RESEARCH PAPER

Talking FinServ's language:

How to translate unified communications and digitisation into better customer experience

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Introduction

Just as the modern workforce is now often remote and flexible to geography, device and network – so too must the tools and processes that underpin our day-to-day operations.

Over the past year, financial services companies have pivoted to widespread remote working, and many retail banks, building societies, and insurance companies intend to operate under hybrid working models in the long term.

Among the factors that can make or break remote working is communication, both between employees within an organisation and with customers. Regardless of the location, reliable and frictionless omnichannel communication is vital, making it easier for workers to collaborate, files to be shared and customer queries solved. All managed through cloud-based administration tools and seamlessly integrated with numerous other business solutions.

Financial services organisations have typically been slow to digitise when it comes to key processes such as bank account setup and document signing. But now that the demand for digital-only alternatives is such that organisations must rapidly adjust or risk losing out to digitally-savvy competitors.

So how can IT managers meet customers' high expectations when it comes to digital communications?

This white paper, featuring dedicated research findings, will discover where financial services organisations are in their digital transformation journey, how customer service implications and remote working are affecting and informing this process, and the main challenges they are facing along the way. Ultimately it will establish how IT managers can best remedy these challenges through the deployment of unified communications offerings.

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Remote working state of play

We surveyed 138 IT professionals from both financial services and other industries in order to understand and compare the challenges and opportunities presented by digital transformation, including digitisation and unified communications.

Fig. 1 : Current remote working situation
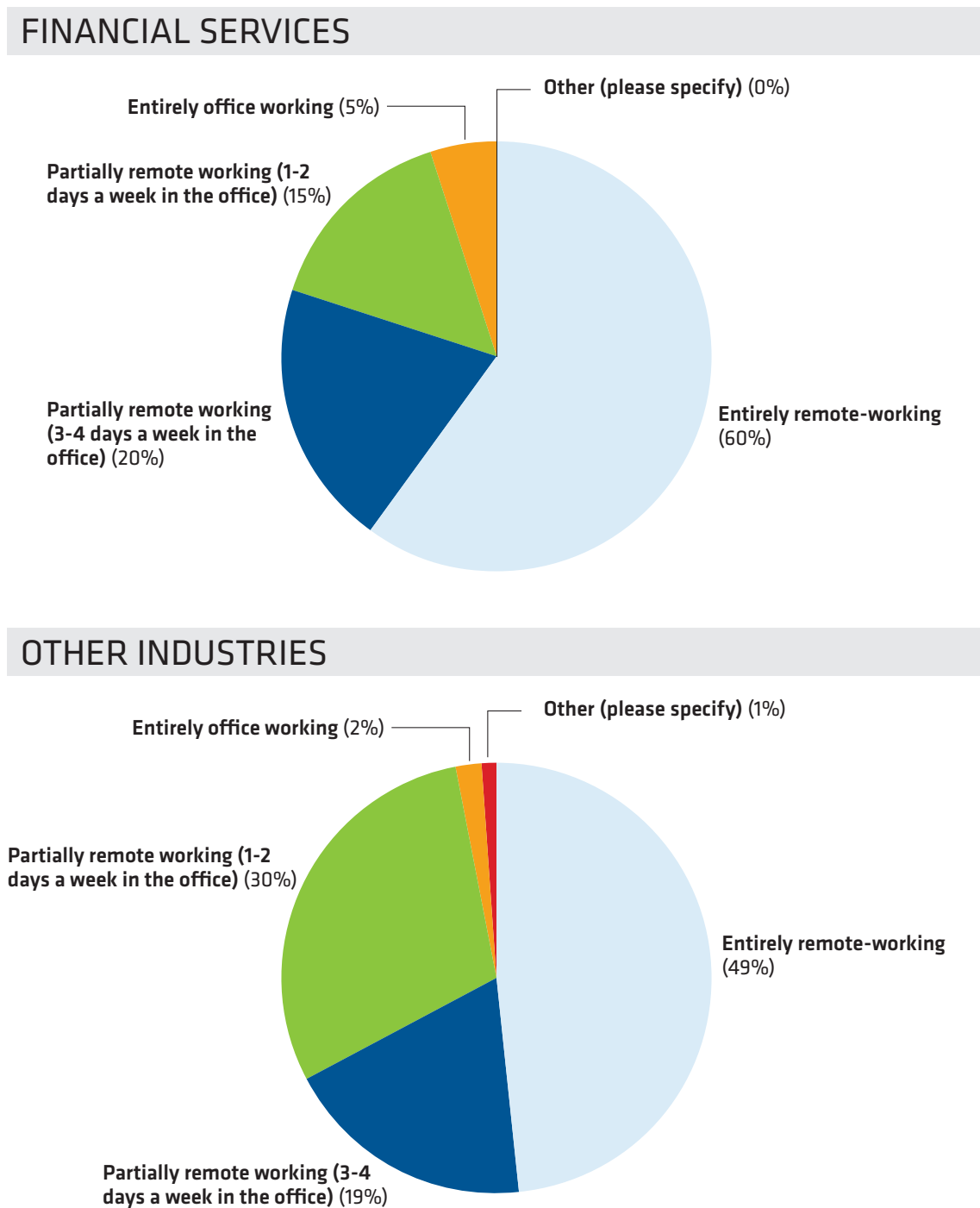
FINANCIAL SERVICES

Other (please specify) (0%)

Entirely office working (5%)

Partially remote working (1-2 days a week in the office) (15%)

Entirely remote-working (60%)

Partially remote working (3-4 days a week in the office) (20%)

OTHER INDUSTRIES

Other (please specify) (1%)

Entirely office working (2%)

Partially remote working (1-2 days a week in the office) (30%)

Entirely remote-working (49%)

Partially remote working (3-4 days a week in the office) (19%)

