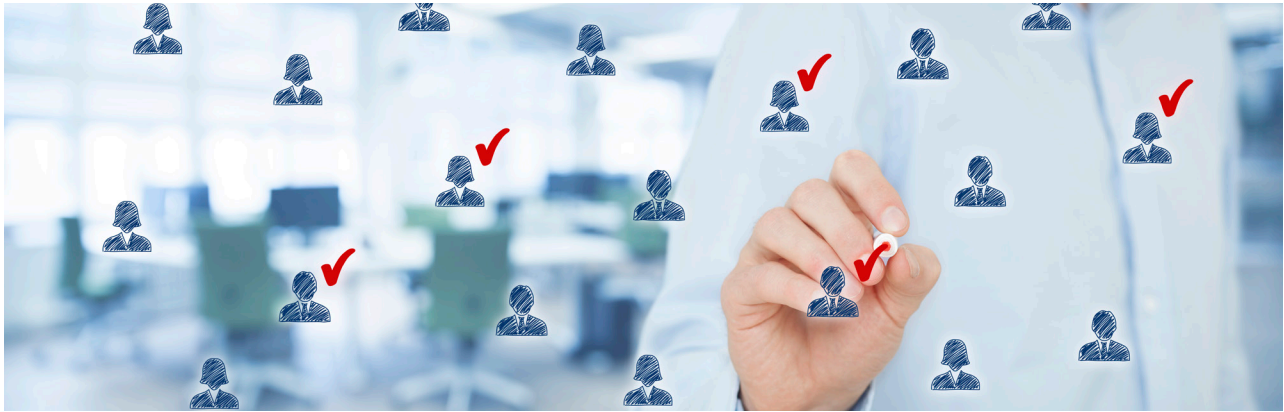
TELL ME WHAT I NEED

According to Mercator, one lesson cited from the growth of omnichannel banking is the importance of not only understanding customers, but also anticipating their needs: "An essential component of an omnichannel banking strategy is truly understanding customers' goals and objectives and identifying relevant activities, from which offers can be made."

On a large scale, this predictive analysis might involve recognizing that a particular customer's data and demographics align with similar customers who often apply for Home Equity Lines of Credit (HELOCs) to complete home projects. An effective omnichannel use of this data might include:

- An ad for HELOCs that pops up when the customer logs in to online banking, uses an ATM or accesses the bank's mobile app.
- At a branch encounter, the teller is prompted to ask if the customer is interested in learning about current HELOC rates.
- Messages about HELOC offers are printed on a customer's paper statements or ATM receipts.

Customers want simple but important things from a banking relationship. They want a bank that helps them keep track of their money and provides easy-to-use tools to further augment that tracking.

On a more personal level, they want a bank that understands them well enough to know what tools or services they might want. For example, if a teller realizes that a customer drives 20 miles to deposit checks three times per month, taking the time to explain remote deposit to the customer demonstrates that the customer's time is valuable and his needs are understood. A quality CRM software solution that analyzes customer data and anticipates these needs will yield loyal customers. CRM software makes predictive analysis possible, and a CRM system that gives a real-time, holistic view of a customer's needs and most recent transactions ensures that the most accurate predictions will result from the data provided.

But the benefits of seamless omnichannel integration are far from one-sided. Although customers set the tone and expectation, financial institutions will always benefit from technology modifications that improve customer relations, reduce costs and increase revenue by giving customers products they want to use anyway.

SAVVY, FICKLE AND VOCAL

Today's consumers are ready for, even expectant of, all that omnichannel banking has to offer; they show little to no resistance to adapting to new and multiple platforms. For instance, mobile banking outpaced in-branch banking for the first time in 2015, and JAVELIN forecasts that by 2020, 81 percent of adults in the U.S. will use mobile banking.[4]

However, this same adaptability—coupled with high expectations for consistency and ease across multiple platforms—also can make customers more likely to switch banks in order to find the system and products that work best for them.

And today's customers are not only fickle, but also they're vocal about their experiences. In the ABA article "The Omnichannel Strategy," Ernst & Young Executive Director Jim Neckopulos states, "Social media also influences how customers and potential customers think about their relationships—both on a personal and business level. Customers share their thoughts and feelings, good and bad, with postings on Facebook and other social media sites."[5]

While this sharing potentially provides financial institutions with insight into consumer motivations, it also can affect the impression of their brand on a wide scale. Think back to those customers from the Celent survey who, at a staggering 69 percent of the institutions surveyed, would ostensibly begin an application online only to have to begin the process anew once they visited a branch. The resulting frustrated Facebook posts and irritated tweets would do little to encourage new customers.

