A PRACTITIONER'S GUIDE

How to Identify and Remove Digital Friction in Financial Services

Make Exponential Gains with "Low-Hanging Fruit" and Have a Big Impact on CX, Customer Loyalty, and Share of Wallet

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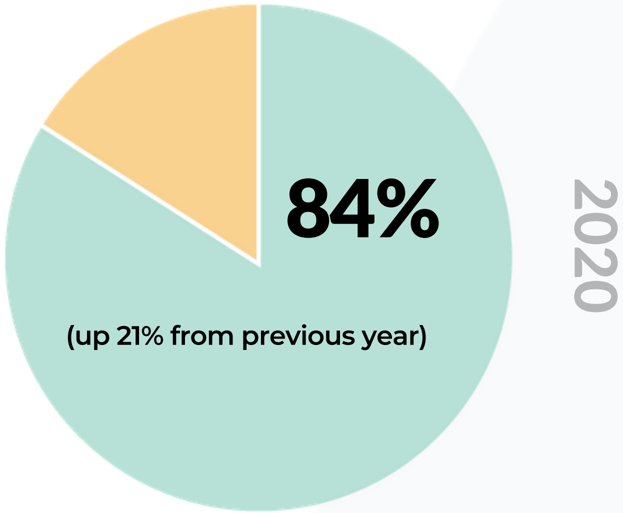
Digital Transformation Falls Below Expectations

Digital transformation is top-of-mind in the executive suites of financial services companies. But it's not yet top-of-wallet.

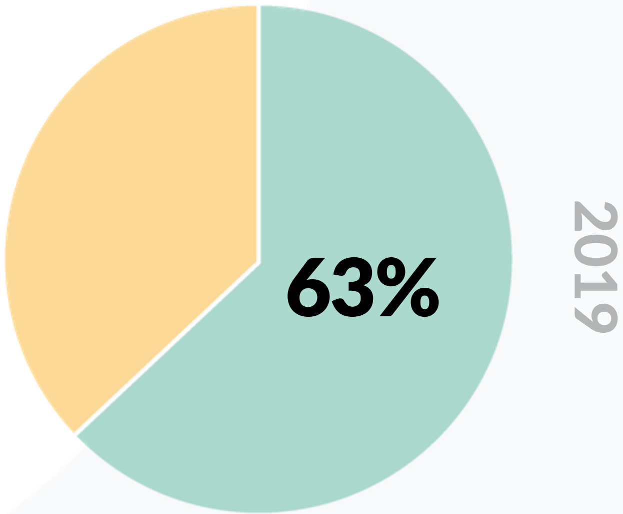
Eighty-four percent of CEOs at financial service companies have a management initiative to make the business more digital, up from 63% in the previous year, while 33% of financial services CIOs tagged digital as their top priority (Gartner). Some CIOs, like Capital One's Rob Alexander, have taken to referring to their organizations as "software houses."

However, even as critical backend initiatives like big data cloud migration move forward, the financial services industry lags behind in one crucial digital domain — customer experience.

Many are still novices when it comes to simple "blocking and tackling" in CX. As financial services become increasingly perceived as commodities by consumers, an outstanding digital customer experience has moved from the realm of "nice to have" into the domain of "must have."



Percentage of financial services CEOs who say they plan to make the business more digital



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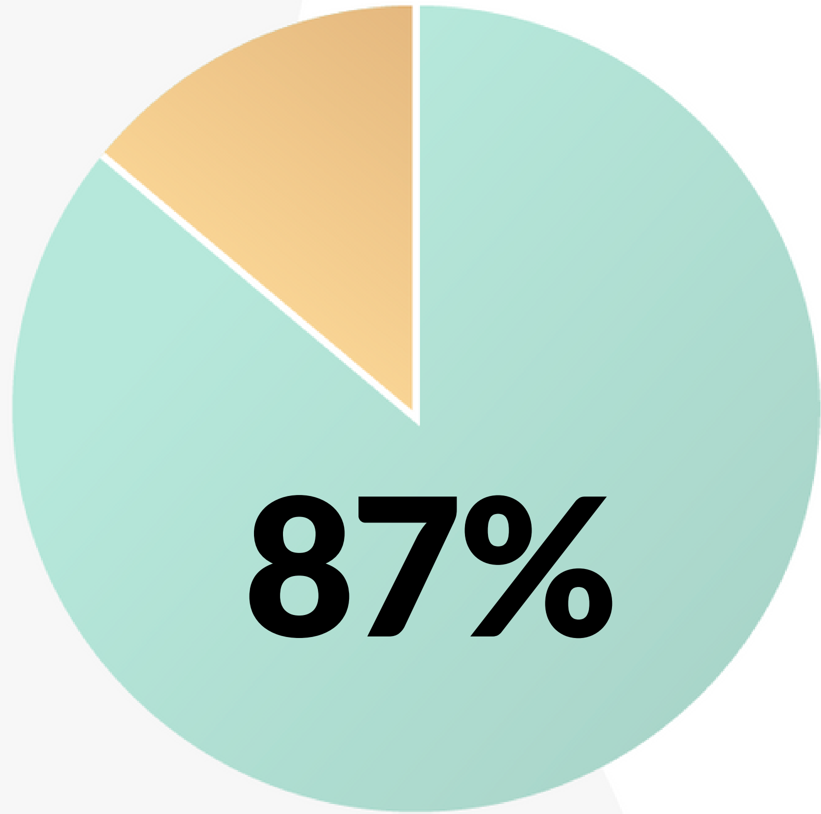
Make Exponential Gains with “Low-Hanging Fruit”

The competition in financial services is fierce and customer churn is a constant concern—especially with the Amazon-ification of customer experience, the onslaught of fintech upstarts, and the growing numbers of digital natives.

