The Gap in Financial Services and Customer Service Innovation

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In the world of financial services, a dichotomy is emerging. In a new Salesforce survey, 72% of senior financial services executives reported that their customers were mostly or extremely satisfied (according to their own customer satisfaction surveys).

Customers themselves, however, tell a different story.

They claim that financial services institutions (FSIs) fall short in several areas, including anticipating needs, prioritizing financial wellness, and enabling customers to control their data.

The opportunity for improvement within the industry isn't lost on decision makers. Despite reporting happy customers, financial services execs are also evenly split between those who believe their customer service is meeting all their customers' needs (49%) and those who say their service is satisfactory but could be improved (49%).

Breaking the survey down into perceptions of the banking, wealth and asset management, and insurance verticals provides valuable insight into whether customers feel their needs are being met within these sectors.

Let's pull back the curtain on customer service – both overall and sector-specific – within the financial services industry.

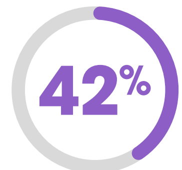
Financial Institutions and Customer Service: Where Gaps Meet Opportunity

Most financial services executives believe they are doing a pretty good job at delivering on their customers' needs. However, areas where executives say they excel and those they view as needing improvement frequently overlap. That, coupled with the fact that 33% of wealth management and insurance and 22% of banking customers have switched companies in pursuit of a better service experience in the last 12 months, shows that there is ample opportunity for improvement..

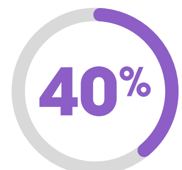
Several areas in particular could be improved. For example, 42% of execs cited web experience and 40% mentioned mobile experience as service areas in which they are doing a particularly good job. However, more than half (55%) also said web experience is one area in which their company should focus more attention, while 49% cite mobile experience as an area that requires attention.

That overlap between where finance executives say that customer service excels but where they still need to improve was a prevalent theme throughout the survey. Another prime example was customer self-service capabilities.

Financial Services Executives



say their companies are doing a good job regarding web experiences.



say their companies are doing a good job regarding mobile experiences.

say their companies' web experiences need more attention.

say their companies' mobile experiences need more attention.

Executives indicated that their companies will prioritize several service areas over the next 12 months, including:

*Over the next 18 months

While over three in four (78%) financial executives say the majority of their clients rate their company's self-service functions either outstanding (22%) or above average (56%), about half (54%) say the best description of their self-service capabilities offered to clients is "We offer some online services and app services, but both could be better."

Luckily, financial executives don't just think they can do better – they have plans to do so. Executives indicated their companies place a high priority on several service areas over the next 12 months. These include investments in data privacy issues (43%), website development (42%), call center issues (40%), data integration (40%), and app development (40%). An additional 60% of financial services executives indicate that integration of the payment processing system is a priority over the next 18 months.

The combined survey results help provide a broad picture of the playing field concerning customer service in the financial services industry. Taking a look at how executives responded within three specific sectors – banking, wealth and asset management, and insurance – provides further evidence of the areas where agents within those fields can prioritize their focus.

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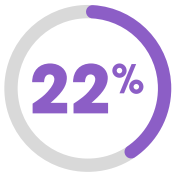

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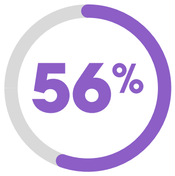
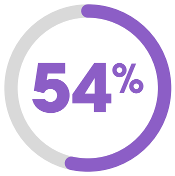


say the majority of their clients rate their company's self-service functions as above average.



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In Banking, Personalization Is Essential

In the banking world, frequent, real-time, transactional engagement with people's money leaves personalization a necessity and tolerance for issues very low.

> **"Today, we as clients expect our banks to meet three critical expectations. They include knowing who I am, using the real-time data that I've provided to know what I need, and providing me with meaningful solutions and products to solve my problems. We call this hyperpersonalization, and in today's data-centric world, failure to meet these needs can result in a disconnected and unsatisfactory customer experience."**
>
> – David Deitch, Director at Slalom

Executives within the banking industry tend to report higher levels of integration and a higher overall level of self-service capabilities within the sector. However, they also report a slightly lower level of mostly satisfied (40%) or extremely satisfied (25%) responses on their most recent customer satisfaction surveys compared to the overall results.

