The Impact of Data and AI on CX in the Financial Services Industry

How technology can help meet current challenges, drive operational efficiency, reduce risk and more in a complex customer experience landscape

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Economic challenges and reduced resources were the realities of 2023 for many financial services organizations. Like other sectors, financial services organizations were forced to reevaluate their technology investments, scrutinize headcount and decrease spending in the face of raising interest rates, stubborn inflation, continued supply chain issues, socioeconomic conflicts, and more.

Despite these challenges, many organizations remained committed to their customer satisfaction and retention initiatives. The most forward-thinking financial services firms also continued to invest in positive employee experience (EX) – that's because happy frontline employees often go hand in hand with superior customer experience (CX).

Further, 2023 was the year of artificial intelligence (AI), which has helped businesses do more with less, including enhancing CX – whether that's enhancing self-service options or improving how agents engage with customers. For financial services organizations, particularly those with large customer service operations and are beholden to strict compliance regulations, AI is making it easier to provide extraordinary experiences, even in the most complex situations.

CallMiner's annual CX Landscape Report looks at how contact center and CX leaders, including those in financial services, are approaching the adoption of technology to meet current industry challenges, drive operational efficiency, reduce risk, and ultimately improve bottom-line results. Among this year's findings, four key trends emerged.

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1.

Bouncing back from economic uncertainty

Many industries — financial services included — have not fully weathered the storm of inflation and are still reeling from global unrest. There is still a great deal of economic uncertainty. When will it end? Some analysts predict that the turbulent economy will achieve the so-called "soft landing" many have been anticipating in 2024, yet growth is expected to remain slow.

According to the **International Monetary Fund**, inflation will not return to target until 2025. Much of the banking industry's instability of 2023, caused by the **collapse of multiple regional banks in the U.S.**, seems to have leveled off, yet some uncertainty still lingers. Consumers are wary, and their trust must be earned. At the same time, with financial services organizations doing more with less, there is even more pressure on customer-centric employees.

According to **the 2023 CX Landscape Report**, 90% of CX and contact center leaders want their financial services organization to do more with fewer resources in the current economy. Yet, organizations may not be as efficient as they could be when it comes to analyzing and acting on their omnichannel customer interaction data. A deeper dive into this data could reveal a number of trends that directly impact contact center operations, as well as other cross-departmental business improvements.

Pro tip:
How to improve efficiency and compliance with CX data

According to the **CX Landscape Report**, half of financial services firms are still conducting mostly manual analysis of customer interaction data. That means they're using tactics like random call sampling to understand their contact center performance and adherence with compliance regulations. The problem with this approach is that typical quality assurance (QA) analysts can only listen to **3 to 5 random calls** per agent, per month — less than 1% of overall interactions. The ability to uncover insights that only materialize when interactions are analyzed at scale is lost in the other 99% of calls.

In addition, 63% of teams say the majority of feedback collected is solicited. In other words, they're reaching out to customers to understand their sentiment and emotion or gauge their reaction to certain products or services. But surveys and other methods of solicited feedback only go so far.

Many financial services organizations are missing out on a wealth of unsolicited feedback from customers (e.g. obtained via contact center interactions, social media posts, and unsolicited user reviews, among other channels). Automating most of this manual data analysis can take pressure off of compliance and QA teams, and enable them to analyze 100% of omnichannel customer feedback to drive critical business improvements.

2.

Leveraging AI to optimize CX

2023 saw an explosive growth in the use of AI, as generative AI solutions captured the public's attention around new and exciting applications. In fact, 92% of financial services organizations surveyed in the **CX Landscape Report** agree that AI will help them be more efficient optimizing CX under financial strain.

Today, these organizations are using AI to:

- Automate repetitive tasks – **46%**
- Increase the amount of customer interactions that can be analyzed – **44%**
- Deliver real time guidance to employees during interactions – **44%**
- And more

The hype around AI shows no signs of slowing down. However, organizations should be conscious about building AI into their employees' workflows, ensuring users can gain direct and immediate value from this technology. This is particularly important for AI-powered technology such as conversation intelligence, which aims to optimize CX.

