

Managing the Customer Experience

How to Optimize the Omnichannel
Experience for Banking Customers

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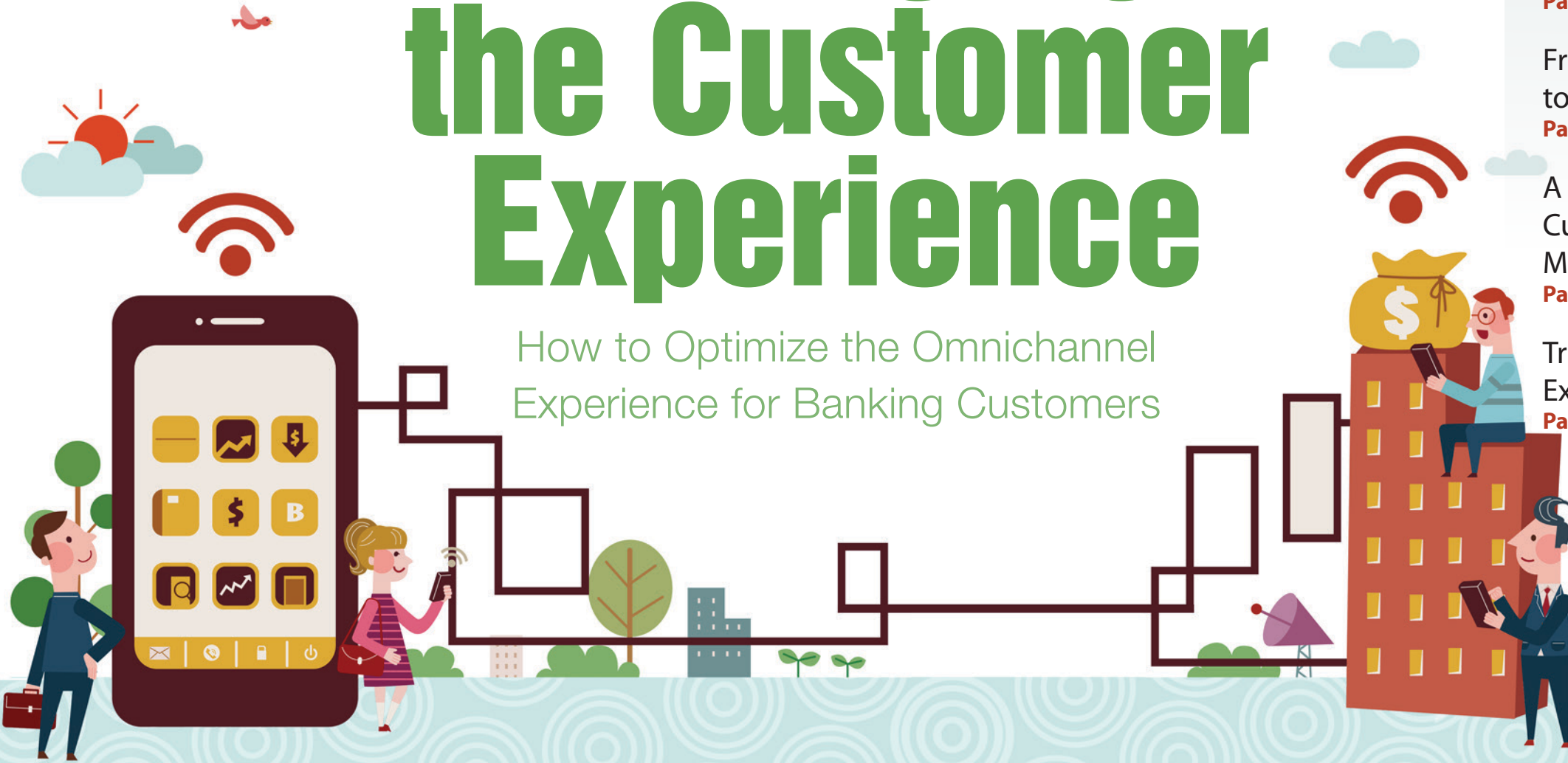