Serious threats from technology companies that are forward integrating into financial services also can’t be ignored. As an example, Google announced it will be offering checking accounts. The Motley Fool’s coverage of the Google announcement issued a stern warning: “US banks are weak at almost everything, including controlling expenses, streamlining operations, enhancing productivity and successfully targeting the high growth market segment of millennials.”

Still, a recent study found that 87% of Americans still trust traditional banks more than non-bank financial institutions. This gives traditional financial services companies the opportunity to maneuver.

Big change initiatives are important to digital transformation. But small change can be equally important when it comes to digital customer experience. Friction points can be as minor as a misplaced call-to-action yet carry disproportionate impact. To keep customers coming back, transacting, and happy, here are nine ways that financial services companies can make exponential gains in customer experience by reducing digital friction.



Percentage of Americans who trust traditional banks more than non-traditional financial institutions.

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01

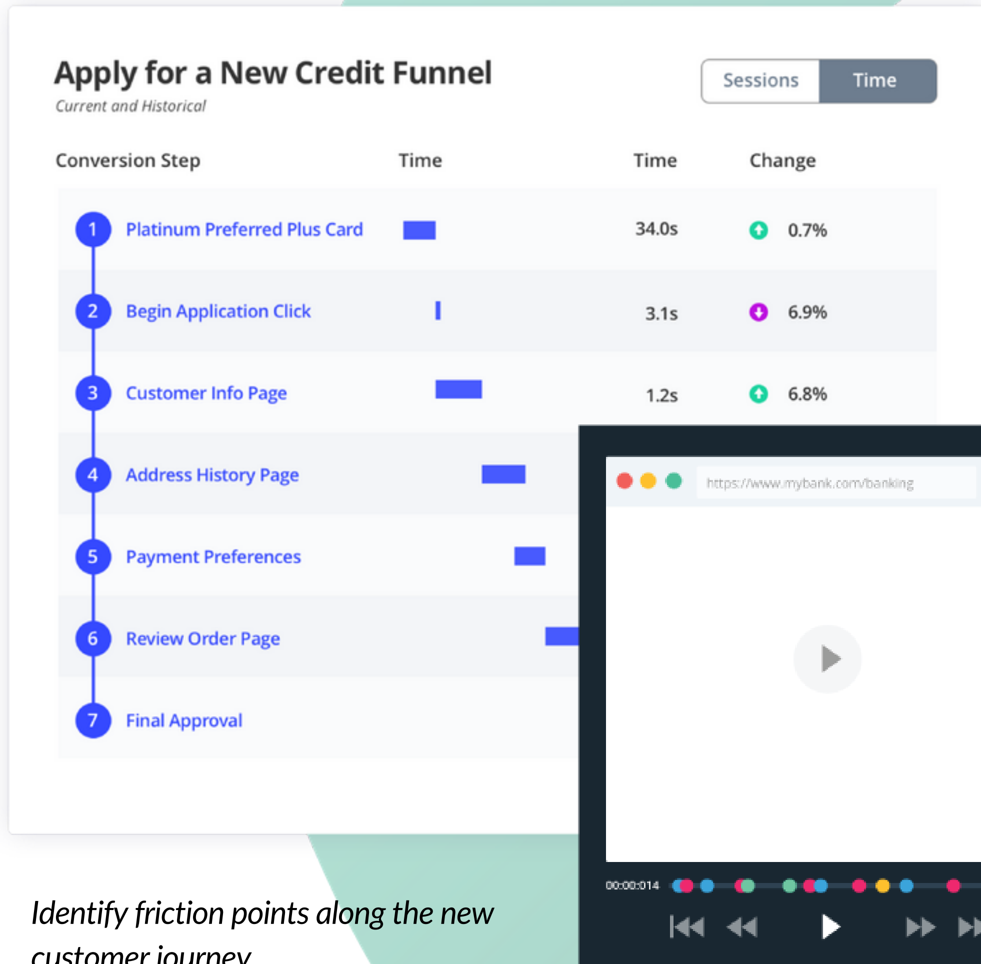
Monitor and View New Customer Journeys

New customer journeys are your bread and butter—whether it's an acquisition funnel to grow new accounts or an onboarding journey that leads to repeat self-service. These critical initial interactions pay back in dividends and deserve special attention.

Define those high-value, new customer journeys—for example, account sign ups, applications, or first time deposits. Capture funnel insights at the macro and micro levels, e.g. every step of the funnel. Closely monitor changes in conversions, drop-offs, or time spent on each stage.