Unsurprisingly, remote working levels are high across the board, but this is particularly true of the financial services sector, with 60% of respondents from the finserv sector entirely working from home; 11% higher than other industries.
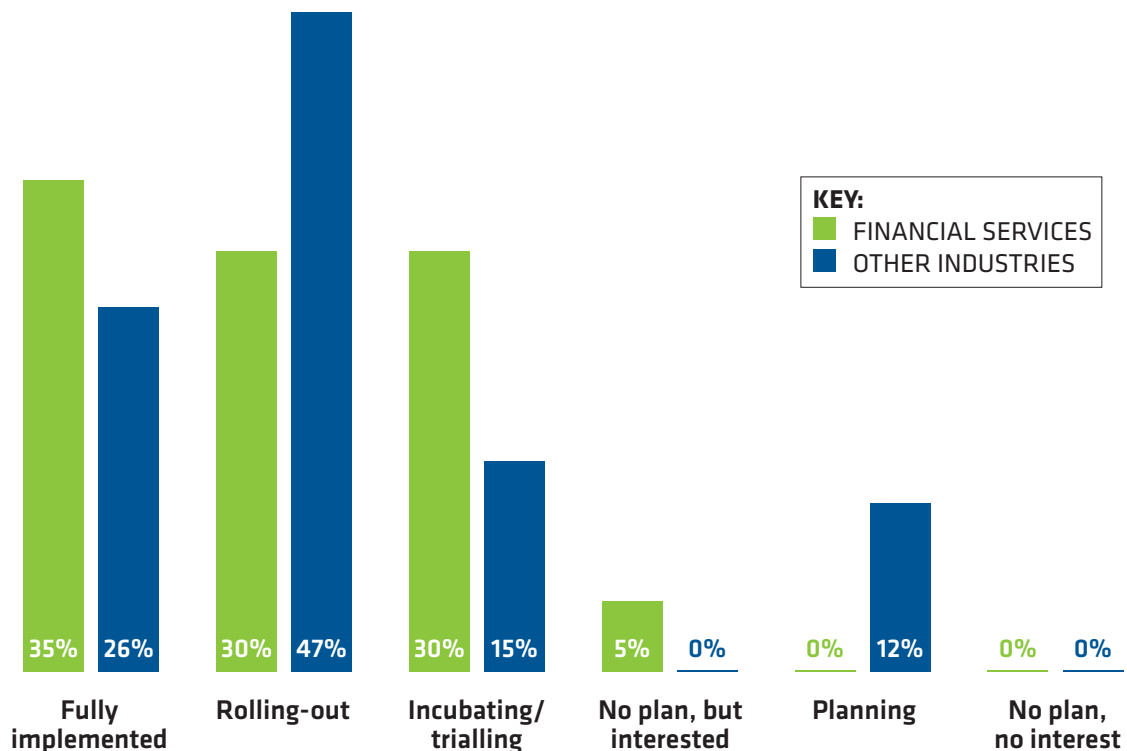
Due to the need for extra requirements when it comes to security, privacy and regulation that organisations in the financial services sector invariably face, before 2020 the industry may have appeared incompatible with remote working. However, the data shows that organisations have had to adapt to this new way of working as a result of the Covid-19 pandemic. However, when asked how remote working levels will change once social distancing measures are abolished, 35% of finserv respondents predict that remote working levels will be far higher than pre-Covid-19, compared with 45% in other industries. For all sectors, 5% or less believe that levels will be far lower than pre-Covid-19.

Regardless of whether organisations continue with remote working, or adopt a hybrid working model for the long-term, secure, reliable and easy-to-use business communications are vital to productive working.

Furthermore, with the timeframe for employees returning to the office in some capacity currently uncertain, solutions must be easy to manage and deploy, and must work across a range of devices, and platforms that offer these sought-after features all in one place will be extremely valuable moving forwards.

Digital transformation journeys

Fig. 2 : Current stage of digitisation journey

KEY:
- FINANCIAL SERVICES
- OTHER INDUSTRIES

	Fully implemented	Rolling-out	Incubating/trialling	No plan, but interested	Planning	No plan, no interest
Financial Services	35%	30%	30%	5%	0%	0%
Other Industries	26%	47%	15%	0%	12%	0%

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When it comes to digitisation, 35% of finserv respondents said that their organisation had fully implemented its plans for digitisation, compared with 26% from other industries. 47% of respondents from other industries reported that they were currently rolling out digitisation measures.

Fig. 3 : On a scale of 1 (not at all successful) to 10 (extremely successful) how successful have your organisation's digital initiatives been over the past three years?