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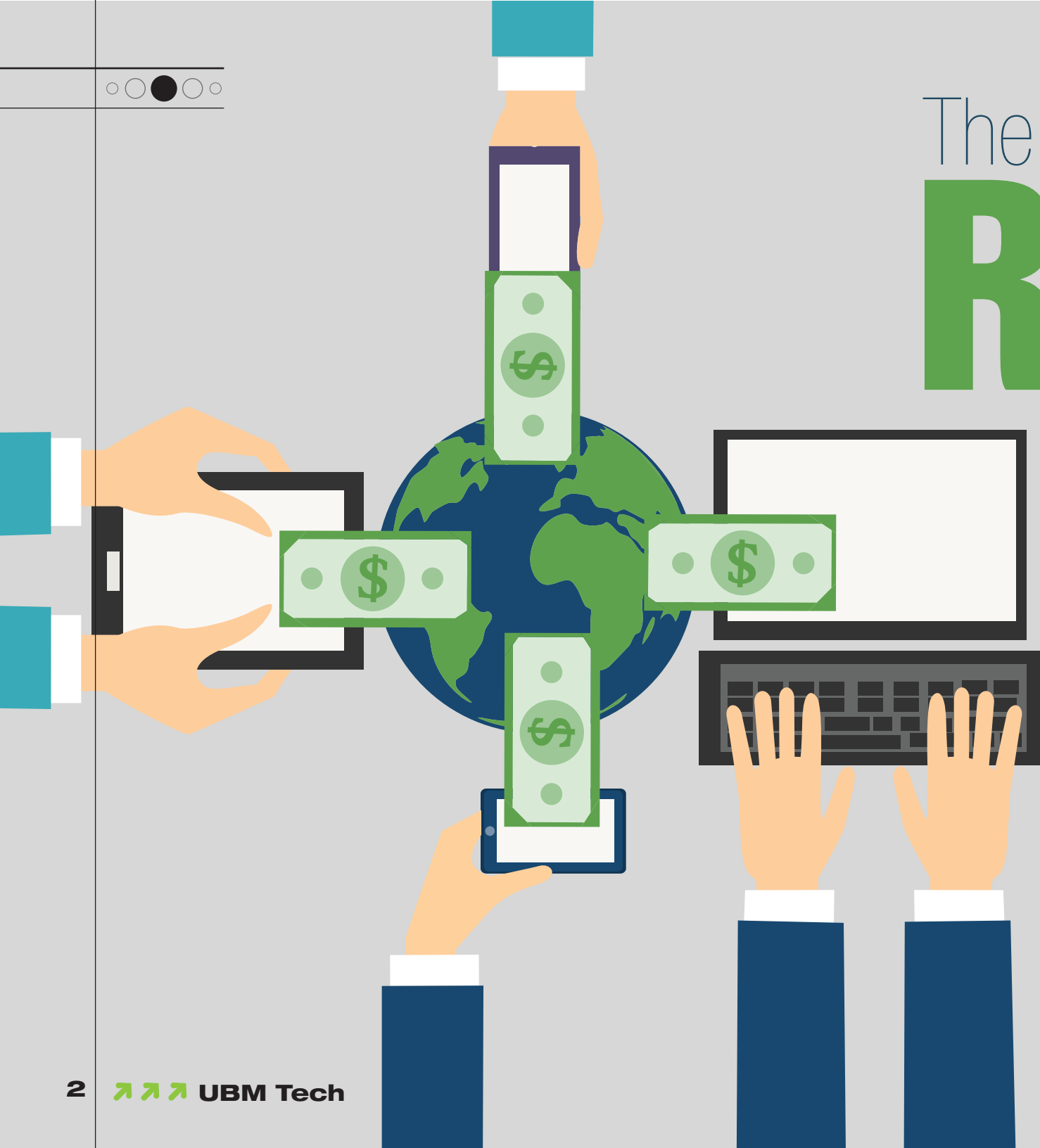
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The Right Experience