Most importantly, get to the "why" faster with visual evidence of the customers' actual experience. Viewing a few session replays that correspond to sudden drop in conversion, as an example, can help you quickly diagnose the problem and course-correct to reduce negative impacts on customers and business outcomes.

It's critical to get to the "why" behind drop offs in important acquisition and new customer funnels. Often, the fastest way to do that is by watching customers' actual sessions behind the data.



Identify friction points along the new customer journey.

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02

Look Across the Complex Cross-Device Journey

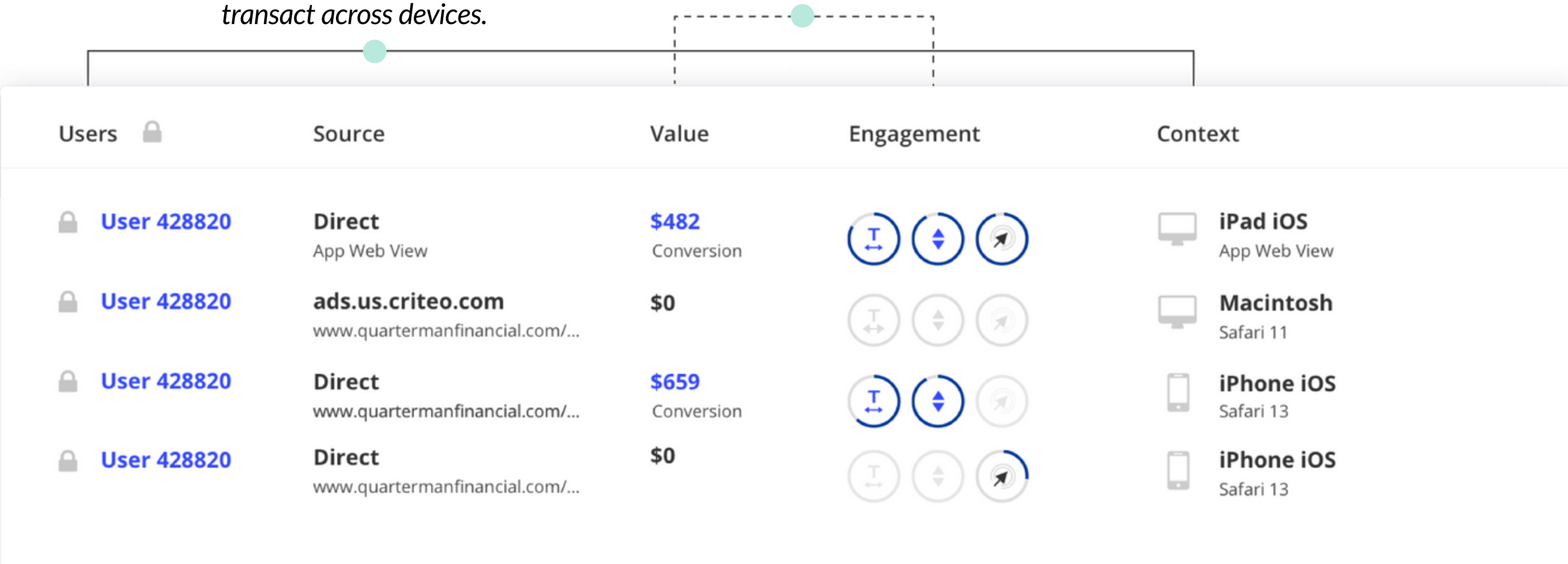
Moving across channels and devices is second nature for today's digital consumers—and financial products are no exception. More than half of respondents in a recent FSI consumer survey want to be able to switch seamlessly between digital channels. Nearly 80% expect to be able to switch between online and phone channels during a given transaction.

To provide users the seamless omnichannel experience they demand, financial services companies need to unify views of the desktop, mobile website, and mobile (or hybrid mobile) app experiences.

> The sharper your visibility over the complex cross-platform user experience, the happier you can make your customers.

Optimize how customers transact across devices.

Measure successful transactions and engagement by device.