AVERAGE SCORES

Financial services — 6.9
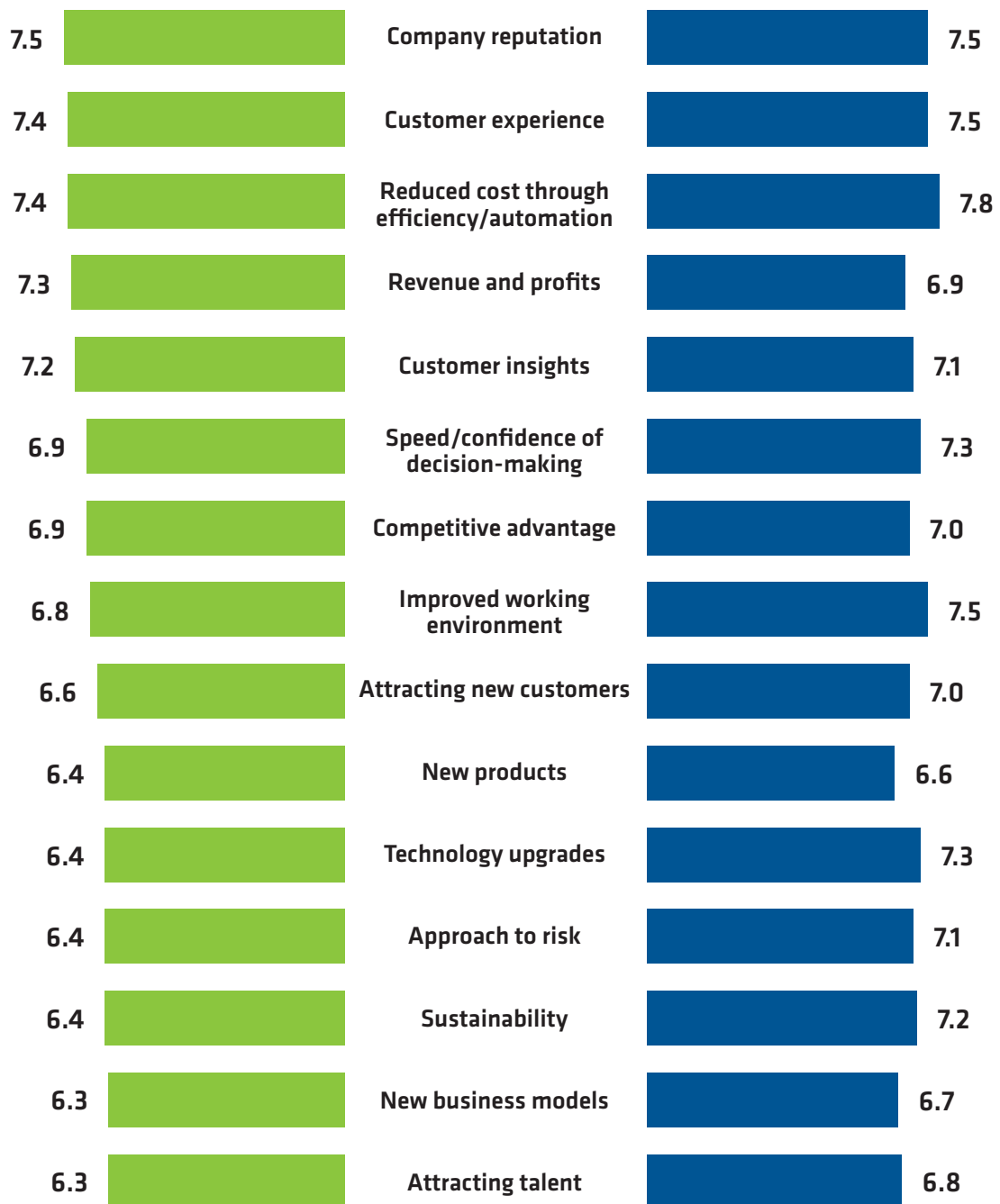
Other industries — 7.3

However, the results show that respondents' perception of the success of their organisation's digital initiatives—projects to integrate digital technology into different areas of business—was marginally higher outside of the finserv sector, coming in at 7.3 (where one is "not at all successful and ten is "extremely successful").

Typically, the financial services sector has been characterised as slower to act when it comes to digitisation, despite organisations in the industry being under growing pressure to offer digitally-savvy customers frictionless and innovative services. However, our results suggest that businesses from the sector are in fact fairly far along in their digitisation journey, or at least perceive themselves that way.

In order to facilitate effective communication and collaboration between both employees and customers, organisations must constantly evaluate how new technology could help them better serve their customers, regardless of the stage they are currently at in their digitisation journey.

Motivations for change

Fig. 4 : Motivations for digitisation

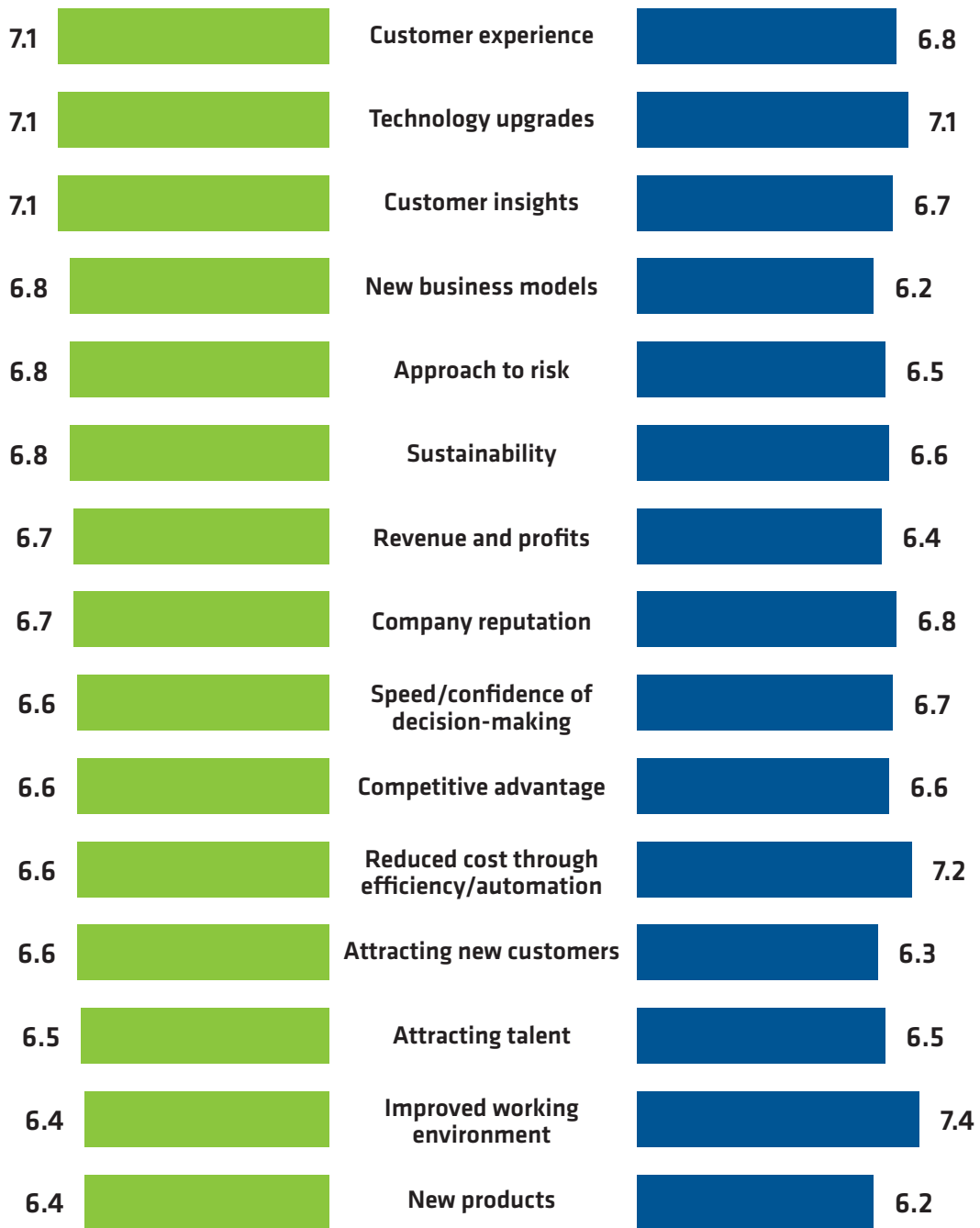| Financial Services	Motivation	Other Industries
7.5	Company reputation	7.5
7.4	Customer experience	7.5
7.4	Reduced cost through efficiency/automation	7.8
7.3	Revenue and profits	6.9
7.2	Customer insights	7.1
6.9	Speed/confidence of decision-making	7.3
6.9	Competitive advantage	7.0
6.8	Improved working environment	7.5
6.6	Attracting new customers	7.0
6.4	New products	6.6
6.4	Technology upgrades	7.3
6.4	Approach to risk	7.1
6.4	Sustainability	7.2
6.3	New business models	6.7
6.3	Attracting talent	6.8