In the past decade, “customer experience” has become a buzz phrase. And for good reason: Customer experience is more important today than ever. While it was once acceptable to provide a satisfactory experience, proliferating channels, heated competition and increasingly demanding customers have made it imperative for banks to provide an exemplary customer experience across all touch points. A consistently great customer experience can give banks a competitive edge, help build customer satisfaction, as well as loyalty to the brand,

and increase sales. Banks that can deliver a positive customer experience also find their customers are more engaged with their brand. Engaged customers become ambassadors of a bank's brand; not only are they satisfied with their experience interacting with the bank, but they're also often willing to extol the virtues of the institution to their friends and to a wider audience via social media. Customers who are engaged are less likely to take their business elsewhere.

On the other hand, banks that don't get the customer experience right, failing to provide consistent, seamless, integrated and efficient interactions with their customers, will not only frustrate their depositors, but will also run the risk of losing these customers to financial institutions that are able to offer experiences that do meet customer expectations.

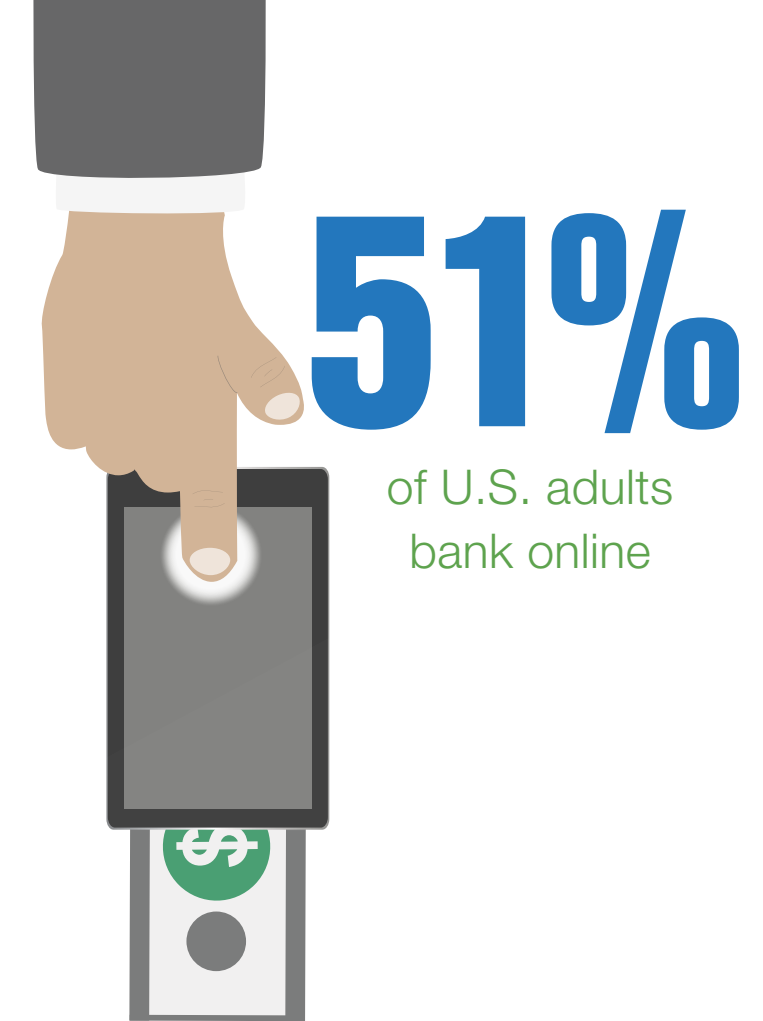
However, creating a positive and consistent experience across channels today is easier said than done. Banks must now reach their customers anytime and anywhere, via each of the growing number of online and offline chan-

nels. Unfortunately, many banks aren't doing all they can to improve and optimize their customers' experiences.

The Omnichannel Challenge

Part of what's holding banks back are the challenges associated with the overwhelming number and combination of ways customers can interact with their financial institutions. Today, customers typically use multiple devices — mobile phones, tablets, laptops and desktop computers — when dealing with their banks. And customers demand a seamless and easy experience across all touch points. Customers generally aren't aware of issues, such as cross-channel integration, but they are certainly affected when channels don't function optimally or provide them with a poor or conflicting user experience.

Not long ago, before online banking and the introduction of smartphones and tablets, it was much easier for banks to manage customer experiences. Customers had only high-touch interactions with their financial institutions in



the branch, by mail or on the phone. But today, increasingly digital interactions require banks to find an innovative way to manage and improve the online customer experience, to get a handle on what each visitor sees and does, and if any component of the interaction isn't working, to find a way to improve or fix it. ■

Explosive Usage, Proliferating Channels

During the past several years, the financial industry has seen explosive growth in the number of people using mobile and online banking. According to research from the Pew Internet & American Life Project, both online and mobile banking usage is rising. In fact, says Pew, of all the activities it has tracked since 2000, few have seen as much growth as online banking. Just a few years ago, in 2010, 46 percent of U.S. adults said they banked online; in 2011, 18 percent of mobile phone owners said they used their phones to do routine banking tasks, such as checking balances or making transactions. Over the past several years, those percentages



have grown dramatically: More than half of the adults in the U.S. — 51 percent — now bank online, and approximately one-third (32%) of U.S. adults, or about 35 percent of all cell phone owners, use their mobile phones to bank.

