

Next-Level Customer Service Operations in Banking

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29/06/2023 Ten levers for highly efficient and customer-centric banking services.

Modern banking is expected to integrate seamlessly into customers' daily routines, providing personalized and user-friendly digital products and services that meet their needs. As the primary point of contact, customer service is a key factor in maintaining loyalty and attracting new customers—especially with today's low barriers to switching banks. At the same time, cost pressure is forcing banks to invest heavily in digitalization and automation in service centers and banking operations to become more efficient and reduce the cost per customer contact. To deliver outstanding service and manage costs effectively, banks need to implement future-proof channel strategies that meet their customers' needs while using state-of-the-art technology.

As digital business models continue to disrupt the financial services industry, banks face increasing

pressure to digitalize their organizations. To meet these changing demands while controlling costs, banks are automating backend processes and enhancing frontend products and services for a more seamless and efficient experience. While challengers opted for simple, highly digitalized customer journeys within a focused channel setup, many traditional banks expanded their channel portfolios and prioritized the personal human experience over digitalization and automation. However, this approach often resulted in unmanaged channel complexity, limiting the desired omnichannel experience and service availability that customers expect.

Two divisions are crucial for customer satisfaction

In banks, customer requests are typically managed by two distinct divisions: the service center and banking operations. The service center acts as the primary point of contact for customers with inquiries ranging from general product information to administrative change requests. The banking operations division is responsible for the actual processing of those requests as well as others like establishing a new bank account. Both divisions handle high volumes of requests and play a crucial role in ensuring customer satisfaction.

An effective channel strategy is essential for overcoming these and other obstacles and achieving a competitive customer experience while reducing costs per interaction. Direct banks have already seen promising results by implementing such strategies. We believe that the growing digital lifestyle and recent technological advancements present an ideal opportunity for banks to evaluate their customer service and operations maturity and chart a course towards the next level of servicing customers.

Four core objectives to guide banks through the transformation

Porsche Consulting defined four core objectives to guide banks through this transformation These objectives have proved effective across multiple projects, leading to higher efficiency and improved customer satisfaction while supporting ambitious growth strategies.

Unfortunately, the current state of service centers and banking operations in many banks is far from optimal. Customer expectations are not consistently met, e.g., in terms of availability and fast problem-solving. In addition, these divisions often lack effective steering mechanisms, while key processes are inefficient and technology solutions are outdated. The resulting productivity issues and low degree of automation are significant weaknesses that must be addressed.

Seven plus three levers to make the transformation happen

Porsche Consulting suggests 10 levers to transform service center and banking operations into highly efficient, customer-centric divisions that meet customer needs: easy-to-use products, multichannel experience, 24/7 customer service, high availability, fast problem-solving, modern communication,

personalization, and human touch.

AI solutions free up capacity of human agents

A clear channel strategy is essential for successful transformation. This strategy should outline in detail the interactions between customers, channels, products/services, and the service center and banking operations. Throughout the process of solving problems or submitting changes, customers should receive clear guidance. Conversational AI solutions such as chatbots and voicebots can handle frequently asked questions, execute processes such as bank transfers, or transfer to human agents as needed.

Human agents should be assisted by AI and work with an integrated contact center platform that provides access to all necessary information and processes. With efficient request processing, agents can focus on more complex tasks, resulting in high customer satisfaction. Historical and real-time data collected through the integrated platform can be used to constantly optimize steering and performance.

Standardized products and a wide range of self-services available on all channels provide a foundation for efficient processing and scalability. Highly automated processing in banking operations is achieved using state-of-the-art workflow systems and document management.

Key takeaways:

- In today's customer-centric marketplace, excellent customer service is crucial to retain customers and gain new ones. Poor customer service can easily lead to customers switching to other banks. Therefore, it's important for banks to stay attuned to customer needs and trends in customer service.
- To increase customer loyalty and revenue while managing costs effectively, banks should implement a channel strategy that meets customer expectations and utilizes automation technologies to make end-to-end processes more efficient.
- Adopting technologies like conversational AI can help banks provide faster, more personalized service to customers while reducing staff workload. This will have a significant impact on business and help compete against challengers.

Transforming service centers and banking operations is essential for banks to remain competitive. As such, high-quality customer service and effective banking operations have become major topics for banking executives in recent years. By delivering on changing customer needs and utilizing the latest technologies, banks can thrive in today's fast-paced, customer-focused environment.

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