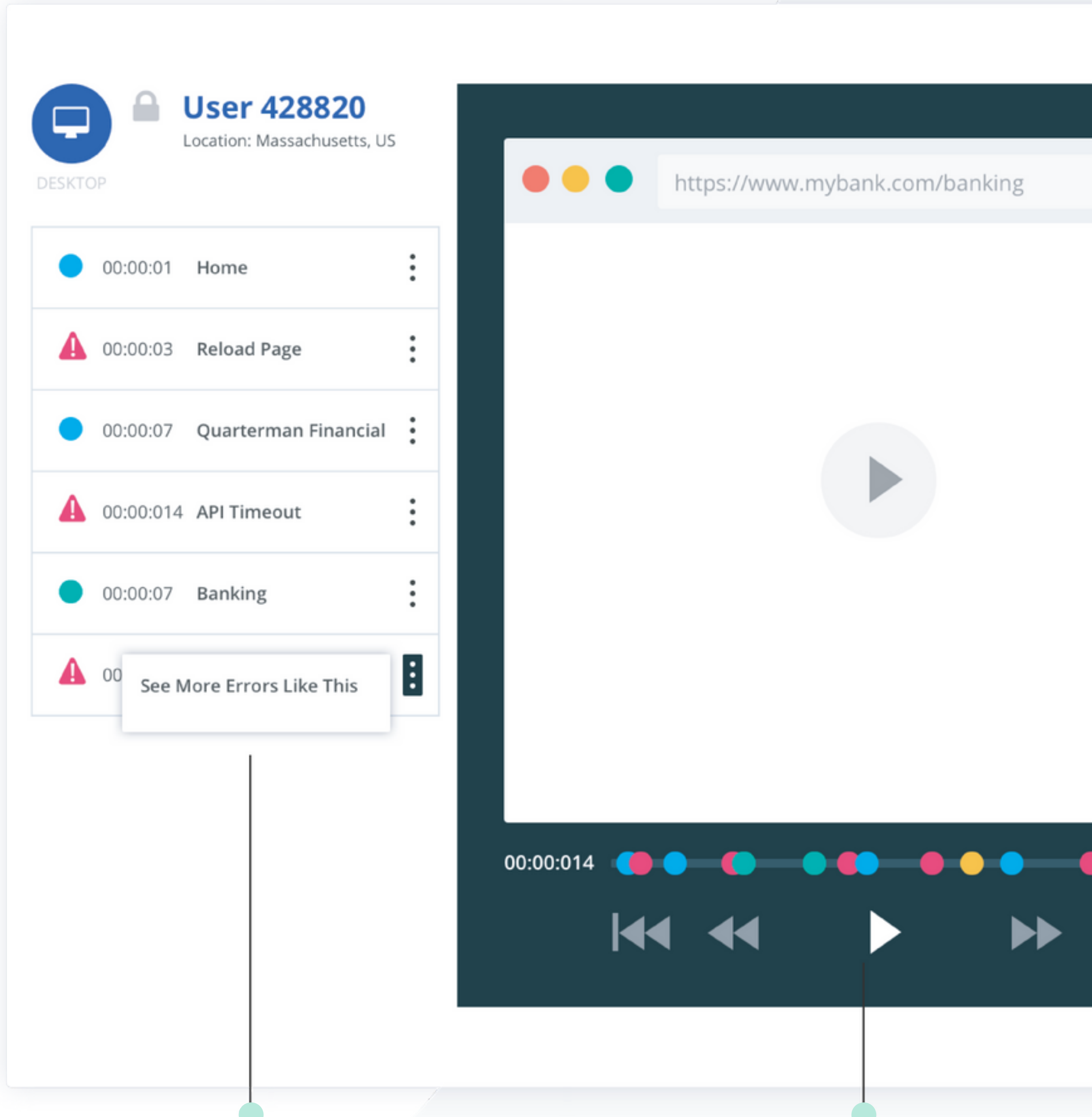
03
Quantify Customer Feedback

Voice of customer (VoC) solutions are tablestakes for any brand today, and FSI providers are no exception.

Yet direct feedback only tells part of the story. Surveys, website feedback forms, and customer complaints to call centers are important but difficult to analyze and quantify. Rolling up critical feedback into NPS rarely helps to improve customer experience.

When there's a technical glitch behind one customer's feedback, how many other customers were impacted, which segments, and since when? Most importantly, can you quantify this impact in terms of conversion and revenue in order to prioritize remediation?

Customer feedback doesn't always align with what will have the most impact on the business. Quantify, then prioritize feedback.



From your survey platform, click on a replay link to watch a user session. Here you can find the exact moment of friction. "See More Like This" to immediately quantify how many others were impacted.