Not only has the banking industry seen explosive growth in the number of people using mobile and online banking, but it has also seen proliferation in the number and variety of devices. Customers are now using a constantly growing number of devices to access digital channels, including a wide variety of mobile phones, tablets, laptops and desktop computers. And there are literally hundreds of different types of smartphones and tablets that customers are using to access their banks' websites and mobile applications each and every day.

Customer Imperative

While banks know it's imperative to provide a great experience to customers no matter which device they use, financial institutions are finding it increasingly difficult to do so. And

banks feel tremendous pressure to deliver a great experience, regardless of the devices customers use to communicate with them.

Complicating an already challenging situation is the fact that customers now typically use a combination of multiple channels when they make any buying decision. They may begin by researching a product or service on the Web via a computer, smartphone or tablet, but then perhaps visit a branch or use their mobile phone to call the contact center as well. This omnichannel experience — where a consumer chooses to use multiple channels simultaneously — makes it imperative for banks to offer a customer experience that's integrated, seamless, consistent and reliable, whether information is accessed via a website, a mobile app, a customer service rep or a branch manager.

"The road map for future channel growth and efficiencies lies in an emerging omnichannel banking paradigm under development at financial institutions [FIs]," says Ed O'Brien, director of Mercator Advisory Group's Banking Channels



35%

of U.S. cell phone owners use their mobile phones to bank

“Many financial institutions ... are seeking ways to provide 360-degree views of their customers’ needs and behaviors, the ultimate goal being superior customer engagement.”

– Ed O’Brien, Mercator Advisory Group

Advisory Service and author of its report, Anticipating Omnichannel Banking: Channels and Core Systems Interoperability. “Many FIs, with large banks leading the charge, are seeking ways to provide 360-degree views of their customers’ needs and behaviors, the ultimate goal being superior customer engagement.”

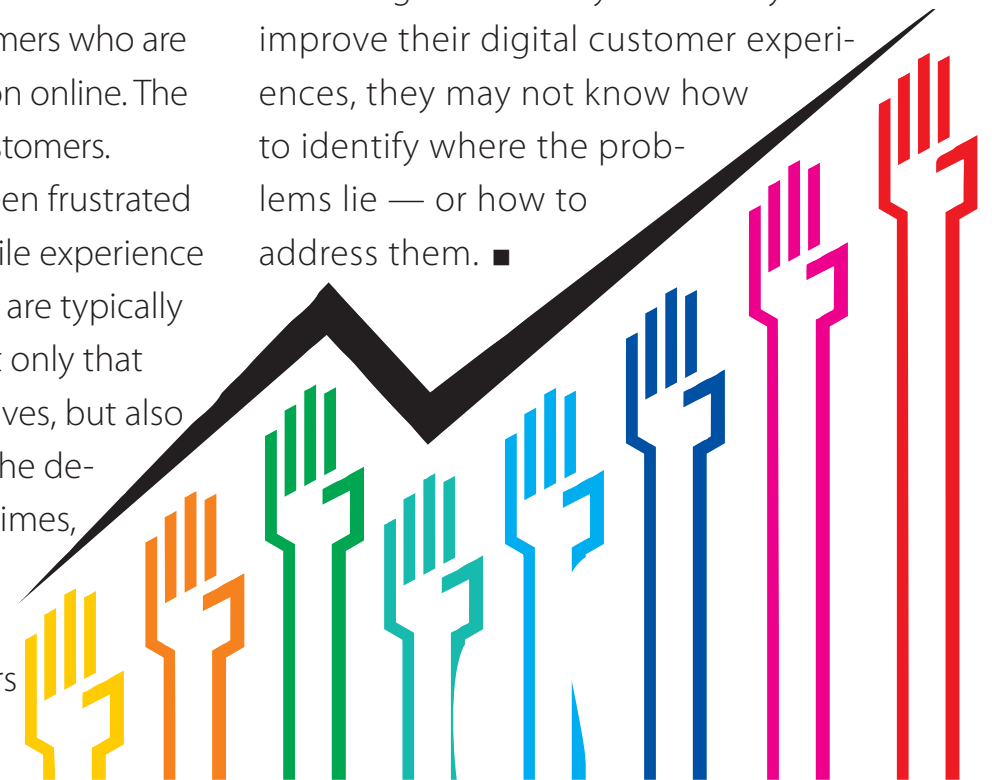
Digital channels must operate efficiently in order for customers to interact with their banks,

research and buy into new products or get help with a question about their accounts. But even if the experience between channels is consistent, it’s often not reliable. Websites and mobile apps sometimes experience technical difficulties that make it challenging and frustrating for customers as they navigate to gather information or communicate with their bank. Difficulty in navigation typically drives abandon rates and results in low conversion rates for customers who are not able to complete a transaction online. The ultimate result: very unhappy customers.

