



CUSTOMER EXPERIENCE IN THE DIGITAL WORLD: **FINANCIAL SERVICES**

How Digital Technologies Have Changed
the Lives of Financial Services Customers



The world of financial services is undergoing fundamental global changes in parallel with the growth in mobile devices, accessible information, and constant connectivity. In addition, a new business focus on customer experience (CX) is influencing investment priorities across most, if not all, departments.

Today's customers are placing a higher weight on digital experiences over physical or call center channels. [PWC's 2017 Digital Banking survey](#) found that 46% of customers will skip an in-person visit to bank branches altogether, preferring to engage on smartphones, tablets, and other online applications instead.

Financial startups, as well as established institutions, have started to invest in and leverage disruptive emerging technologies to simplify, enhance, and redefine traditional services—across spending, borrowing, managing, investing, and risk mitigation—in very significant ways. And, the rise of these digital innovations to meet new customer expectations is being led by FinTech (Financial Services Technology).

"Financial companies need to introduce experiences that are more social in nature, rather than the traditional services they provide today. It's not just digital innovation or transformation, where banks can compete for the future, it's also about re-inventing dated policies, processes and products for new and more discerning generations of connected consumers. UX design strategies and principles and human-centered design belongs in the C-Suite now more than ever."

— Brian Solis, Principal Analyst and Futurist at Altimeter Group, a Prophet company



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IMPLICATIONS OF DIGITAL DISRUPTION

CONSUMER AND BUSINESS BANKING

A recent [Deloitte survey](#) found that 90% of employees in financial services agree that digital technologies are disrupting the industry. Yet, only 46% believe their firms are adequately prepared to keep up. [Digital Banking Report](#) identified the top three trends related to digital transformation in retail banking are:

- Removing friction from the customer journey (61%)
- Improved use of data and advanced analytics (57%)
- Refinements in multichannel delivery (42%)

These trends aren't new—they haven't changed significantly year-to-year. But, it's becoming clearer that laggards are losing out. It's imperative for financial institutions, especially legacy brands, to move quicker, to figure how to differentiate, and to deliver greater value to their target customers.

INSURANCE

[According to EY](#), 40% of consumers decide to continue a relationship with their insurer based on the quality of their experience. For insurance carriers, this means that digital transformation has gone from being a futuristic concept to something that needs to be addressed immediately.

Disruptive technologies aren't just causing higher customer expectations, they're also creating new competitive threats and greater pressure to reduce costs, demanding a call for action to insurance carriers to:

- Offer a wider portfolio of products to consumers looking for high degrees of personalization.
- Incorporate innovation in back-office processes to become more responsive to customer experience expectations (e.g., fully automated claims management processes).
- Enable future innovation with better integrated data from sensors deployed within automobiles or buildings for smarter underwriting.
- Offer innovative product models, such as pay-per-use policies and peer-to-peer insurance.

"In a market where one-third of all customers say, 'all banks are basically the same,' it would make sense for executives and their teams to obsess over how to differentiate."

FORRESTER

INNOVATING WITH FINTECH AND CUSTOMER DATA

FINTECH

Newer business models are emerging daily to address ever-growing customer needs. These developments in FinTech are enabling exceptional and differentiated user experiences that are convenient, personalized, flexible, and secure—and, businesses are taking note. In the next three to five years, 82% of financial institutions expect to increase FinTech partnerships.

Innovative digital firms are changing traditional ways of buying and consuming in financial services, such as:

