

Changemaker conversations



Context

Big questions shaping CXO priorities for the next decade

- “How can I embed the bank in my customer’s everyday life decisions?”
- “What am I supposed to do to establish synergistic ecosystem to deliver value to the customer?”
- “How should I build phygital experiences to secure and strengthen relationships?”

The biggest challenge for banks is that a significant number of finance journeys are happening outside the banking ecosystem. Growth is now driven by platforms such as Grab, PayTM, Uber, Apple, Amazon and other digital leaders. The only way a bank can capture more of that demand is if they become part of those ecosystems and therefore, making banking invisible and embedding it deeper into customers. It also requires leaders to keep pace with the unparalleled technological disruptions that presents new opportunities for them. We see banking leaders embracing this change and striving towards becoming the digital banks of tomorrow. This exclusive series of Changemaker Conversations captures the possibilities of the future from Chief Digital Officers, Heads of technology and innovation and Chief Experience Officers from leading banking institutions in the Asia Pacific.



Redefining customer engagement success for the bank of tomorrow

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COVID-19 has amplified and created digital savvy consumers that demand easy and effortless interactions. This has indeed pushed many organizations to accelerate and augment their digital agenda by making rapid adjustments on existing operating model to fulfill these requirements.

One needs to be mindful that the effect of COVID-19 goes beyond this, as consumers believe that their lives will be very different in the foreseeable future. They feel more vulnerable, less secure, and less in control than before. While behaviors and interaction levels have already changed dramatically (from physical to digital), it is the evolution of customer needs, attitudes and emotions that will most disrupt how organizations compete.

Empathy and building trust will stand out as key in fortifying the customer engagement models effectively.

Innovation opportunities exist for banks to engage with their customers beyond providing a frictionless and cost-effective solution. Investing in customer relationships by creating trust building moments, especially in times of difficulty, will be repaid with enduring customer loyalty. This can be enabled through:

Acting with Integrity – doing what is right for the customers (treating customers fairly) through needs-based selling, transparency, be flexible, providing suitable advice, fair treatment and providing peace of mind.

Going the extra mile in resolution – accelerate our focus in providing customers solution by owning and fixing it with urgency. This includes keeping them fully informed on resolution progress and/ or providing temporary solution while trying to resolve the problem/ issue.

Demonstrating empathy during engagement to drive deep(er) rapport and emotional connection – showing that we care on the safety and wellbeing of customers by making them feel valued/ important. This can be executed through a series of initiatives such as putting them back in control by guiding them digitally, setting proactive and personalized engagement as a standard in communication, provide reassurance on safeguarding personal data and security, etc.

Minimizing customer effort by creating frictionless processes – The pandemic has amplified the need for easy access to products and services, hence we need to consider the end-2-end customer journey (rather than siloed process) when removing unnecessary obstacles to enable them to achieve their objectives quickly and easily.

Tackling the problem of vulnerability through empathy and trust building will help banks improve their customer loyalty and determine the success of their digital banking platforms by ways of customer engagement.

Case in point is CIMB's measurement ecosystem, which has always been at the forefront to drive change via continuous improvements using direct and indirect data points (from top-down and bottoms-up levels). These data points help banks to understand customers and guide them on how to meet customer needs and demands.

Considering the pandemic and the change in customer behaviors towards digital adoption, CIMB has expanded additional components within their existing framework for greater value.

This includes:

Efforts in building digital dashboards (both B2C and B2B) to provide a holistic view on our performances based on 3 core areas

- Customer utilization – digital adoption and usage conversions
- Customer fulfillment – digital availability performances (i.e., system uptime)
- Voice of customers – overall experience and complaints

Expand survey rollouts specifically to measure customer experience on identified digital journeys (e.g., credit card and savings account e-application) and transactions (e.g., remittance, unit trust and gold using CIMB Clicks)

While banks are always working to continuously improve themselves using data analytics, another important tool which is being seen more in banks to improve customer engagement is gamification.

Gamification can be a value add for organizations to nudge customers towards certain behaviors. Customers are then rewarded for these behaviors. Gamification is beneficial provided it is done right from a design + delivery perspective by considering the target audience and maturity level. This approach is deemed helpful to improve or optimize customer engagement (and potentially drive sustainable engagement). However, gamification might not be suitable for everyone. The first step is for the organization to fully understand the behavior and needs of the various segments/clusters they are targeting by mapping them from a "playful" point of view.

Personalization is another broad agenda where some organizations may invest in complex technology or software that make recommendations based on past purchases or historical search. There are also other ways to personalize customer experiences (i.e., quick wins) and this could be guided through 3 areas:

Recognizing needs (e.g., based on what we observe in the behavior of our customers when we design)

Creating emotional resonance (identify what are the memorable moments)

Show restraint (balance in information and redundancy, i.e., reduce or no information overloading)

Personalization is another broad agenda where some organizations may invest in complex technology or software that make recommendations based on past purchases or historical search. There are also other ways to personalize customer experiences (i.e., quick wins) and this could be guided through 3 areas:

Proactive notification to customers on credit card spend which are entitled for tax relief

Proactively reach out to customers on options to enable SI for payments being done on a regular period

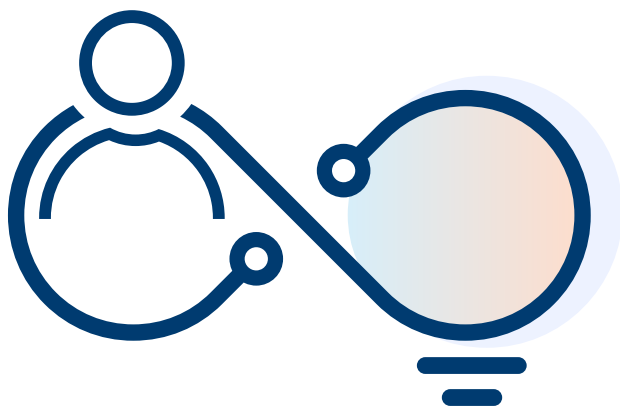
Enabled Clicks app personalized banners and alerts which are relevant to customers

Customer engagement has been and will be important for banks. The only thing that has changed is how banks and customers interact with each other. Traditional banks are rapidly transforming towards digitalization and identifying the success of digital channels in creating an exceptional customer experience. Many banks have started reimagining how they engage with their customers.

If done right, customer engagement can reap fruits for the bank in terms of immense customer loyalty and trust for years to come.

Way forward

Winning and owning customer journeys is the new battleground for banking CXOs. These leaders understand how to put aspirations into action and are ready to make bold decisions for growth. Future success will come from hyper-connected and localised experience platforms. Banking leaders are striving towards establishing partnerships and leveraging banking-as-a-service principle to become a part of everyday customer decisions. They are maximising the potential of ecosystem to create innovation opportunities and foster sustainability. Changemaker conversations are testament to the significant progress banks have made and will continue to do in this decade.



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