KEY: ■ FINANCIAL SERVICES ■ OTHER INDUSTRIES

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Company reputation, customer experience, reduced cost through efficiency and automation and revenue and profits emerged as the highest-ranked motivations for digitisation in the financial services sector. When it comes to the actual benefits organisations have gained through digitisation, customer insights, customer experience and technology upgrades came out on top.

Fig. 5 : Benefits of digitisation

Financial Services	Benefit	Other Industries
7.1	Customer experience	6.8
7.1	Technology upgrades	7.1
7.1	Customer insights	6.7
6.8	New business models	6.2
6.8	Approach to risk	6.5
6.8	Sustainability	6.6
6.7	Revenue and profits	6.4
6.7	Company reputation	6.8
6.6	Speed/confidence of decision-making	6.7
6.6	Competitive advantage	6.6
6.6	Reduced cost through efficiency/automation	7.2
6.6	Attracting new customers	6.3
6.5	Attracting talent	6.5
6.4	Improved working environment	7.4
6.4	New products	6.2

KEY: FINANCIAL SERVICES OTHER INDUSTRIES

It is clear that improving both customer experience and customer interactions are a significant driver for digitisation. In recent years, customers have increasingly demanded digital-first offerings, such as those offered as standard by challenger banks. Services such as digital pension documentation, insurance claims processes, and bank account setup are just some of the ways that financial services organisations can improve customer experience, or risk losing out to the competition. However, some have been slow to transition.

It is safe to assume that demand for such services has only risen as a result of the Covid-19 pandemic and lockdown measures it has brought with it. As customers spend more and more of their time online, it is only natural that financial services organisations will have to meet them there, offering omnichannel communications and digital alternatives to in-person banking.

In fact, 60% of finserv respondents reported a great increase in demand for digital communication from customers as a result of the pandemic.

However, financial services institutions face a dilemma. While it is important ensure protection against fraud is water-tight, customers have come to expect frictionless online experiences, and resent having to jump through too many hoops. Therefore, communication solutions must have security at their core, while not compromising on customer experience.

Solutions that strike this delicate balance between security and ease of use are therefore well-positioned to assist financial services organisations looking to rethink how they communicate with customers.

Fig. 6 : "Has there been an increase in demand for digital communication from customers?"

