CallMiner

# Four CX Trends That Will Shape Financial Services in 2023 and Beyond

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# Four CX Trends That Will Shape Financial Services in 2023 and Beyond

## Analysing 100% of omnichannel customer feedback could hold the key to transforming your organisation

The post-pandemic world looks drastically different for financial services firms. These organisations now face a hybrid return to work, an uncertain economy, and an increasingly challenging regulatory compliance environment. As an added challenge, savvy customers know that if they're not happy with their experience – numerous alternatives are just a mouse-click away..

On the bright side, there's never been a greater abundance of customer feedback available for financial services organisations to analyse, interpret and act upon. Customers are sounding off across multiple channels, providing a 24/7 feedback loop that, if tapped, can enable organisations to implement strategic changes and improvements.

### 5 biggest CX challenges for financial services firms

- Customer vulnerability (44%)
- Accelerated digitisation of feedback gathering (35%)
- Increased customer impatience (35%)
- Combatting customer support representative disengagement / lack of productivity (35%)
- Accounting for new feedback channels (35%)

**The CallMiner CX Landscape Report, 2022**

Effectively collecting and analysing this customer feedback is key. Let's take a look at four of the most prominent customer experience (CX) trends financial services must watch in 2023 and beyond, and how to address them through the effective use of technology, including AI-powered conversation intelligence.

## Trend 1

# Rising customer vulnerability tests financial services CX teams

Since the COVID-19 shutdowns in 2020, it's likely your firm has faced an influx of vulnerable customers. According to the **CallMiner CX Landscape Report**, 44% of financial services organisations named customer vulnerability as the top CX challenge.

Further, in May 2022, the UK's Financial Conduct Authority (FCA) reported that **nearly 25 million adults** in the UK displayed one or more characteristics of vulnerability (mental and physical handicaps, long-term illness, age, socio-demographic characteristics, behavioural characteristics and personal situations, among others). With recent economic developments including rising inflation and cost of living increases, these trends show no signs of slowing.

This trend is particularly important to monitor, as regulators start to crack down on fair and equitable treatment of vulnerable customers. We'll cover more on those regulatory challenges in the next section. To start, it's critical to understand which of your customers are vulnerable in the first place.

### What your financial services organisation can do

Few customers, especially those in vulnerable situations, are transparent and forthcoming with their personal challenges. Your organisation needs to listen closely, pick up on contextual clues, analyse sentiment and learn from past experiences to determine and act on customer needs.

Most organisations only analyse a small sample of customer interactions, which causes them to miss out on valuable insights. This makes it difficult to recognise trends in vulnerability across your customer base, identify individuals in crisis and establish strategies for how to best serve these customers.

Instead, solutions, like conversation intelligence, can help you capture, analyse and monitor 100% of customer interactions across multiple channels in a single system. Your organisation can follow your customers' journeys and repeat contacts regardless of what communication channel is used – from call to email and chat – and extract insight that can be used to improve processes, performance and decisions.

## Identifying vulnerable customers starts with listening

Here are three essential items to cover when it comes to customer vulnerability.

- **Monitor for and flag specific words and phrases** that insinuate vulnerability, with close attention to hardships such as job loss, illness, unemployment and abuse.
- **Screen for non-compliant language** such as harassing statements, raised voices and other risky behaviour that depicts emotional instability.
- **Look for signs of stress and agitation** in consumer and employee voices to help confirm vulnerability using best judgment

## Trend 2

## Global regulatory compliance gets complicated

As stated above, regulatory bodies such as the FCA and others have doubled down on protecting vulnerable customers, **publishing guidance** for organisations on how to treat this population fairly. Beyond vulnerability alone, managing customer complaints and agent process adherence are also critical concerns for financial institutions — particularly those in debt collections settings.

Even with a rapid rise in global compliance regulations, manual, labour-intensive processes are still weighing CX teams down. The **CallMiner CX Landscape Report** showed that 94% of financial services firms still do manual analysis of customer data to some extent. Are you one of the firms missing customer complaints or issues that risk fines or reputational damage?

### What you can do

Fortunately, most financial institutions recognise the importance of customer data analysis for compliance: 90% of CX leaders surveyed agreed they use this data to better meet compliance regulations and reduce risk. The issue is that many organisations face challenges in scaling their manual approach to QA and compliance checks.

For process adherence, you can use AI-powered conversation intelligence to monitor whether processes are followed, and in the right order. The system can inform QA teams of any red flags on agents' calls. From there, your QA teams and supervisors can drill down into these red flags and provide coaching and education opportunities to improve compliance

Conversation intelligence technology can help your organisation scale QA capabilities and monitor process adherence more effectively. It's a win-win for both your QA teams and agents alike. Your agents get much-needed feedback to improve performance, and QA teams can ensure compliance regulations are being enforced appropriately, with data to back it up.

You can also use this technology for complaints management, to increase the capacity for your teams that are accustomed to manual processes like logging agents' disposition codes. Even if customers leave happy, a conversation must be logged as a complaint (which doesn't always happen). AI-powered conversation intelligence analyses 100% of omnichannel customer interactions, interpreting whether there's complaint language at any point in the conversation.

Another important role for conversation intelligence is to coach employees on how to handle complaints before they escalate to management. This coaching can come in the form of real-time alerts that advise agents, or in post-call analysis, where your managers and/or supervisors can address any issues agents have with managing complex scenarios. A proactive approach to AI-driven coaching in these areas can reduce average handle times (AHTs) and customer effort.

95% of financial services firms use customer data to improve coaching, training, onboarding of customer support representatives.