"When compared to the other sectors of wealth and asset management and insurance, banking is day to day and involves major life events," said Greg Blausey, Senior Director of Banking Industry Solutions and Strategy at Salesforce. "It might involve someone buying a house, and what's at stake is did the bank make their experience better or worse? Versus wealth management where, if you're younger and the stock market dips a little bit, the timeline from satisfied to irritated might be a little bit longer. With insurance, you might buy it and not think about it again unless you need it."

To stay ahead of the fintechs nipping at their heels, Blausey says banking financial executives should not settle for "mostly" satisfied clients. "If I say 'mostly' in response to a customer service survey, that implies there was something about my interaction that wasn't good," he said.

Focusing on better overall connection through visibility can be part of the solution. Although banking executives reported that customer inquiries initiated or requested through one channel are visible to agents in other business areas 79% of the time, it's what's being done with that information that matters.

"When you think about connection and visibility, a lot of times customers start with the contact center and submit a case or request. Then if they don't hear anything back, they might walk into a branch to follow up," said Kelly Horn, Senior Director of Banking Solution and Strategy at Salesforce. "In that case, a 'visible' customer case could just mean that agents can see within their platform that a customer reached out to both the retail and contact centers. They might not have any idea where the inquiry or request went, what stage it's at now, or who has dealt with it."

In other words, visibility is just the beginning. It's a connected and contextual understanding of what is happening with that customer's request or need that makes all the difference – one that allows for a response in an intelligent manner and the ability to be proactive if the customer shows up again. The fact that the information is visible in a system somewhere is not sufficient. The harder that data is to see, the less likely it will play a part in any given interaction with a customer. Using real-time customer data, banks can provide advice at the right time and build more meaningful relationships with their customers.

Banking executives who focus on the best use of innovative technology can solve this and many other customer complaints. Take self-service, for example. While 48% of banking executives report that their customers rate their company's self-service functions as above average, 25% say their clients give them just an average rating.

To make a sustained impact in self-service options, banks need to use both science and art. As technology gets more sophisticated, it's time for banks to reevaluate decisions made in the past to not digitize certain self-service areas and to figure out how to layer on that all-important personalization. "There's a real opportunity for personalization here if a bank has the wherewithal to try," said Blausey. "The art piece of that is knowing your customer and their preferences. The science part is knowing what to put into your product in terms of automation and rules engines, and capitalizing on these amazing experiences you can create in self-service portals."

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The Proactive Advisor Wins in Wealth and Asset Management

Wealth and asset management is a highly personalized, service-focused industry, which may be why customers are happier in general with their care in this area. "It starts and ends with trust," said Deitch. "More so in wealth management than any other subsector, as we are talking about putting our future goals and desires in another individual's hands."

This personalization might be to the benefit of advisors for a number of reasons. Customers who prefer the personalized touch of a real person, for example, might not be sorely disappointed when certain self-service functions are unavailable. Perhaps that's also why 25% of customers agree that wealth vendors are invested in their financial well being – not a great number, but higher than the 15% and 16% reported in the insurance and banking sectors, respectively.

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Personal investment means everything in wealth and asset management, and customers want advisors who care about their financial futures. The vast majority – 82% – of wealth and asset management executives report that they're doing a good job at this, indicating that their customers report they were either mostly or extremely satisfied on their companies' most recent customer satisfaction surveys. "Wealth management is a relationship business, and the reason people find a new advisor is that the relationship broke down, or there wasn't one to start with," said Cory Haberkorn, Director of Wealth Management Industry Advisor at Salesforce.

Of course, the complexity of wealth management can make it challenging to always keep customers happy, but knowing the needs of different customers at different moments in their lives – and how they prefer to interact regarding those needs – is essential.

"The idea that a 30-year-old only wants to use a website and a 75-year-old only wants to meet in person and on the phone just isn't true anymore," said Haberkorn. "All three capabilities – in person, digital, and hybrid channels – need to exist for all age groups and people of all net worths."

Defining the appropriate relationship between advisor and client is also essential when it comes to wealth and asset management services. Clients are often looking for a coach, someone to partner with them throughout the entirety of their financial journey, to be engaged and involved, and, equally as important, proactive. "Especially now, in today's market, we look to our financial advisor to guide us through the rough patches, and ensure that not only our future is secure, but the next generation as well," said Deitch. "The more proactive an advisor is, leveraging real-time data insights to make educated decisions, the more likely they are to have a long-term, meaningful relationship with their clients."

Despite this, when asked how their advisors use customer data to inform their interactions, 54% of executives reported data is used only to personalize interactions, and only 30% indicated that advisors used the data to inform their immediate decisions during interactions.