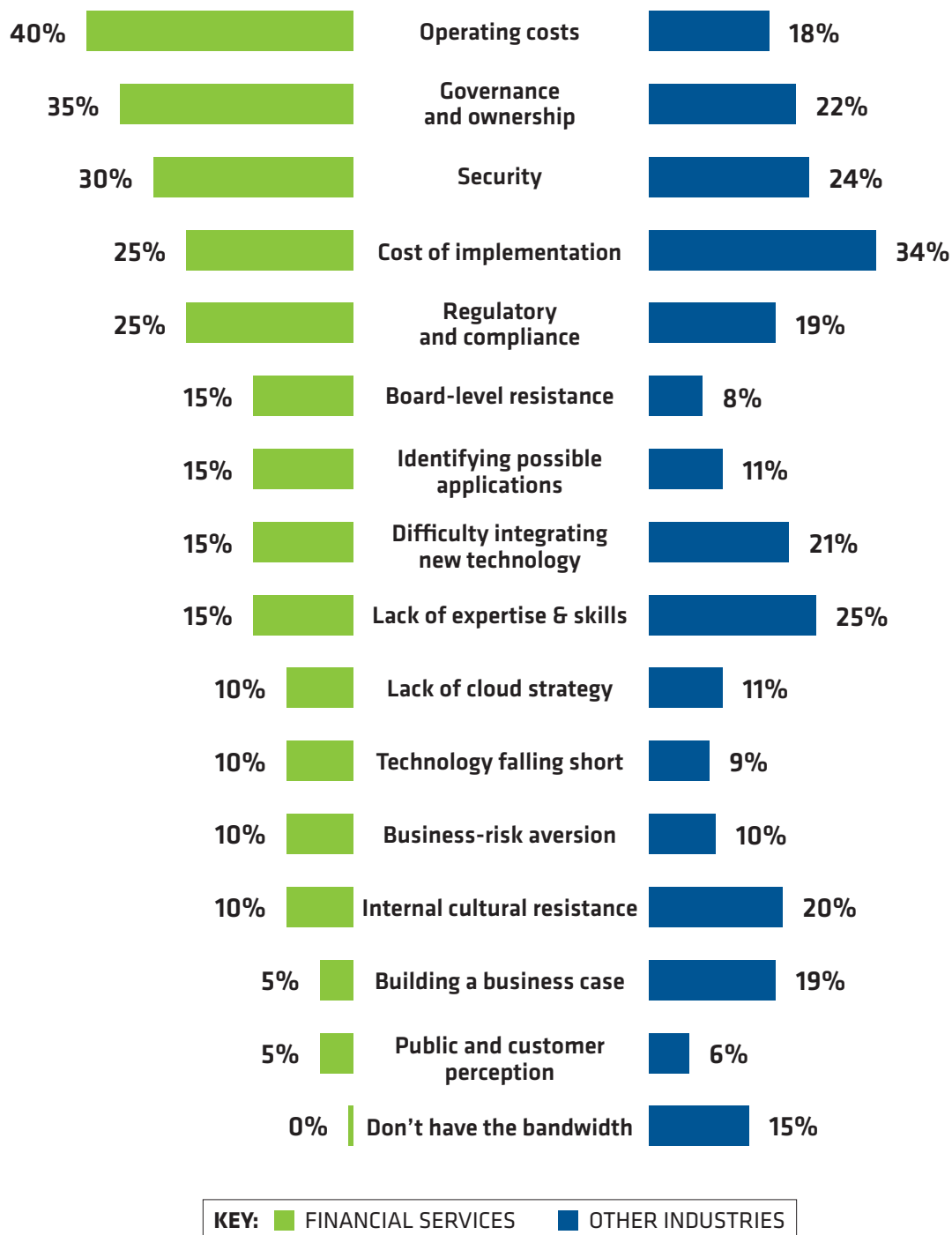|	FINANCIAL SERVICES	OTHER INDUSTRIES
YES, GREATLY	60%	53%
YES, SOMEWHAT	35%	40%
NO	5%	7%
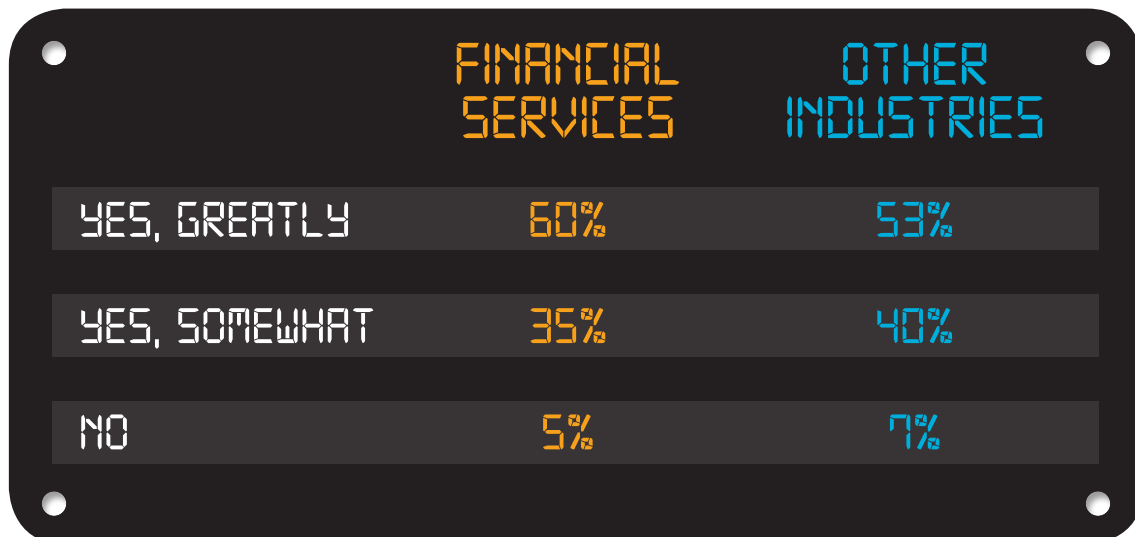
However, while there are many benefits to digitisation, it is not without its challenges. Respondents from the financial services sector identified operating costs, governance and ownership, security and cost of implementation. Cost of implementation, governance and ownership and security also emerged as key concerns in other industries, along with lack of expertise and skills and internal cultural resistance. The financial services sector also reported higher levels of board-level resistance than other industries.

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Fears surrounding these challenges are understandable, with any adoption of new technology bringing with it upfront costs, risks of downtime and questions around security. However, in order to keep pace with the competition, organisations must digitise where appropriate, especially when it comes to customer relations. Selecting the right third-parties, who regularly encounter such questions, is key to success.