When customers who have been frustrated by an unpleasant online or mobile experience call in to the service center, they are typically greeted by reps who require not only that customers authenticate themselves, but also that customers inform them of the details of the problem. And many times, the rep isn’t completely familiar with the Web or mobile experience and the problem customers

have had, so the burden is placed on customers to explain. After customers inform the reps of the issues that caused the frustration, the reps then typically need to go into the system and complete a transaction. The process can be time-consuming and potentially exasperating, and issues often are not resolved to the satisfaction of customers.

Although banks may know they need to improve their digital customer experiences, they may not know how to identify where the problems lie — or how to address them. ■

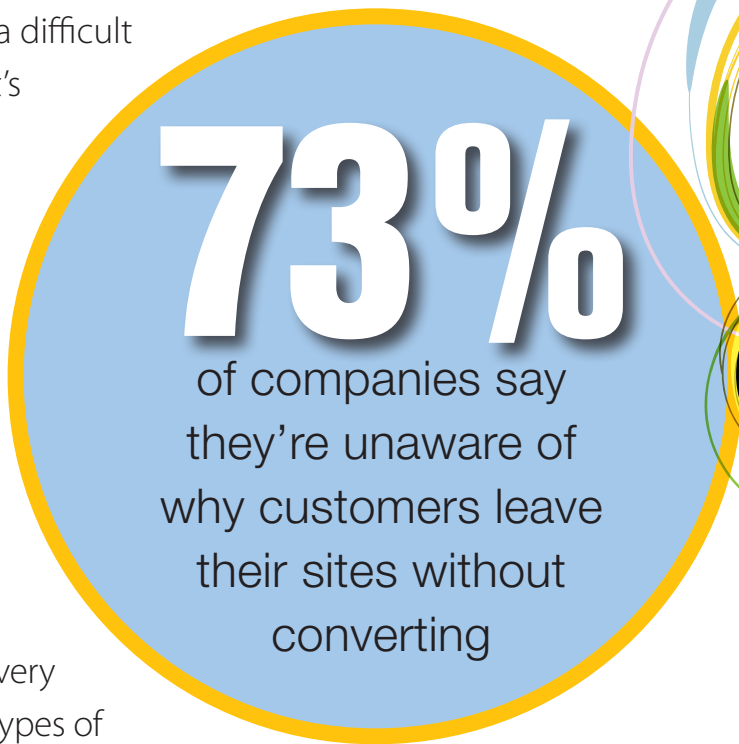




From Click-Throughs To **Follow-Through**

Banks may realize that they have unsatisfactory conversion rates and that their customers are frustrated by their time-consuming and unsuccessful contact center experiences. Banks may understand that abandon rates are high and completion rates are low, potentially because their mobile apps and websites are confusing and difficult to use or not functioning properly. However, because it's been tricky to quantify the loss of revenue from abandoned transactions, banks have had a difficult time justifying interventions to improve these issues. And what's more, banks might not know exactly what the problem is with the functionality or usability of their websites or mobile apps — or how to remedy the situation.

While basic Web analytics can be helpful, merely tracking click-throughs and offer-abandon rates is not enough. According to Econsultancy's 2013 Reducing Customer Struggle report, which surveyed more than 500 business professionals involved in e-commerce and e-business, 73 percent of companies surveyed say they're unaware of the reasons customers leave their sites without converting. A wide majority (78%) of responding companies consider this information to be very valuable; 76 percent would find it valuable to understand what types of



content would be most likely to entice a customer to buy or convert; and 80 percent would find it of value to get a handle on the usability issues that are likely to affect the conversion.

Banks need to get even more insight that can

Banks need to not only understand how customers are experiencing their institution on their computers, mobile phones and tablets, but why they behave the way they do.



enable them to take action to improve their customers' experiences. They need the kind of insight that can lead to greater click-through success, and ultimately increased revenue. While it's helpful to see statistics on how customers experience banks' websites and mobile capabilities, it's the combination of quantitative and qualitative information that can pinpoint precisely where the problems are. Banks need to not only understand how customers are experiencing their institution on their computers, mobile phones and tablets, but why they behave the way they do. It has become essential to understand what leads customers to complete a transaction or interaction — and what leads them to give up.