CSI TOOLS FOR
OMNICHANNEL INTEGRATION

CSI offers a wide range of products that work together to help banks succeed.

NuFund

CSI's account-opening and funding product allows the customer to begin an application from a home computer, return to it easily or resume seamlessly at a branch or through the call center.

CSI IQ®

CSI's reporting and analytics engine allows banks to pull reports on which products each customer has—or doesn't have—as well as an overall analysis of the customer's data, including age, marital status and children.

CSI CRM

CSI's approach to CRM gives banks and employees a full picture of the customer–including the customer's history, going back to the prospect level. This real-time, holistic view of the customer's footprint within the bank places all relevant interactions and appointments (e.g., mortgage inquiries) within easy reach of the bank employee via CSI CRM's customer dashboard. This view is accessible whether the patron uses the teller line, has an appointment at a bank branch or calls the customer service line. Synchronicity with NuFund and the branch platform maintains the seamless experience for the customer.

Consumer Mobile App

Synced with Internet banking, the Consumer Mobile App allows customers to move money, sign up for account alerts, make person-to-person (P2P) payments and complete mobile deposits via remote deposit capture. Customers can even take photos of receipts and attach them to transactions within their accounts. These photos of deposits and receipts are accessible through all channels and visible to branch and call center staff.

Business Banking App

CSI's Business Banking App gives small businesses full access to business banking, while granting certain access or permission levels to business staff. Anything employees do from the office or at the bank branch can be completed, with the same level of permissions, through the app.

Branch Platform

CSI's interface at the bank branch level allows for a seamless experience for both the customer and the branch or call center staff.

CSI's Digital Banking Suite: Mobile, Internet, Business Banking

Allows customers to access their accounts and information anywhere, with consistent results.

MORE CHANNELS

If the future of omnichannel banking is influenced by trends that began in the technology and retail worlds, then financial institutions should expect to fully leverage mobile and smart technology, like fingerprint and retina ID, as mobile app authentication tools. They even can take a page from Amazon Echo's voice authentication. An American Banker article cites Javelin Director of Mobile Emmet Higdon's prediction of customers' significant embrace of voice technology for banking: "Growing adoption of voice assistants with these new types of devices will drive banks to explore new customer experiences that leverage touch, voice and other interfaces . . . The next important step for voice banking will be bringing voice assistants to mobile banking apps."[6]

CHANNELING CUSTOMER EXPECTATIONS

In an increasingly technological society, customers encounter and purchase most consumer products–from clothing to meals to banking–through a variety of channels and platforms. Although the number of banking channels continues to grow–in-person, ATM, desktop, mobile, call center, through a voice-activated "smart home" system–maintaining consistency for the customer across all channels is essential to retention and satisfaction.

Financial institutions must consider this consistency in information, in feel, and in each channel's understanding of the customer when partnering with third-party banking software providers. The banking platform that gives the fullest picture of the customer, offers the most seamless stop-and-start procedures for applications and inquiries, allows employees to anticipate customers' needs, and provides the customer with a consistent look and feel across all platforms will yield better-informed employees and more satisfied customers.

ABOUT CSI

CSI understands our customers' needs, delivering dynamic solutions with superior results. We reach out to every customer with responsive, professional service, considering ourselves to be an extension of your team. CSI provides not only relevant solutions that ensure your success, but also one-on-one account management to help you utilize them to their fullest potential. Your business matters, and our team of knowledgeable professionals will ensure you achieve superior results for both your bank and your customers.

CSI

www.csiweb.com

1. Fortune: http://fortune.com/2016/07/11/amazon-prime-customers/
2. Celent: "Omnichannel Customer Acquisition 2.0: What It Is and How to Get There."
3. Mercator: "Omnichannel Banking is Taking Hold: Lessons Learned So Far."
4. Javelin Strategy: Mobile Banking Outpaces Branch Banking for First Time in 2015
5. ABA Bank Marketing: The Omni-Channel Strategy
6. American Banker: Prepare for the Real Voice of the Customer