Fig. 7 : Digitisation challenges

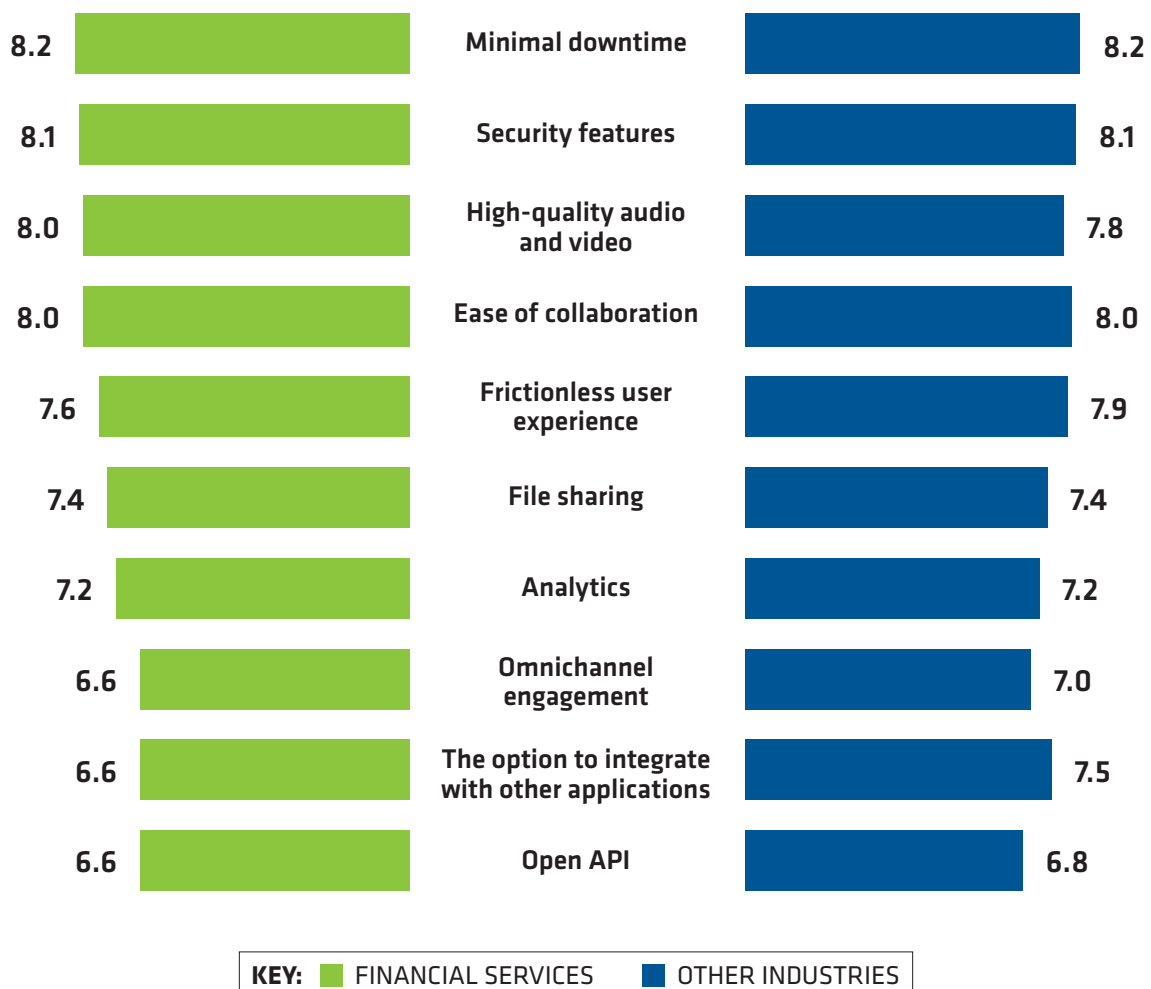|	Financial Services	Challenge	Other Industries
	40%	Operating costs	18%
	35%	Governance and ownership	22%
	30%	Security	24%
	25%	Cost of implementation	34%
	25%	Regulatory and compliance	19%
	15%	Board-level resistance	8%
	15%	Identifying possible applications	11%
	15%	Difficulty integrating new technology	21%
	15%	Lack of expertise & skills	25%
	10%	Lack of cloud strategy	11%
	10%	Technology falling short	9%
	10%	Business-risk aversion	10%
	10%	Internal cultural resistance	20%
	5%	Building a business case	19%
	5%	Public and customer perception	6%
	0%	Don't have the bandwidth	15%

KEY: FINANCIAL SERVICES   OTHER INDUSTRIES

Customer communication

But what are organisations looking for in a business communications platform? When asked what features they would value most in a solution, high-quality audio and video, ease of collaboration, security features and minimal downtime came out on top for the financial services industry.

Considering the rise in remote working, these findings come as no surprise, with issues related to audio and video quality, and downtime, greatly hampering business communications. When it comes to collaboration, ease is key, and integrations between different software tools can make collaboration easier as well as positively impacting productivity, as there is less need to switch between platforms.

With concerns around the security of certain high-profile telecommunications platforms making headlines early on in the pandemic, ensuring organisations have peace of mind when it comes to the security of their chosen communication platform cannot be overstated, especially for the financial services industry, where a security incident can be devastating to an organisation's reputation.
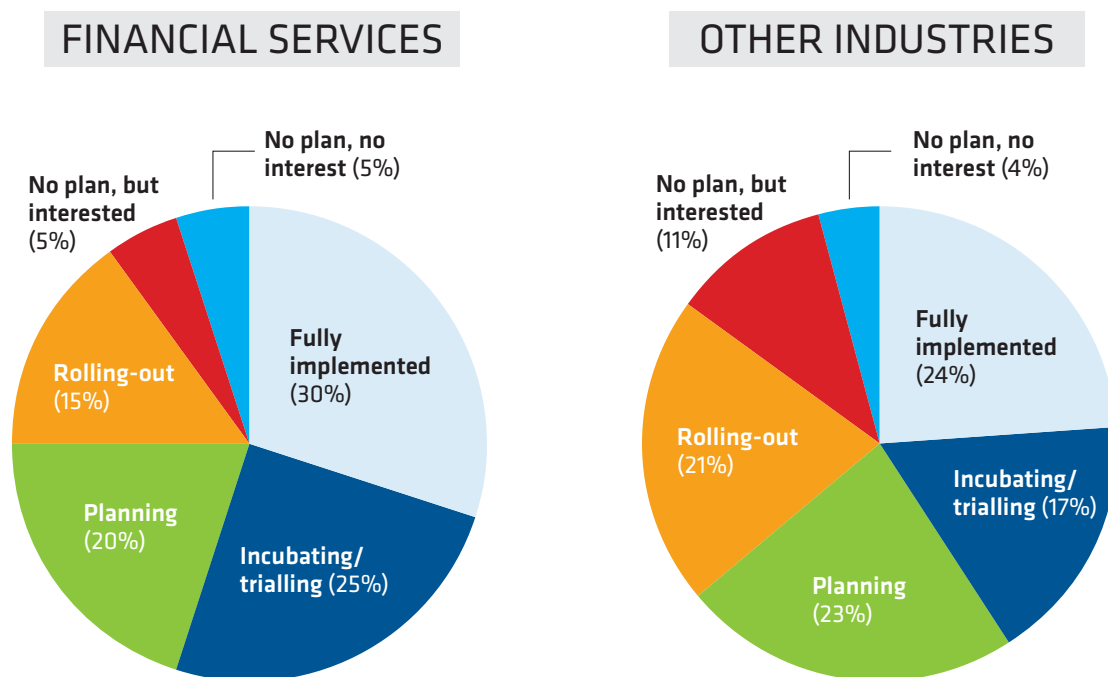
Fig. 8 : How important are the following features in a business communication platform? (Average scores)