Banks Must Take Proactive Approach

Banks must tap technology solutions to arm themselves with the critical information they need to quickly and effectively fix any issues with their digital experience.

What's more, not only do banks need to see exactly where their website and mobile app problems lie, they also need to proactively avoid

escalating frustration when customers call the contact center to deal with a problem, only to find out the reps aren't aware of the issue.

Banks also need to be equipped with a solution that can bring up every customer's digital experience on customer service reps' screens, so they can see and understand the problem immediately, and can quickly and easily resolve the issue.

The good news is that, in general, banks have a growing awareness that more and more consumers are choosing to interact with their banks regularly via multiple channels, and that banks need to develop new strategies for meeting omnichannel demands. Says Forrester Research in its CBA/Forrester Survey: Retail Banks Planning for the Age of the Multichannel Customer, few banks have connected their multiple channels to create an integrated multichannel experience. "To move multichannel strategies from dream to reality, banks will need to optimize their multichannel services and develop tools that support seamless cross-channel interactions among branches, ATMs, call centers and the Web." ■



A Smarter Approach:

Customer Experience Management

Great customer experience management (CEM) can help financial firms ensure that every customer interaction is productive and pleasant. Customer experience management consists of a variety of processes meant to track, analyze and ultimately optimize customer interactions with an organization. For today's banks, CEM encompasses not only traditional touch points, such as call centers and branches, but also an array of Web and mobile channels. Cutting-edge and currently available CEM technologies provide real-time analytics and include other advanced capabilities that enable banks to track customer interactions. New CEM solutions can actually identify customer struggle as it happens, providing critical visibility, insight and answers for banks, so they can improve conversion rates, more easily resolve online customer issues in call centers, increase share of customer wallet and grow their busi-

nesses through Web and mobile channels.

A customer experience management solution, such as IBM® Tealeaf®, helps banks see their digital channels through the eyes of their customers, so they can increase conversions, meet customer-retention objectives and grow business. Seamless integration with business applications, such as customer relationship management (CRM), data analytics and Web analytics for quantifiable analyses, contributes to an enhanced digital customer experience.

Payoff Potential

The payoffs of great CEM can be enormous. A diversified financial services firm that provides banking, insurance, investments, mortgage and consumer finance through thousands of branches, the Internet and other distribution channels worldwide is leveraging IBM Tealeaf CEM solutions to optimize its commercial banking clients' customer experience

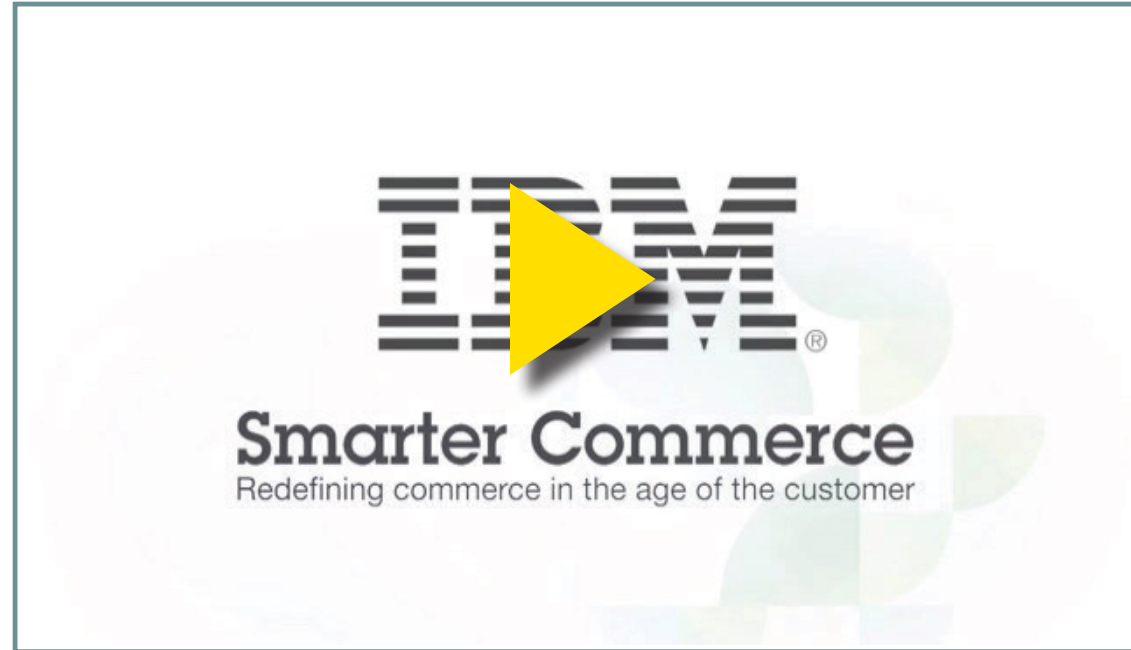
Seamless integration with business applications contributes to an enhanced and improved digital customer experience.