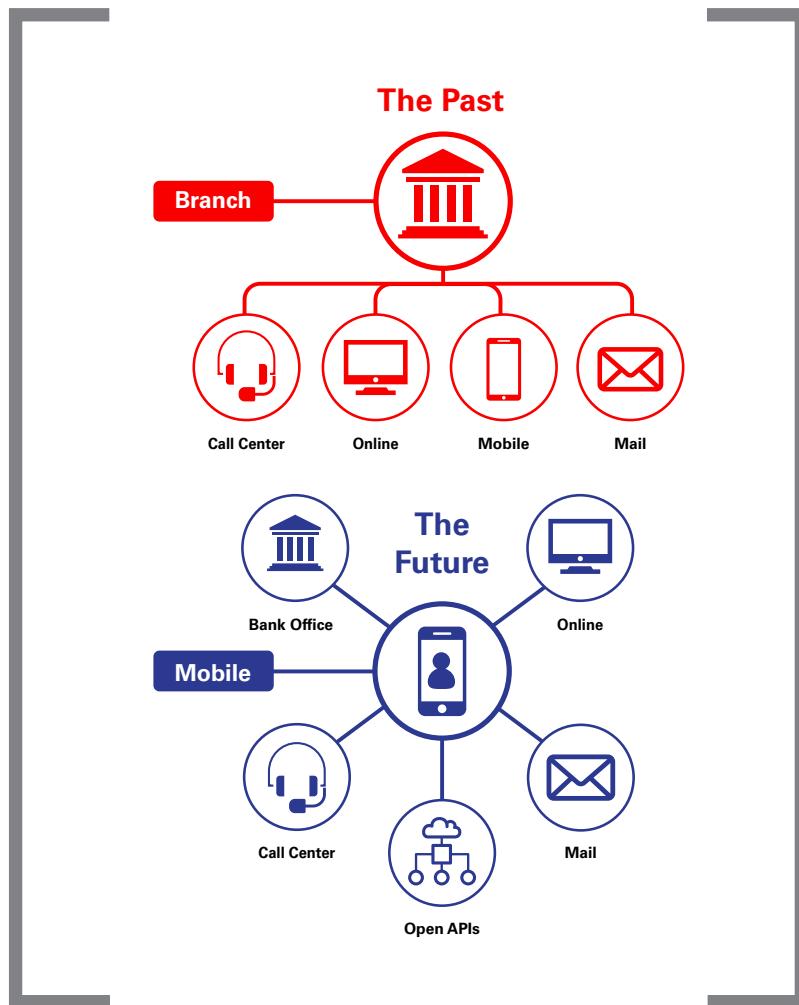
- Enabling mobile payments with the touch of a finger (Apple Pay and Android Pay)
- Making it easier, and faster, for businesses to process payments (Payfirma)
- Enabling peer-to-peer lending and payments (LendingClub and Venmo)
- Simplifying back-office payment management (Bill.com)
- Reinventing car insurance and underwriting (Root)
- Aggregating insurance (Brolly)
- Reinventing ways to mitigate risk through wearable tech



CUSTOMER DATA & ADVANCED ANALYTICS

Best-in-class financial institutions are harvesting all available customer and device data by applying advanced analytics and artificial intelligence (AI) to increase automation, improve personalization, reduce costs, enhance the customer experience, and assist with compliance. With each customer interaction and transaction, additional data is generated which enhances the accuracy of predictive models helping smart financial institutions get further ahead.

SIX CX PRIORITIES FOR FINANCIAL SERVICES



There are six areas that have emerged as crucial CX priorities for financial institutions:

1. Focus on the customer around whom all engagements and interactions must be modeled after.
2. Shift digital engagements from a focus on reducing costs to enhancing the customer experience.
3. Leverage all available data and use advanced big-data analytics, AI, and machine learning to provide highly relevant, in-the-moment, personalized experiences.
4. Enable 24/7 omnichannel customer engagements.
5. Evolve advisory and sales activities from being reactive to being proactive by leveraging robo-advisors to provide both self-service tools and to assist employees serving customers better.
6. Execute seamlessly across the entire customer lifecycle from shopping to account opening, to onboarding and relationship expansion, to service delivery (or claims processing for insurers).

ACCELERATING TRANSFORMATION IN BANKING

Consumer and business banking companies paving the way in customer experience are focused on innovating key areas of their business to meet customer needs. Technology is accelerating five key areas of transformation in banking:

1. Customer-Centric Banking

- Quickly and effectively leverage all available data and implement AI to predict needs, behaviors, and opportunities.
- Augment in-house data with third-party data to obtain complete customer information.
- Obtain deep insights into customer profiles (consumer, household, and business associations) and behaviors.
- Identify patterns and predict next best offers and actions.