04

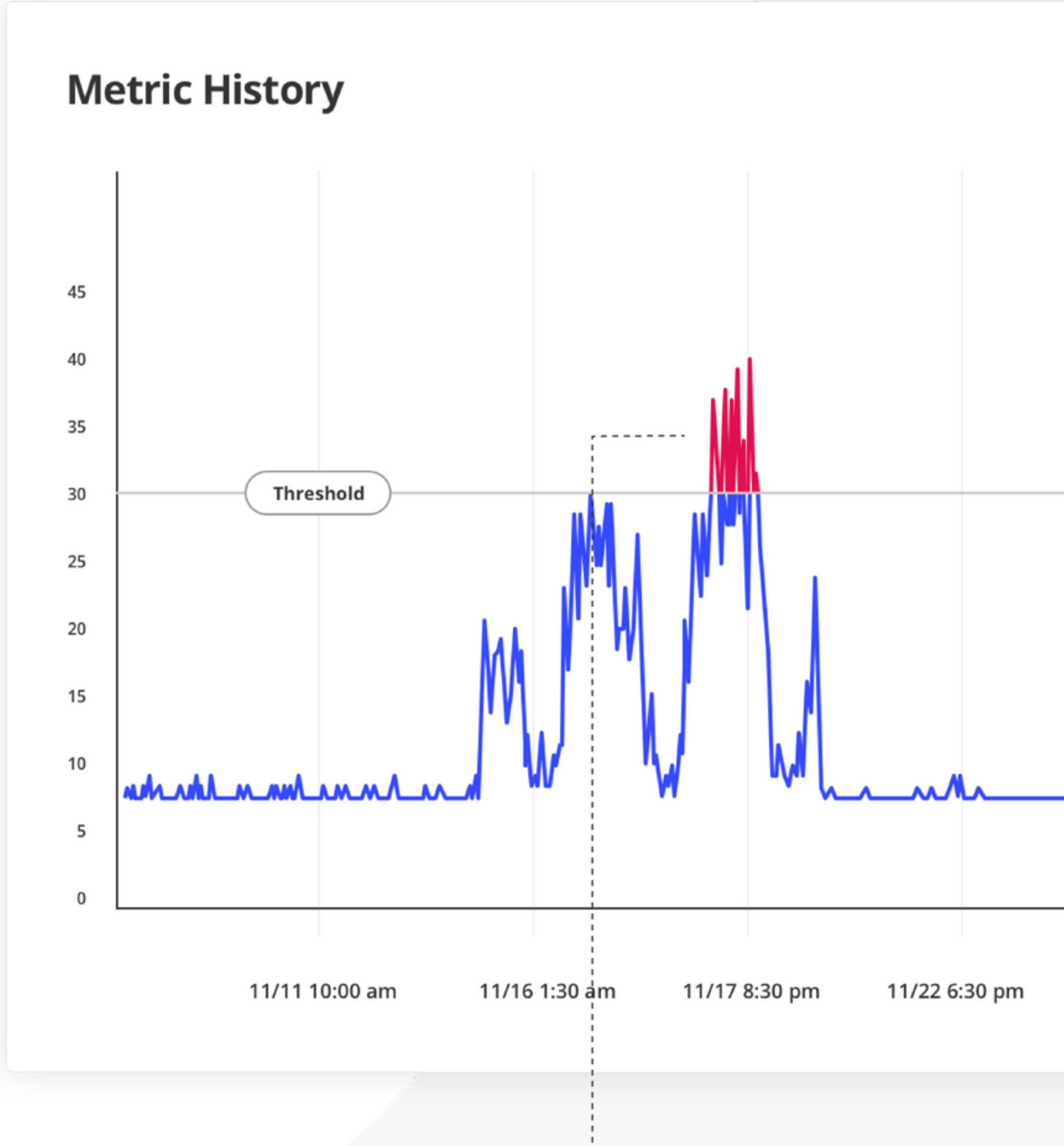
Get Ahead of Break-Fix

The software that drives your customer experience is in constant flux. New releases and bug fixes drop daily and frequently cascade in unexpected ways.

Often, bugs don't show up with sufficient frequency to raise alerts during QA. This means that digital stakeholders only discover there's a problem when they see a sharp drop-off in conversions or a spike in angry call center calls. By then, the damage is done—both to the customer experience and to brand reputation—and the race to remediate begins.

To get ahead, you need systems that help you automatically and proactively identify UX issues or technical defects, as well as business KPIs. Assess the broader potential impact of individual feedback by understanding similar errors with other users and then quantifying impact to prioritize the fix.

Getting ahead of the break-fix routine results in less reactive work, smoother customer experiences, and fewer support calls.



Stay ahead of constant break-fix with proactive alerts when important UX, technical, and business KPIs fall below or exceed thresholds.