and ensure high-touch customer service, even online. The bank sought a solution that would enable it to see exactly how its website worked for customers, allowing it to proactively remove obstacles. Implementing the IBM Tealeaf CEM technology has equipped the bank with the means to discover and subsequently resolve user-experience flaws on its site before they could have a negative impact on customers. With IBM Tealeaf, the bank has been able to reduce time spent identifying and resolving online user experience problems by 75 percent. The solutions have also benefited the bank by

boosting adoption and improving the success rate of its online services via a more reliable Web application.

Technology in Action

Another financial institution, Connecticut-based Webster Bank, enhanced its online customer experience with IBM Tealeaf CEM technology, enabling the bank to monitor the sources of online issues, more quickly implement solutions and improvements, and boost conversion rates. Webster Bank had no way to determine why users abandoned online sessions, and when customers would contact customer service to report a site glitch, the bank could not capture the exact circumstances that led to errors, making it difficult to recreate and resolve situations. IBM Tealeaf enables Webster Bank to accurately see and capture what’s happening during any online session, step-by-step, in real time, giving technicians and customer service reps insight on problem issues from captured data. In addition, IBM Tealeaf has



↑ **Zions Bancorporation used IBM Tealeaf to improve the online experience.**

given the bank the ability to pinpoint where and why users abandon sessions, providing direction for improvements that ultimately lead to higher completion percentages.

In the video above, executives from Zions Bancorporation discuss how the organization used IBM Tealeaf to improve the online experience for customers. The solution gives Zions the capability to see the user experience, under-

stand what customers are doing and provide the insight necessary to fix any issues quickly and proactively. IBM Tealeaf technology also enables the bank to come to the table with offerings tailored to customer demands. The payoff: Using the IBM Tealeaf CEM solutions enabled Zions Bancorporation to see improvements in customer experience that resulted in a rise in the number of new customer acquisitions. ■

An Insightful Customer Experience Management Solution

Outstanding customer experience management is essential for banks looking to increase customer satisfaction and loyalty and to grow their businesses and increase revenue by optimizing every digital interaction.

IBM Tealeaf CEM solutions give banks the ability to view customers' online and mobile interactions and pinpoint their struggles in real time, enabling banks to intervene and remove obstacles to maximize conversion, increase revenue and boost customer loyalty. These solutions seamlessly integrate with business applications, such as customer relationship management (CRM), data analytics or Web analytics to provide comprehensive and quantifiable analyses, enhancing and optimizing the digital experience for banking customers.

IBM Tealeaf CEM captures and records each digital customer interaction and shows how

the site or application responds in real time. By capturing every customer visit, IBM Tealeaf solutions can visualize the qualitative details of each digital interaction, giving banks insight into customer behavior. The resulting data contributes to quantitative assessments of the negative business impact resulting from online or mobile struggles and helps banks document and prioritize opportunities for improvement.