2. Omni-channel Interactions

- Create an “engaged bank” by empowering employees, agents, and brokers with valuable tools and insights.
- Make intelligent ‘in-the-moment-of-need’ offers to customers.
- Enable transactions through any customer channel and device.
- Use AI to guide customers and provide a high level of service on any channel.

3. The Open Bank

- Share and capitalize on customer data leveraging modern SaaS, PaaS, and IaaS cloud technologies.
- Expand distribution channels and increase new product introduction through partner collaboration.
- Lay a strong foundation for future innovation with open standards.

4. Modern Account Based Marketing

- Identify and engage the right customers to get in front of the right people.
- Get deep insights and create targeted content for meaningful engagement with decision makers and influencers.
- Deploy accurate, flexible, and transparent lead scoring models.
- Collaborate effortlessly to maximize revenue.

5. Automation

- Increase efficiency with automated processes and information sharing across complex organizational structures.
- Securely simplify work execution.
- Empower customers with omnichannel, AI powered self-help to increase customer satisfaction.
- Streamline onboarding, automatically enforce business policies, and ensure auditability.



ACCELERATING TRANSFORMATION IN INSURANCE

Likewise, insurance companies must now focus on ensuring their business strategies meet customer needs. Here are three ways insurers can use technology to accelerate their transformation:

1. Smarter Customer Insights

- Connect digital IDs across people, equipment, devices, channels, and past interactions.
- Identify profitable customer segments and channels to pursue.
- Mitigate risks by integrating IoT, digital wearables, and customer behaviors into processes.

2. Omni-Channel Execution

- Share business opportunities, register business cases, create quotes, collaborate in real time, and deliver great results.
- Improve performance, motivate behaviors, and mentor best practices.
- Eliminate errors, increase productivity, and execute faster.

3. Automation

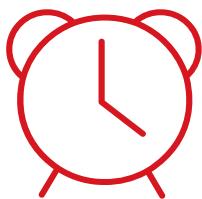
- Integrate onboarding, underwriting, and claims management by automating processes from end-to-end.
- Deploy a trusted master customer record to provide clean, consolidated, and complete information.
- Remove barriers between sales and service across the entire value chain.

WHY INTEGRATED CX SOLUTIONS ARE THE ANSWER

Oracle CX is delivering dramatic value for business in financial services around the world. It enables great customer experiences throughout your customers' journey, and lets you effectively engage with the right customers at the right time with the right offers across physical and digital channels to dramatically improve customer acquisition, retention, life-time value capture, and brand advocacy.

For financial services, Oracle's portfolio of CX solutions helps companies identify and engage with the right prospects, make relevant and timely offers and promotions at customers' 'moment-of-need', streamline sales and onboarding processes across the front-office and back-end systems, and deliver excellent support and service throughout the customer's life cycle.

Here are a few examples of the kinds of benefits businesses are realizing with Oracle CX:



22 minutes

A US payday loan company has retail locations to serve customers in dire need of financial support. After deploying Oracle CX, they have grown to nearly 1,000 retail stores and have serviced over 50 million loans through online and in-store lending. Business through their digital channels has tripled from 4% two years ago to 12% today. Best of all, they are able to execute prequalification-to-lending processes within 22 minutes!



\$6 million

A regional community bank with 155 branches in the North West US supports both consumer and business banking. They achieved a complete 360-degree view of the customer, which is shared across multiple lines of businesses to secure better up-sell and cross-sell opportunities with smarter recommendations, increasing profits by \$6M the first year alone after deploying Oracle CX.



20% conversion

A large insurance carrier in the US that provides multiple insurance lines generated a 20% overall conversion rate for basic insurance plans after deploying Oracle CX. They also achieved a 56% conversion uplift in one product segment. These increases helped the carrier to improve margins and market share in the overcrowded US insurance market.

It's Time to Deliver Tomorrow's CX **Today**.

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