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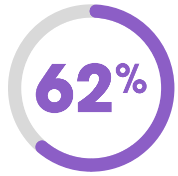
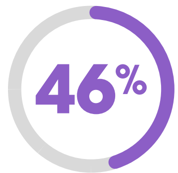
Wealth and Asset Management Executives Believe Their Companies Should Focus On:



Web Experience
say that web experience is where their company should be focusing more attention.



App Development
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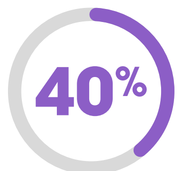

Mobile Experience
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This is a missed opportunity, according to Haberkorn. "Data's important, and the ability of an advisor to surface it easily is important," he said. "Advisors should be able to look into their data and say 'It's September. I should be contacting every one of my households that has a high school senior to say okay, college saving time is over. Here's our plan moving forward.' This proves to clients that not only does their advisor get them and is looking out for them, but they're calling me with ideas and next steps on things I need to do."

Advisors who can use data to accomplish those things – creating a personalized relationship that allows them to offer proactive solutions to their clients' biggest financial concerns – will be ahead of the game.

Consistency and Proficiency Are Key for Insurance

In the insurance world, service is happening at multiple levels. From direct carriers to independent and third-party sources, the constant throughout the industry is the need for agents to effectively manage customers through consistent and proficient journeys.

Unfortunately, disparate systems often make delivering that type of service a challenge. Still, about two in three (68%) insurance executives say that their customers are either mostly satisfied or extremely satisfied. This number, while only slightly lower than the overall average of 72%, might be due to the esoteric nature of the business. “With insurance interactions, it’s not just about efficiency but also education,” said Raja Singh, SVP and General Manager for Insurance with Salesforce. “As an agent, you’re selling a promise for the longer term, and unless you can educate the customer on the terms and how that promise works, you might not get repeat insurance customers. On the other hand, if you can get them to understand, they might opt to cover themselves better and buy more policies.”

When it comes to self-service options, insurance executives report that 70% of their customers give them high marks. This is despite a lengthy list of things that they admit customers can do through assisted channels, which usually aren’t available through self-service options (receiving a quote, changing billing, or making a payment). “This is an interesting area for insurance because one of the most frequent things people might want to do – like changing their address – you’d think they should be able to do that online,” said Catherine Lanning, Managing Director of Industry Business Consulting, Financial Services with Salesforce. “But changing an address, depending on the insurance type, could trigger a policy change.”

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Insurance executives still say they plan to make a fair number of service investments over the next 12 months, including:

Despite hurdles, insurance executives still say they plan to make a fair number of service investments over the next 12 months. “It’s well understood that the servicing world is going digital,” said Singh. “Even if customers don’t use digital channels as their only mechanism, they still expect it. That could mean through a portal, a chatbot, or an app. The data is consistent that people are investing in that need, and those in the insurance industry should prepare themselves for a digital future by making all of these options available and successful for every customer.”

One other area where the insurance sector should focus is proficiency, said Singh. “It isn’t uncommon for many companies to take 12 to 18 months for an agent to become fully proficient. Through the use of innovative technology, that time can be cut down to eight to 12 weeks with the help of a guided, modern UI. In the current talent situation, where we’re still seeing people quitting, the question of how fast can you get people to become proficient is a big deal.”

In a world where it’s becoming increasingly difficult to win new business, retaining business over time – and the ability to cross-sell during a service call – has also become increasingly important, said Evan Groot, Global Go To Market Director of Insurance at Salesforce. The right data provided by the right technology can get agents there. “Service is tied to retention,” Groot added, “so it’s important for executives to invest in technology, or they will fall behind the competitors who are.”

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Conclusion

Financial services executives know that meeting the needs of their customers means the difference between sinking and running a more efficient business that drives future growth within their existing customer base. Plus, in this economy, it's more important than ever to put every investment dollar to good use.

The survey results confirmed something experts also already know: The financial services industry is at a pivotal moment.

Customers have spent the past few years dealing solely with digital and remote experiences in everything from banking and retail to grocery shopping and purchasing a car. Now more than ever, they expect optimized mobile and web experiences from their financial institutions that are on par with or better than the ones they get from other industries.

The right technology and data – in the hands of smart, capable agents and combined with the appropriate level of personalization – can help those in the financial services field provide the type of service that customers demand and deserve.

Learn more about service innovation for Financial Services.

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