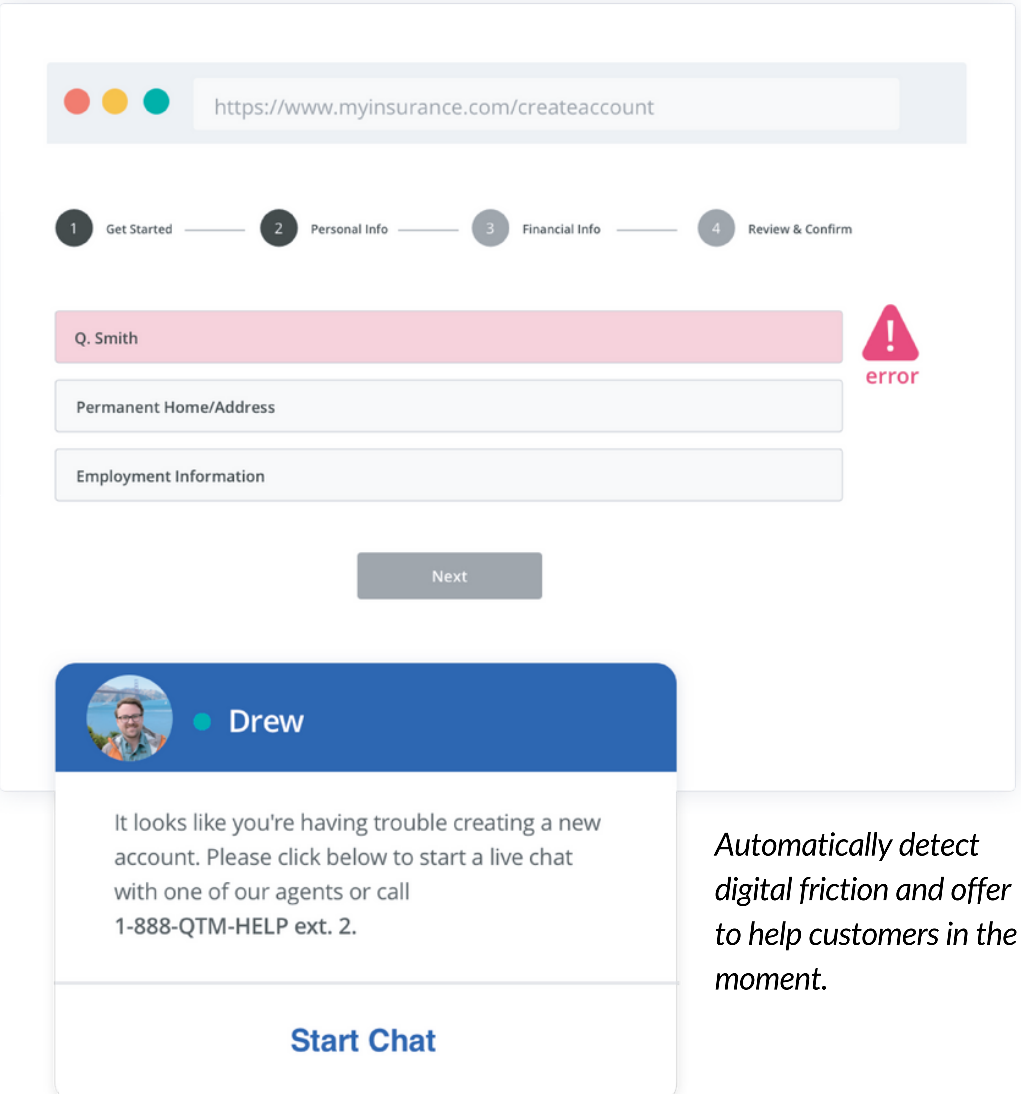
05

Rescue in the Moment

When a customer is struggling onsite or in your app—especially during a high-value interaction—why let them get so frustrated that they make an angry call to a support agent or worse, drop off?

If you can detect customer friction in real-time, you can rescue customers “in the moment.” For example, have a live rep reach out via a chat window, provide a direct escalation phone number, or any other action that will placate and please a valued customer.

Yet economies of scale dictate that you can’t reach out personally to every struggling customer. This is why it’s crucial to not just automate detection of struggle, but to pair that with data on high-value customers or high-value interactions, e.g. filing an insurance claim, transferring large amounts of money, or buying securities.



Automatically detect digital friction and offer to help customers in the moment.

Customers inevitably encounter digital friction. Stepping in at the right time to rescue the moment turns you from the villain into the hero.

06

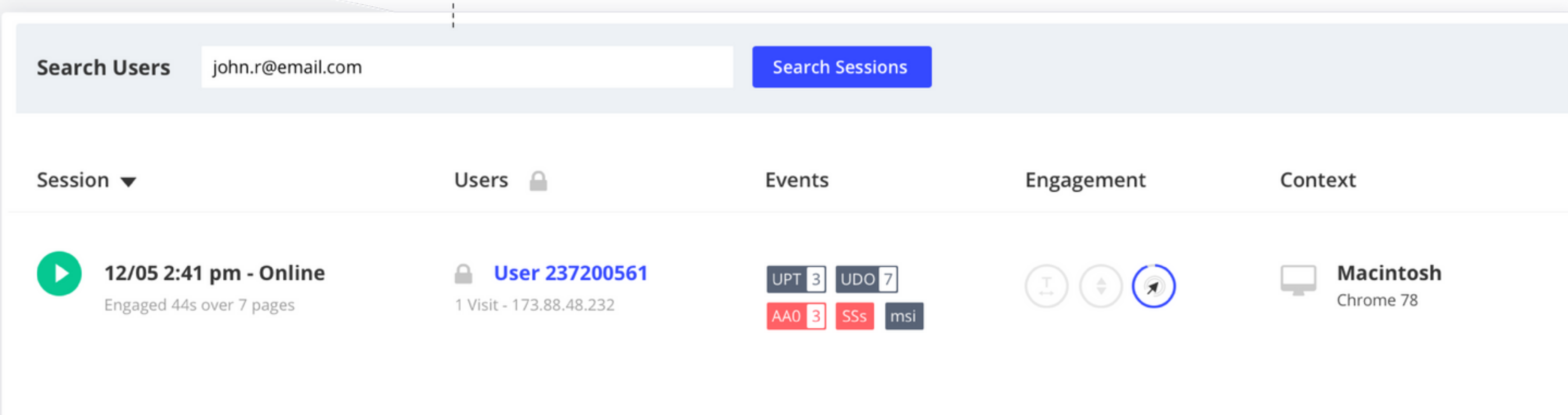
Enable Real-Time Agent Support

No one likes to tell the same story more than once—certainly not irate digital customers. Before a customer finishes describing their problem, an agent should already know who he is, what he was trying to accomplish, and what friction was encountered.

Empower your support teams with live replays of customer sessions so agents can visualize what a customer experienced and instantly troubleshoot. Aside from creating happier customers, this can markedly lower average handle times and reduce Mean Time to Identify (MTTI). Moreover, it can facilitate faster helpdesk resolution—enabling tech support to view the customer's sessions and better diagnose resolution.

Seeing the problem can help agents take a huge step towards resolution—before a customer even finishes describing their problem!

