The Future of Customer Experience in Financial Services
The ubiquity of mobile devices and the continuing increase in global connection speeds have drastically transformed the way the world does business, and mobile banking is one of the leading examples. In 2016, the U.S. Federal Reserve reported that 53% of banking customers who own smartphones were engaged in mobile banking, and the momentum to mobile is certain to continue.

The financial services industry is in full transformation mode in response to changing customer expectations and government regulations, but the road is steep and the competition fierce. Stricter consumer privacy regulations add layers of complexity to digital initiatives. Meanwhile, digitally native fintechs are rewriting the financial services playbook. FSIs need a laser focus on enhancing customer relationships and experiences, redefining value propositions, and optimizing business models and processes.

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Today’s customers expect near-instant gratification and resolution. FSIs have a real opportunity to reinforce their value and improve retention rates by delivering seamless experiences across mobile devices and other channels (e.g., web to mobile). That means providing intuitive platforms and apps, self-service capabilities, and click-to-call/chat communication, among other innovations. To prevail against nimble competitors, FSIs must continue to leverage cloud-based technologies that enable the kind of experience customers prefer: safe, seamless, reliable, and fast.

Businesses must adapt to changing consumer habits and expectations

In financial services, fintechs are promoting a vision of a world without banks. Blockchains and cryptocurrencies are funding transactions without paper money or credit cards. Robo-advisers are providing portfolio management without managers. Mobile payments are turning phones into credit cards. The ability of upstart companies to provide high-performing web experiences is not hindered by legacy infrastructure—or legacy business models.

Customers have made their expectations clear: They want a fast, seamless, immersive, cross-channel digital experience that satisfies, and even anticipates, their needs. This is especially true of millennials, a generation quickly becoming the dominant demographic. Combine millennials’ expectations of brands in general with their fundamentally different banking and investing habits, and it’s clear that FSIs must adapt:

- Fewer than 50% of millennials see themselves staying with their current financial services institution over the next few years.
- Two-thirds of millennials (67%) are open to trying financial services from brands they trust, like Nike, Google, and Apple, that don’t currently offer financial services.

It’s not enough to provide exceptional experiences just for basic online activities. FSIs must prove themselves by offering complex activities, such as applying for a loan or configuring products. As institutions offer ever-more complex digital transactions, the focus on performance only increases. The reality is that today’s engaged consumers—influenced by their daily interactions on social media and other platforms—expect all sites and apps to be high performing and lightning fast.

Businesses that transform the digital customer experience get results

With a sharp focus on identifying and satisfying customers’ preferences, FSIs can use mobile and other digital channels as a springboard for growth. Consider that in the U.S. retail banking industry, Gallup found that fully engaged customers contribute 37% more annual revenue to their primary bank than disengaged customers. Fully engaged banking customers also maintain more products with their bank — from checking and savings accounts to mortgages and auto loans — and keep higher deposit balances in their accounts than less engaged customers with the same products.
Incumbent and startup financial institutions that have committed to mobile and other digital channels have achieved superior results. For example:

• In the Netherlands, SNS Bank redefined the branch concept by creating a network of advisory-focused, cashless banking shops that serve as a physical extension of the web. These shops feature a “consultant style” mobile sales force specialized in selling complex products from both the bank itself and other providers.¹

• Using multiple data sources to assess risk, Atlanta-based Kabbage has developed an underwriting process that enables it to lend small businesses and consumers up to $100,000 in minutes.²

• When customers of Germany’s Fidor Bank apply for a loan, they find out in seconds if they are approved. The bank also enables customers to buy currency online and make payments in a variety of currencies through Currency Cloud — a multicurrency, regulated e-wallet.³

Hyper-diverse environments make performance and security a challenge

Businesses face considerable technological hurdles, however, in creating compelling mobile and web experiences, due to the challenges inherent in service and content delivery via the Internet. These challenges center on:

Device diversity: Fragmented audiences make it difficult to deliver the right experience to the end user based on device characteristics. The sheer number of devices, browsers, and operating systems available has resulted in significant fragmentation—approximately 24,000 mobile device types (and counting) access Facebook every day. In today’s landscape, there are countless permutations of users accessing content, with each user expecting the same high-quality performance.

Connectivity: Location impacts connectivity, whether via hardwired, broadband, Wi-Fi, or cellular networks. Connectivity issues are particularly acute for mobile customers, who endure the limitations of the so-called “last mile.” These include poor cellular throughput, dropped connections, and limited handset processing power and memory.

Security risks: Not only do FSIs need to be concerned with delivering exceptional experiences reliably and quickly, but they must also leverage powerful cloud-based tools to protect the customer and themselves during a time when cyberattackers are targeting the financial services industry more aggressively than ever.

What it takes to power digital engagement

Building and supporting the digital experiences that cater to this fragmented and constantly evolving landscape can be costly and complicated for in-house IT teams. To deliver mobile experiences that are secure, fast, and reliable, FSIs need to leverage an intelligent, scalable, distributed cloud delivery platform to serve content while optimizing performance and providing sophisticated security. Here are three key components to meet customers’ mobile expectations:

Make it seamless. By gathering data from cross-channel and multi-device interactions for analysis, FSIs can recognize recent activity and deliver personalized

¹ McKinsey & Company, “Banking on customer centricity: Transforming banks into customer-centric organizations”
² Ibid
³ Ibid
services, offers, and promotions in every session. Cross-channel consistency is critical for meeting (or surpassing) customer expectations and cultivating loyalty.

**Ensure high performance.** An advanced cloud delivery platform will ensure that websites and apps are always available and that every customer will enjoy optimal performance, regardless of location or device type. This requires the presence of web and application servers located around the world, close to end users and the content they need, along with real-time optimizations for device, browser, and network settings.

**Mitigate cybersecurity threats.** Today’s online threats continue to grow in size, frequency, and sophistication, putting FSIs at tremendous risk of reputational damage, diminished IT productivity, and revenue loss. With distributed denial-of-service (DDoS) incidents and web application attacks gaining scale, financial institutions and their customers need reassurance that their data and digital properties are safe. Security measures must be applied from a global-scale cloud platform that has the capacity and intelligence to protect FSIs from formidable external threats.

**Conclusion**

FSIs that optimize performance and availability, while satisfying expectations for high security, stand the best chance of retaining customers and attracting new ones. The task is too large for institutions to tackle alone; they need to partner with a cloud delivery platform provider that can help manage the risks and complexities inherent in digital service delivery.