As referenced in the **Forrester Wave: Conversation Intelligence for Customer Service, Q3 2023**, "The true standouts are those that have gone beyond the basics, crafting enterprise-ready workflows that intelligently incorporate generative AI and ML. As buyers consider their options, they should prioritize vendors that not only incorporate AI and ML but also prioritize their role in augmenting human workflows, empowering frontline agents and operations staff."

Pro tip:
Leveraging proven AI for CX and contact center applications

Some teams may be tempted to build their own solutions from publicly available generative AI models. The problem with this approach is that many organizations underestimate the amount of work that goes into building, testing, and maintaining these solutions at enterprise scale. Not to mention, **generative AI is not always the best AI technique for every task**, like redacting sensitive data like PCI and PII.

Instead, leveraging a proven enterprise-ready AI solution, purpose-built for CX and contact center use cases, such as conversation intelligence can help. These solutions mitigate some of the risks and fears around AI and can tie into frontline workers' and analysts' existing workflows, ensuring that the data captured and analyzed can be applied to solving real business problems, at scale.

The following are examples of just some of the workflows that can drive CX value:

Coaching: Coaching workflows uplevel your entire agent base, making it easy for supervisors and managers to provide data-driven feedback that accentuates positive behaviors, and continuously improves upon customer service benchmarks.

Agent guidance: Real-time monitoring and alerts provide agents with in-the-moment guidance on the best course of action, making it possible to meet compliance demands and deliver exceptional CX.

Closed loop feedback: Addressing organization-wide awareness gaps can drive better business outcomes across the board. For example, if there is a critical compliance lapse that puts the organization at risk, getting that information to the right leaders at the right time to take action, such as a chief compliance officer, can immediately mitigate risk.

Easier and faster analytics: Pre-built solutions and content can deliver faster, in-depth, and actionable analytics, speeding up technology deployment and time to value.

Summarization and after-call work: AI-powered summarization and post-contact analytics reduces human effort, making it possible to understand the outcomes of customer conversations at scale.

Top five uses for CX data in financial services

Here's how financial services organizations are using their CX data and applying it toward enterprise-wide business improvements.

36%
Improve contact center efficiency and KPIs

36%
Drive the organization's product or service innovation roadmap

35%
Evaluate effectiveness of brand strategy and understand brand sentiment

34%
Quickly rectify issues with products and/ or services before they become critical

34%
Understand customer satisfaction and loyalty to proactively reduce churn and attract new customers

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3.

Keeping emphasis on employee experience

According to Forrester, both employee engagement and culture energy metrics declined between 2022 and 2023, with return-to-work mandates and job uncertainty making the employment climate difficult for many workers to predict. The research and advisory firm expects further declines in 2024 in both of these metrics, and predicts an "EX recession," in which many companies may be tempted to cut back on resources to develop their talent.

However, the picture doesn't have to be that grim. It is possible for financial services organizations to invest in their talent, without overextending the budget. Doing so is critical to building both skills and morale, as well as effectively supporting customers. In fact, nearly all of the financial services companies surveyed in the **2023 CX Landscape Report** understand the distinct correlation between CX and EX.

These teams understand the need to keep their frontline workforce engaged, offering the training, one-to-one coaching, and positive reinforcement they need to exude confidence and reassurance to customers, as well as stay compliant with industry regulations. The financial services firms surveyed are ensuring that frontline EX has a positive impact on CX in these top ways:

- Identifying/taking action on how processes can be improved - **53%**
- Implementing real-time guidance during customer interactions - **50%**
- Creating thorough onboarding processes for CX and contact center - **49%**
- Providing AI-driven scoring of customer interactions and agent performance - **49%**

Organizations that keep a steadfast focus on employee experience in 2024 will see even more value, creating a culture of continuous improvement both internally and externally. Employees that are well-supported and can see a pathway toward career growth and development within their organizations are more likely to go above and beyond for customers.