Enable agents to watch a customer replay only after the customer has provided identifying information, such as email.



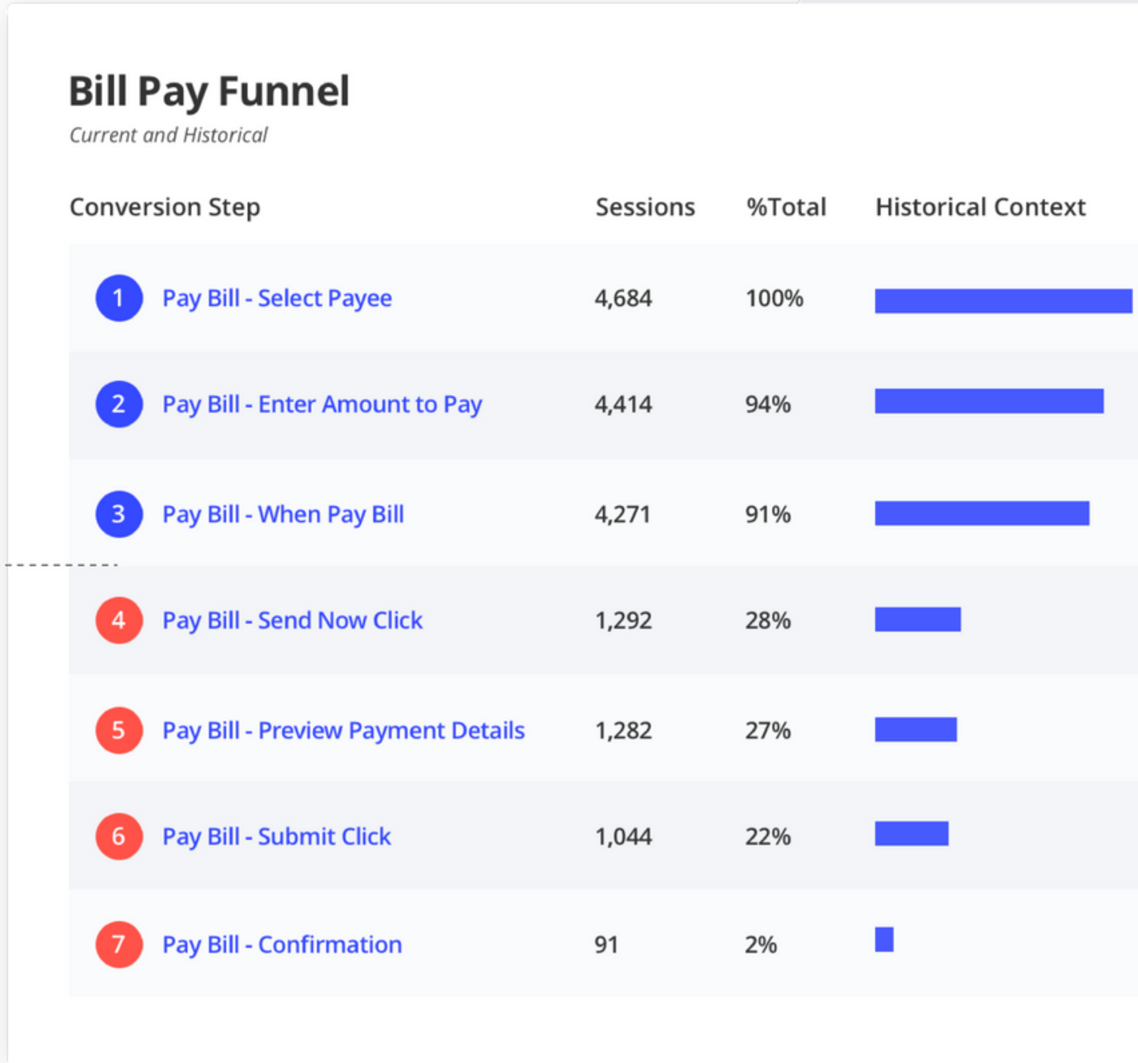
07

Benchmark Self-Service Tasks

How easy (or hard) is it for your customers to accomplish the most common self-service tasks? For example, how many steps does it take, exactly, to pay a bill online? How much time does it take to check a balance on your mobile app? How do these numbers vary by key customer segments? Is it the same on the browser as it is within the mobile app?

Establishing a baseline for comparison is the first step to improving customer digital experience. Granular and ongoing measurement of key engagement and customer experience metrics enable the constant improvement and innovation that digital customers expect. It also immediately impacts another KPI: call center volume—because smoother self-service processes result in fewer customers who need to call for help.

Improve the self-service experience by continuously benchmarking and finding opportunities for optimization.



Bill Pay Funnel

Current and Historical

Conversion Step	Sessions	%Total	Historical Context
1 Pay Bill - Select Payee	4,684	100%	
2 Pay Bill - Enter Amount to Pay	4,414	94%	
3 Pay Bill - When Pay Bill	4,271	91%	
4 Pay Bill - Send Now Click	1,292	28%	
5 Pay Bill - Preview Payment Details	1,282	27%	
6 Pay Bill - Submit Click	1,044	22%	
7 Pay Bill - Confirmation	91	2%	

You can benchmark time spent on each step of important self-service tasks, like paying a bill online.