## Trend 3

# Changing workforce dynamics challenge financial services firms to level up EX

While the pandemic forced a transition to remote work, many prominent financial services firms are demanding an in-person return to the office in 2023 and beyond. That doesn't sit well with many employees, who **demand continued flexibility** and trust. Firms that don't extend that flexibility may face turnover, or a loss of diverse and tenured talent.

At the same time, ongoing economic uncertainty has put added pressure on CX teams to ensure productivity. Your organisation must balance the need for productivity with data-backed strategies to engage employees and listen to their concerns. Prioritising employee experience (EX) is paramount to attracting and retaining top talent, particularly in traditionally high-turnover departments such as customer support.

### What you can do

The good news is that most financial services firms understand the connection between positive EX and CX. According to the **CallMiner CX Landscape Report**, nearly all (99%) believe that the way employees handle customer conversations has a direct correlation with perception of brand. In addition, 99% of the organisations surveyed believe CX and EX are linked.

The same conversation intelligence technology used to analyse customer feedback can be leveraged to improve EX, and provide data-backed coaching and training opportunities to your customer-facing employees.

In fact, 54% of financial services organisations are using unsolicited feedback sources for EX. These sources extend beyond solicited mechanisms like employee surveys and quarterly performance reviews to the feedback employees give on a day-to-day basis.

## Trend 4

# Financial services organisations are bullish on data; bearish on data-driven decision-making capabilities

Digital transformation initiatives, many driven by the pandemic, have increased the volume and variety of CX data available to financial services organisations. According to the **CallMiner CX Landscape Report**, 89% agree that digital transformation has led to a wealth of CX data. Even so, more than half of firms surveyed (56%) believe they could improve the way they use this data to their organisation's advantage.

Despite the wealth of data, 64% of organisations agree that they are unable to make data-driven decisions about CX. A staggering 70% deal with incomplete sources of data. With 91% of organisations wanting their team to better prioritise CX, the time is now to leverage customer insights to your team's strategic and competitive advantage.

### What you can do

With the right analysis, customer feedback data can transcend customer service and provide cross-departmental value to other teams, such as marketing, sales, product and beyond. However, only 38% of financial services firms believe they collect all the customer data they need. Most (82%) rely primarily on solicited feedback to understand their customers — via tactics like surveys, incentivised reviews, and more. Across industries, most traditional CX measurement programs are still based on solicited feedback (e.g. NPS).

The biggest untapped opportunity for your financial services firm lies in unsolicited feedback, such as the conversations the happen within your contact or customer service centre. While solicited feedback is valuable, it often only accounts for extremely positive or negative customer interactions — missing out on an entire middle ground of feedback. This dynamic misses the nuance that happens in an actual customer conversation vs. boiling it down to positive, negative, or neutral sentiment.

To contrast, by analysing 100% of omnichannel interactions with conversation intelligence, you can separate the signal from the noise, and determine concrete next steps for how to act on data.

# How Hoist Finance leveraged conversation intelligence to drive CX improvements

**Hoist Finance** helps six million customers across 11 countries in Europe stay committed to paying off their debts. Whenever customers are in contact with Hoist, they can rely on being treated in a consistent, responsible, and ethical way. The company leverages conversation intelligence to transform their business and drive significant operational improvements.

Hoist implemented conversation intelligence to drive a culture of above-and-beyond customer support, remove risk, and gain actionable insights to drive organisation-wide improvements. The company saw near instant results by analysing contact drivers, or the motivations behind why a customer calls.

Rather than relying on agents' disposition codes, or their interpretation of what happened after a customer call took place, the team was able to uncover a much deeper layer of data on customers' true motivations, providing a link between customer and agent perceptions. The team used this data to look for opportunities to digitise some customer interactions and provide feedback to agents on how to modify behaviours to better understand customer contact drivers.

The Hoist Finance team also uses conversation intelligence for post-interaction analytics. In the first year, the company identified multiple opportunities for process and compliance improvements. In addition, the CallMiner conversation intelligence platform provides insights to empower agents to navigate even the most difficult customer collections issues with empathy and grace.

### Recognising the power of silence

Sometimes the real value in understanding customer interactions lies in silence. Silence can hold a variety of meanings to different organisations. It can show that an agent is listening, emphasise a point, give a customer time to consider an offer, or signal an issue or need for process improvement.

For example, one agent had a high volume of silence at the end of his calls, after the customer had already hung up. It turned out that he was taking notes after the call had wrapped up, which was negatively impacting his scores due to unnecessarily long silence times. Once he became aware of this behaviour, his silence times immediately reduced.

In the first three months of 2021 alone, the company experienced a 46% reduction in silence time, and agents have become aware of more strategic ways to use silence to improve CX. Now that they've found simple ways to modify behaviours, the team will identify further benchmarks for what "good silence" looks like in the beginning, middle, and end of calls.

In the future, the team is looking into full automation of QA across all markets.

## Unlocking the potential of customer feedback

As we've seen through the trends described above, financial services organisations that leverage AI-powered solutions like conversation intelligence can increase their capacity handling challenges and exceeding customer expectations.

These solutions can be used to more effectively coach and train customer-facing employees, mitigate risk by monitoring all customer conversations for compliance purposes, identify trends for product or service improvements, improve sales and marketing outcomes, and more. Equipped with the right tools, financial services organisations can weather the uncertainty of economic constraints, while maintaining their commitment to excellence for their customers and employees alike.

## About CallMiner

CallMiner is the global leader in conversation intelligence to drive business performance improvement. Powered by artificial intelligence and machine learning, CallMiner delivers the industry's most comprehensive platform to analyse omnichannel customer interactions at scale, allowing organisations to interpret sentiment and identify patterns to reveal deep understanding from every conversation.

By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before. CallMiner is trusted by the world's leading organisations across retail, financial services, healthcare and insurance, travel and hospitality, and more.

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