Financial Services	Feature	Other Industries
8.2	Minimal downtime	8.2
8.1	Security features	8.1
8.0	High-quality audio and video	7.8
8.0	Ease of collaboration	8.0
7.6	Frictionless user experience	7.9
7.4	File sharing	7.4
7.2	Analytics	7.2
6.6	Omnichannel engagement	7.0
6.6	The option to integrate with other applications	7.5
6.6	Open API	6.8

KEY: FINANCIAL SERVICES ■ OTHER INDUSTRIES ■

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However, just 30% of respondents from the financial services industry said that they had fully implemented a unified communications-as-a-service (UCaas) solution at their organisation, suggesting there is scope for expansion in this area. This is backed up by near universal interest in doing so amongst those who have yet to adopt such technology.

Fig. 9 : Has your organisation implemented a UCaaS solution?

FINANCIAL SERVICES

No plan, no interest (5%)
No plan, but interested (5%)
Rolling-out (15%)
Fully implemented (30%)
Planning (20%)
Incubating/trialling (25%)

OTHER INDUSTRIES

No plan, no interest (4%)
No plan, but interested (11%)
Rolling-out (21%)
Fully implemented (24%)
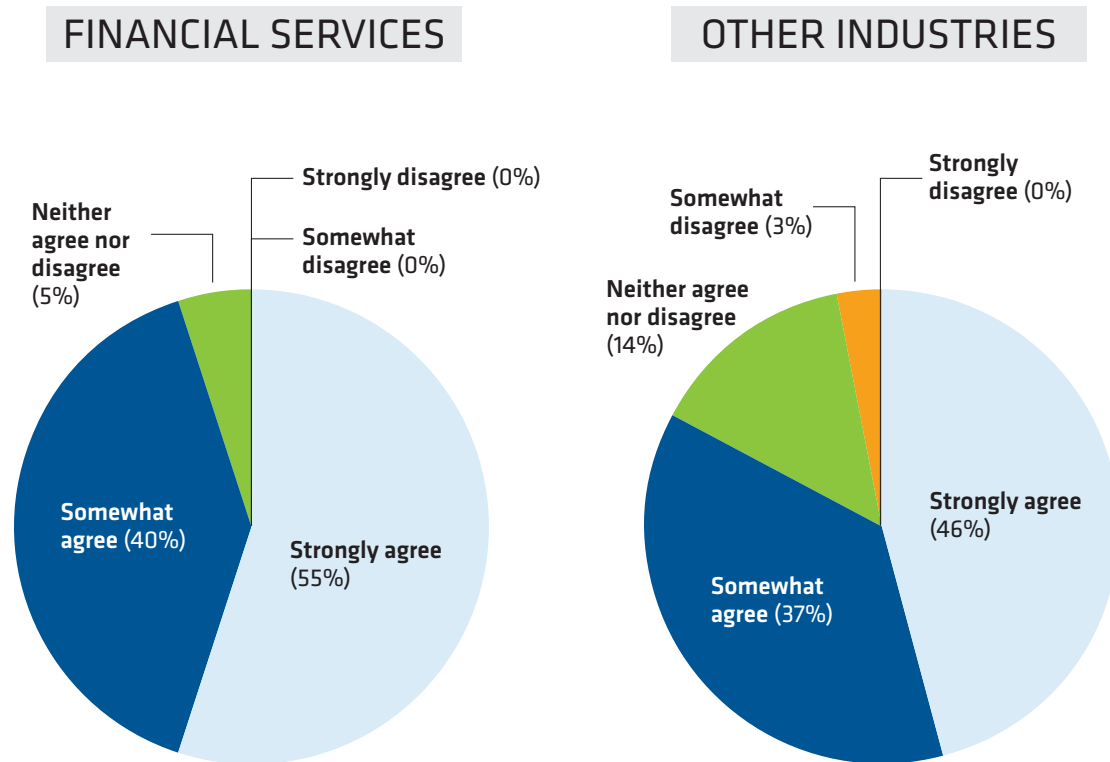Incubating/trialling (17%)
Planning (23%)

Another important aspect of customer relations is the ability to offer frictionless communications across multiple channels. For digitally-savvy customers, the use of several different channels and platforms in their everyday life is second-nature, so it makes sense for organisations to follow suit. 95% of finserv respondents and 73% of respondents from other industries at least somewhat agree that the ability to continue customer interactions across multiple channels would be valuable to their organisation.

With customers now accustomed to being able to communicate with organisations online, a lack of cohesion across different platforms can be jarring, and avoiding this can contribute greatly to a positive user experience.