08

Know That All Friction Isn't Equal

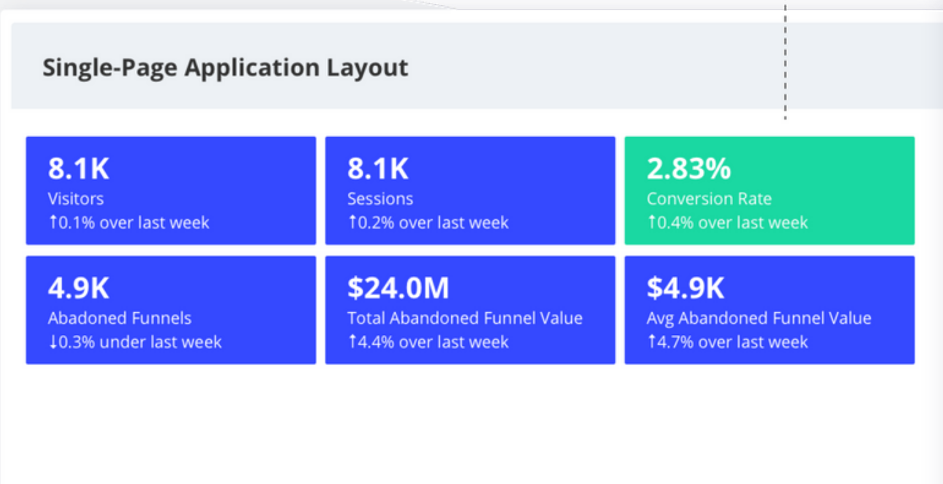
Not all friction is bad friction, especially in financial services.

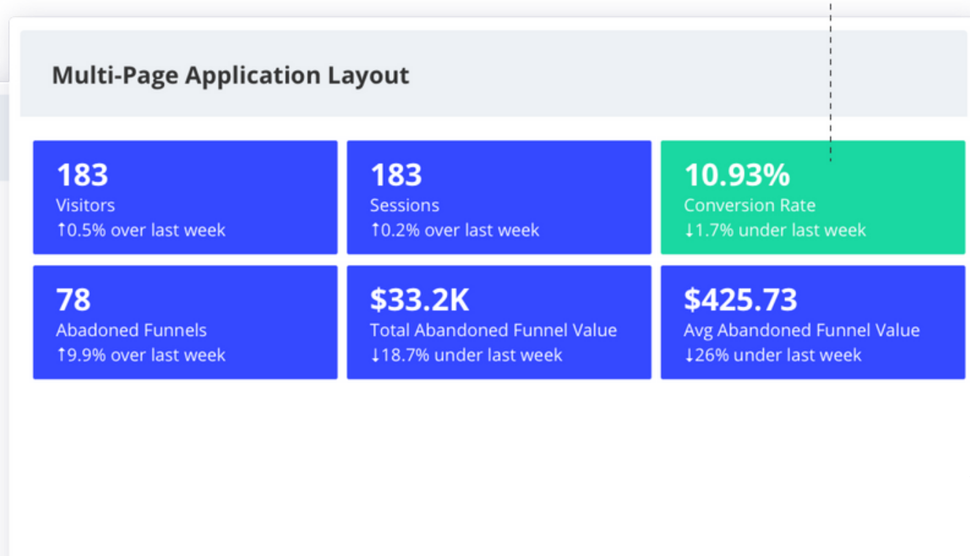
When targeting points of friction, keep in mind the click of a button can carry heavy consequences. A mistake during a money transfer or stock purchase can spell customer headache or worse. A healthy level of friction puts more control in the hands of the consumer, which helps establish trust in your digital experience.

Build trust with your customers by creating friction where they need it—and eliminating it where they don't.

According to a recent study, 90% percent of customers preferred their bank to offer an extra approval step for some mobile transactions, and nearly three-quarters (71%) were interested in such a mechanism for all such transactions.

As an example, compare transaction success on single-page layouts vs. multi-page layouts. Multi-page layouts may provide necessary friction for certain transactions.





09

Mitigate Fraud

Fraud in the financial services sector is on the rise. A recent study found that most companies recover only 25% of fraud losses—making prevention a serious priority.

By closely and proactively monitoring the digital experience, fraud and security teams can measurably mitigate fraud.

For example, companies can track excessive login attempts, cutting and pasting into login forms, and lack of scrolling, all which can indicate fraudulent bot activity.

Use behavioral indicators as another frontline against fraud.

By automatically detecting suspicious behavior, like repeated cut-and-paste activity on a login page, you can potentially prevent fraud.

Quantum Metric empowers financial institutions to act on real-time visibility into the customer experience.

Since our founding in 2015, a growing list of companies have taken the Quantum Leap, including leading financial institutions, retailers, and travel and hospitality companies. In 2019, we were recognized as a Gartner Cool Vendor, which is awarded to a handful of technology providers each year that are “considered innovative or transformative.”

Ready to learn more? Watch a recorded demo at: https://www.quantummetric.com

Or email us at hi@quantummetric.com to schedule a call.

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