Pro tip:
Provide frontline workers with data-driven feedback loops

- **Start small:** Give frontline agents a baseline from which to improve (e.g. scorecards that leverage AI-based analysis of 100% of customer conversations)

- **Implement real-time feedback:** Real-time alerts can help agents work through difficult customer conversations, avoiding escalations, reducing risk and compliance issues, and speeding resolution times. Real-time conversation intelligence can also identify and flag positive behaviors to reinforce what they're doing well and build morale

- **Provide regular data-driven coaching:** Conversation intelligence gives managers and supervisors real data on areas of improvement and success, so that one-to-one feedback sessions are more productive and targeted for everyone involved

- **Encourage frontline agents to weigh in:** Feedback is a two-way dialogue. It's important to discuss how these systems are working for agents and how they could be improved

4.

Improving cross-functional use of CX data

Financial services organizations are the most likely out of any sector surveyed in the **CX Landscape Report** to use customer insights for data-driven decision-making. These decisions can extend far beyond the contact center, improving operations for departments including sales, marketing, product development, compliance and more. In fact, any department can use customer feedback to become more effective. With that said, financial services teams still feel there's plenty of room for improvement: 60% say they don't use customer feedback to their best advantage.

In 2024, financial services teams will have to overcome the challenge of cross-functional collaboration and data-sharing to gain business value from customer insights at scale. More organizations will share these insights across departments and act on the data, driving bottom-line impact beyond the contact center.

Pro tip:
Leverage CX data cross-functionally to drive ROI

- **Start with the baseline:** Set achievable goals. For example, at least partially automate QA to unlock immediate efficiency and compliance benefits, and gain actionable insights for contact center improvements. After you've proven the value of conversation intelligence, it will be easier to convince other team leaders to expand its use to their departments

- **Think about improving workflows:** Technology needs effective workflows to get information to the right people at the right time. Look for a conversation intelligence solution that provides workflows for a wide range of users and cross-departmental use cases

- **Work with external teams to leverage customer data:** Whether it's through enriched BI-based reports shared directly with teams, or reporting on customer outcomes to the board, sharing data is a first step to driving change

- **Start with a specific question and work backward:** Conversation intelligence systems are easily searchable and can provide a wealth of insights. Sometimes it starts with asking a specific question and drilling into the data to answer it

- **Aggregate insights to uncover trends**: When there isn't a specific question in mind, stepping back to look at aggregate data can uncover important trends. For example, by looking at aggregate interaction data, you may find indicators of customer dissatisfaction with a certain product or feature that's easy to improve

- **Consider the holistic customer journey:** Layering conversation intelligence insights with customer journey mapping can help your team make specific improvements that remove friction from the journey and improve bottom-line business outcomes

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Enhancing the capacity of a customer-centric financial services organization

While 2024 still holds a lot of uncertainty, financial services organizations are faced with the opportunity to gain more control over both their customer and employee experience. With the right strategies and technology in place, like AI-based conversation intelligence, these organizations can leverage 100% of customer insights to their business advantage — not just in the contact center, but cross-functionally in other departments.

With the right workflows, AI can help build capacity in frontline agents and help organizations scale tasks that feel insurmountable, such as manual QA or compliance analysis. Using trusted, proven conversation intelligence solutions, organizations can reduce risk and do more with the resources they have. Perhaps most importantly, they can realize the vision of becoming a truly customer-centric organization.

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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 analyze omnichannel customer interactions at scale, allowing organizations 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 organizations across retail, financial services, healthcare and insurance, travel and hospitality, and more.

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Corporate Headquarters

200 West Street
Waltham, MA 02451
+1 781 547 5690

Sales

sales@callminer.com

Social

facebook.com/callminer, inc.

twitter.com/callminer

linkedin.com/company/callminer