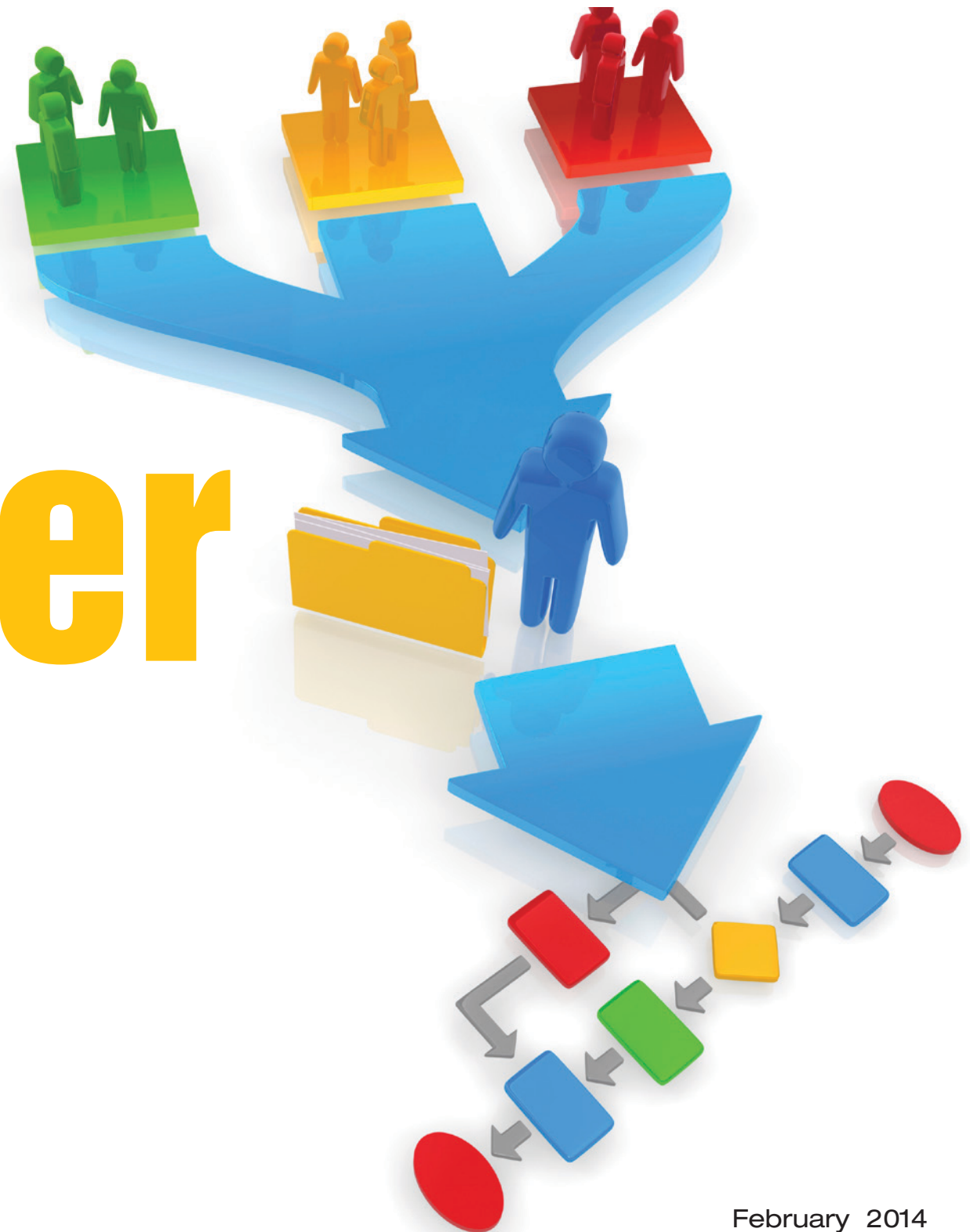
IBM Tealeaf solutions enable banks to:

- Maximize the value of each customer's Web or mobile visit, ensuring more successfully completed transactions
- Gain immediate visibility into the issues affecting customer behavior and their impact on the business
- Rapidly resolve hard-to-pinpoint usability, system or application problems



- Improve customer service by providing agents with instant access to digital customer sessions
- Preserve digital customer interactions to resolve customer disputes quickly and accurately.

True Customer Experience Management



To truly optimize the digital experience, banks must have deep insight into their customers' behavior online so they can identify and rectify issues and present customers with easy-to-use mobile and online capabilities. This is possible only with a sophisticated CEM solution.

Banks that get CEM right can reap myriad benefits, including increased cross-sell and up-sell success, decreased contact center traffic, and ultimately more satisfied customers who are loyal to a bank's brand. Banks that fully embrace CEM complement their use of traditional Web analytics with tools that enable them to see what customers see. As a result, they can make truly customer-centric enhancements to their digital capabilities, uncover unnoticed obstacles and quickly resolve errors through

practical, informed help from customer service. These are the banks that will garner a competitive edge in an age of omnichannel customers who rely on combinations of online and offline channels to interact with their financial institutions, but require a seamless, efficient and reli-

able cross-channel experience no matter what devices they choose to use.

About IBM

IBM is the world's largest information technology company, with 80 years of leadership in helping clients innovate. Drawing on a breadth of capabilities and best practices from across IBM and our extensive partner ecosystem, we offer clients within every industry a wide range of services, solutions and technologies that can help them improve productivity, respond rapidly to the needs of their business and reduce development and operations costs.

IBM Tealeaf customer experience management solutions let you see your digital channels through the eyes of your customers.

Learn more at www.ibm.com/tealeaf.