Fig. 10 : "The ability to continue customer interactions across multiple channels is/would be valuable to my organisation"

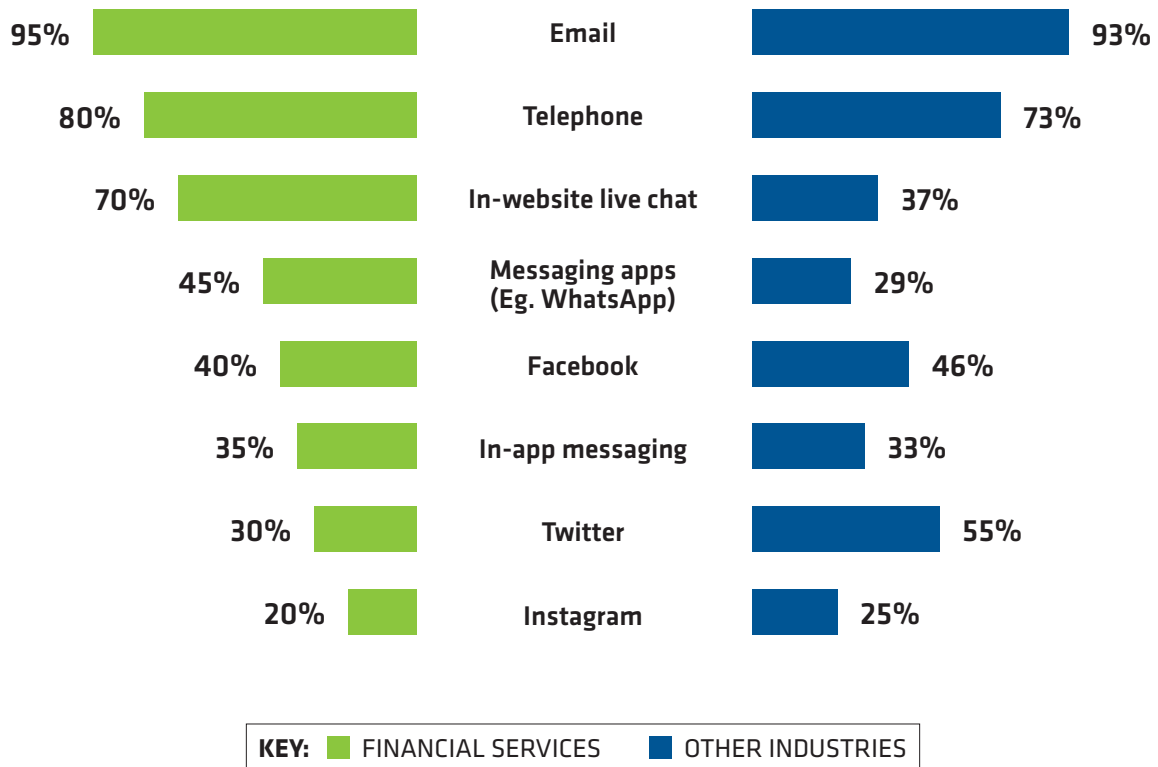### FINANCIAL SERVICES

Strongly disagree (0%)

Neither agree nor disagree (5%)

Somewhat disagree (0%)

Somewhat agree (40%)

Strongly agree (55%)

OTHER INDUSTRIES

Strongly disagree (0%)

Somewhat disagree (3%)

Neither agree nor disagree (14%)

Strongly agree (46%)

Somewhat agree (37%)

However, when it comes to the channels that organisations use to communicate with customers, the financial services sector appears to lag behind somewhat, with a higher percentage of organisations from other industries able to offer customers the option of communicating via social media platforms such as Facebook, Twitter and Instagram. However, an area where financial services overtook other industries was in-website live chat, with 70% of organisations offering this compared with 37% from other industries. This suggests that there is improvement to be made when it comes to omnichannel offerings, and that organisations may be open to a platform that simplifies this process and can guarantee the communications are secure.

Pre-built add-ons and developer-friendly APIs and SDKs make it easier than ever for customer communications to take place on the customer's platform of choice and ensuring that customer agents are equipped to do this is important.

However, managing, training and motivating employees while remote or hybrid working can be a challenge, which is why reliable communication, and a robust strategy for supporting distributed employees is needed.

Fig. 11 : Channels currently used to communicate with customers

	Financial Services	Channel	Other Industries
	95%	Email	93%
	80%	Telephone	73%
	70%	In-website live chat	37%
	45%	Messaging apps (Eg. WhatsApp)	29%
	40%	Facebook	46%
	35%	In-app messaging	33%
	30%	Twitter	55%
	20%	Instagram	25%

KEY: FINANCIAL SERVICES ■ OTHER INDUSTRIES

Conclusion

The Covid-19 pandemic has demonstrated the importance of digital readiness for businesses to not only continue to operate as usual, but also innovate. Building the necessary infrastructure to support customers who increasingly operate in a digitised world and employees adopting a hybrid way of working is vital for any business to remain competitive moving forward.

Our research shows a willingness to digitise amongst financial services organisations, particularly when it comes to customer relations. With customers now accustomed to conducting much of their business online, it is imperative that banks and other financial services organisations are meeting their expectations, regardless of their chosen platform, as failing to do so can result in customers jumping ship in favour of a more digitally-savvy alternative.

The same can be said of employees, who, despite being outside of the office, must have access to the correct tools to ensure they can collaborate, communicate and connect with other colleagues and customers effectively.

For IT leaders, communicating the benefits of unified comms within their financial services organisations that may have hesitations around digitisation is key. Challenges related to security, managing remote and hybrid workers and reducing friction in customer interactions can be remedied through unified communication platforms that offer not only reliable, omnichannel communication, but also allow users to collaborate intuitively, and should be a key part of any digitisation journey.

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Maintel is a cloud and managed services company with a focus on communications. Its people are experienced, trusted technology advisors, who improve their clients' organisations through digital transformation.

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