

8

TOP CONSIDERATIONS

for Enabling Digital Transformation Within Financial Services

Many industry experts advise financial services institutions (FSIs) to embrace digital transformation. At the heart of that mandate is the need to satisfy rising customer expectations for fast, secure, always-on services delivered seamlessly across all channels and devices. While it's important to harness the digital technologies today's customers turn to — especially when it comes to engaging the millennial generation — FSIs need to optimize web and mobile performance to deliver exceptional end-user experiences. Here are eight considerations.

1. Embrace SMAC — think beyond the web page.

With today's customers seeking engaging, interactive experiences, FSIs must consider how they can create a comprehensive web experience that puts the client at the heart of all activities. One proven option is to embrace the SMAC concept: that Social, Mobile, Analytics, and Cloud technologies are currently driving business innovation. It's imperative that FSIs offer new technology-enabled innovations to create an immersive user experience — a static web page is no longer enough to engage and serve customers. FSIs can achieve sustainable growth and profitability by gaining insight into customer preferences on social media and analytics that uncover user behavior while leveraging cloud and mobile technologies to satisfy rising expectations and deliver enticing, relevant offers.

2. Use expertise to attract, engage, and retain customers.

While 60% of retail banking customers have no definite plans to switch financial institutions, almost 40% of them remain with their current FSI only because "all financial services companies are the same" or "it is too difficult to change." FSIs are well aware that digitally native players are making it easier to change. To combat this they can differentiate themselves and reduce the risk of losing customers by focusing on rich content that engages visitors and makes them a destination not just for products and services, but industry trends and expertise. Take the example of Barclays. In February 2015, Barclays announced a more engaging marketing approach revolving around a newsroom concept and digital media to attract millennials.¹ By providing insights and relevant information to customers, FSIs can deepen relationships and become trusted advisors to prospective and existing clients.

3. Defend against commoditization.

FSIs should give their customers a reason beyond products, services, and rates to bank with them. The focus can no longer be on transactions alone; it should be on web experiences as well, which can only be achieved through a customer-centric approach to innovation.

"Financial institutions can forge deeper relationships via the digital experience by fully leveraging online, mobile, and social platforms to integrate with consumers' lives. . . "

— FIS, Consumer Banking PACE

¹ Popsop, Marketing trends in banking and financial sector in 2015, April 10, 2015

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Rather than focus solely on selling more products and services, financial leaders will be defined by implementing innovation that is fueled by a desire to simplify the experience, reduce complexity, and provide clients with more control. A great example of innovation in banking are purely digital banks like Fidor. Through Fidor's website, the bank's more than 35,000 customers can manage virtual currencies, check rates, and connect with other banking members.

4. Enable seamless processes across channels.

Today's customers want to move seamlessly across channels. In fact, 88% of customers use two or more channels to interact with their bank — and 46% use three or more channels.² It's one thing to be available to customers via numerous channels; it's another to enable uninterrupted movement across channels from anywhere, on any device, at any time. That's what financial customers expect. They want to be able to start a financial services process online via their desktop computer, get any questions answered by a relationship manager using chat or a social media channel, receive text message alerts regarding the process, and access all relevant documents and information online. They expect all of this to happen continuously, with no disconnect, as they move between channels.

5. Bridge the digital and physical.

As much as financial customers are increasingly seeking the ability to conduct banking transactions online, there's still a need to visit a local branch. FSIs can enhance this experience by using geofencing capabilities within their banking apps to welcome customers by offering them promotions from local businesses. Combining purchasing information and location data, FSIs can promote merchants and build productive working relationships that ultimately drive overall transactions and revenue for both parties.

6. Personalize engagement.

It's important to reach customers where they are, and millennials are on mobile devices. Rather than barrage them with emails and direct mail offers, FSI's can differentiate themselves through enhanced user experiences that motivate prospective and existing customers. The concept of gamification is an innovative way to make a mobile user more loyal and engaged while providing the FSI with unique and insightful customer specific data.

7. Get data smart.

When FSIs embrace digital technologies, customers enjoy an experience more in line with expectations, and the business gleans new insights from the data generated by these interactions. The analysis of this data should tell a story of why a customer is different and can be used to inform business decisions about how to best serve that customer. FSIs can leverage the power of a 360-degree customer view to deliver personalized services, targeted offers and relevant promotions through the right channel.

"Financial Institutions offering timely, relevant, and personalized online experiences have been shown to improve their conversion rates by 30% or more."³

- Accenture research

² Frost & Sullivan, Financial Services Digital Marketers: Four Opportunities to Improve the Customer Experience, June 2015

³ Hugues Rey's Blog Curation, Digital Transformation in Financial Services: challenges and opportunities [(Source: Econsultancy), June 16, 2015

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8. Reward loyalty — uniquely.

Though many FSIs remain lulled into a false sense of security created by years of stable loyalty, they are still playing catch up when it comes to customer satisfaction. Research from Collinson Latitude shows that 63% of consumers consider rewards programs important when choosing an FSI, yet only 1 in 10 consumers said their rewards programs offers an excellent service. Savvy FSIs are finding creative ways to address the growing customer expectation for reward programs that offer value, flexibility, and choice. Fidor Bank is the first bank in the world where the social interactions of members determine their account interest rates: the more Facebook Likes, the lower the member's interest rate. Members are rewarded in other ways for their community participation, such as earning cash bonuses for answering other members' finance-related questions.

Recent research shows today's financial services customers have increasing expectations for safe, fast experiences, are more active on mobile and tablet devices, and react to bad web experiences by abandoning sites, not returning, and losing trust in a brand. So, if you are looking to unleash the benefits of digital transformation through innovative technologies, it's essential to invest in speed, security, and scale. Akamai's industry leading [web and mobile performance solutions](#) and security solutions can help you:

- Improve web and mobile performance, which can delight customers, increase conversions and transactions over the Internet, reduce churn, and grow revenue.
- Address mobile users' desires for seamless experiences by delivering optimized and personalized web experiences regardless of device, connection, network speed, or customer location.
- Defend against attacks and data breaches with unmatched scale designed to protect customer data, [mitigates Distributed Denial-of-Service \(DDoS\)](#) threats, and keeps your site always on.
- Leverage the Internet to reduce cost by offloading content and bandwidth in existing data centers.
- Augment [hybrid and private cloud](#) infrastructures with web performance and security services that work across combined data center and hosting environments.
- Harness big data and analytics to tailor web experiences and campaigns that engage current customers and attract new ones.

Learn more about financial services customers' expectations by reading [Performance Matters: Digital Transformation, Millennials and the Future of Financial Services](#) or see how you can deliver fast, reliable, and secure web experiences at www.akamai.com/perfmatters.



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