

White Paper

Four Universal Truths Jeopardizing Customer Service in Financial Institutions

Changes That Will Transform Customer Service Experiences and Outcomes

Introduction

The top three uses of customer analytics are to identify customer service improvements, create customer service strategy and improve customer experiences, as found in a survey conducted by Ventana Research, The Next Generation of Customer Analytics. In the Age of the Customer, it's become evident that customer service improvements that drive effective experiences should be a top priority. However, there is room for improvement. Half of the respondents to the survey are not satisfied with their current processes in use to create analytics. Also, that only 22% say they receive training for creating and using analytics, indicates that discovering insights from data is still a work in progress for many companies.

According to the 2015 Temkin Survey, only one financial services institution, USAA, makes the top 10. Making customer experience a focus in Banks more important than ever. Reaching financial stability since the post 2008 recession, institutions are now able to focus more effort on customer experience. This focus is important as they rebuild brands to recapture the trust of customers.

When it comes to customer service provided by a contact center, analytics is critical for creating continuous improvement that results in the delivery of service experiences customers value. Understanding how your customers think and interact with your products/services and brand must be a top priority for analytics to direct decisions that drive value for both your customers and the business.



As a customer service provider, we have developed an analytics process that helps our clients overcome the limitations and learning curves associated with doing analytics on their own. Our process helps to effectively measure, predict, and shed light on the overall customer experiences that directly impact effectiveness, profitability, and satisfaction.

To achieve these outcomes you need insights that are gathered from actively listening to the voice of the customer, to identify patterns from call, and transaction data, that are indicative of customer needs and opportunities. This process, of course, sounds easier than it is to execute in practice.

Financial Services Companies are aggressively pursuing customer insights through analytics to make better decisions about customer service process improvements that achieve customer loyalty and greater lifetime value. What strikes us as most fascinating is that our analytics work has enabled us to isolate four universal “truths” that are found again and again—at different contact center sites, for different financial institutions, in different geographies and with different products.

These “truths” —as we have labeled them—have been tracked for nearly four years. We’ve returned to them every 60 days to apply the data and look for differences across client work, but each of the four has held true over time. As we’ve helped clients address these “truths,” we’ve developed some theories about why they occur, what their predictive indicators are, and how to stay in front of them proactively. We suspect that at least a few of them may be lurking within your customer service program.

The Four Universal Truths Impact:

- The quality of the customer's experience is directly related to their overall customer satisfaction (CSAT)
- The quality of the customer's experience due to a focus on business compliance
- Limited access to self-service to deflect more costly live agent support by phone
- The promotion and adoption of alternate channel is underutilized in phone support

Universal Truth #1: Enhancing targeted critical agent skills will increase CSAT

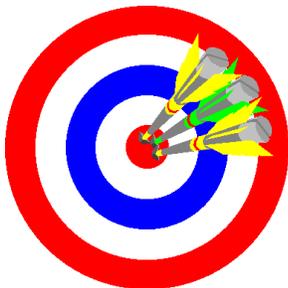
Customer support for a service "reads" differently to customers than support sought for a product issue. When customers call their financial institution about an issue related to a bank product, in their view, it's often thought that the financial institution has inconvenienced them. Examples are bank balance inquiries, being locked out of their online account, password resets or to find out loan payoff amounts. Customers expect these simple needs to be met as a part of their regular course of business, but this is not always the case. Many times this is due to regulations, which are an "invisible" hinderence to the customer's experience.

Because of this mindset of inconvenience for the customer, analysis has shown that there are two critical agent skills that, when executed properly, can increase CSAT:

- Agents who are "sure of themselves" during their calls consistently earn higher CSAT scores. However, there is a nuance related to confidence that must be met. Presenting over confidence can have the opposite affect on the customer's sentiment toward the financial institution.
- Agents who show an appropriate level of empathy with upset customers during their calls will have lower dissatisfaction (DSAT) scores. The caveat with this skill is to make sure the agent doesn't become robotic by repeating the customer's name and apologizing more than once. Our analysis has found that 90% of empathy is trained, 10% is innate. Achieving the appropriate level of empathy is key to a positive customer experience.

Example

Analysts determined that 65% of customers on one study spoke to agents in a conversational manner, but the agents only matched the customers' style half the time. We coached Agents to identify the customer's preferred conversation style early in the call, and tailor their own style to the customer during the conversation. AHT increased slightly, by less than 2%, but Customer Experience scores increased by over 18% - a tradeoff our Client was more than happy to accept



Additionally, there are two types of conversation styles that customers use - Transactional or Conversational. If the customer is intent on communicating in a transactional manner, empathy will mean less to them. Efficient resolution to their concern will be the key factor in a positive customer experience.

Across all of our clients in financial services, the ability of the agent to match the caller's preferred conversation style has resulted in an increase in CSAT. It has proven out that this critical agent skill is very important to the customer.

Questions to ask if this “truth” exists for your customer service program include:

- How can we best help our agents exhibit the appropriate level of confidence?
- How can we coach our agents to keep them from becoming robotic when empathizing with upset customers?
- What words and phrases used in calls are indicative of the caller type that will help agents match the customer's intent?

Universal Truth #2: Quality monitoring forms are designed to check for the business compliance of the agent, and are not aligned to providing great customer experiences

Quality assurance (QA) teams listen to on average about two calls per agent, per week. Our analytics program dives deeper and listens to a very large set of calls within a specific time period. QAs aren't designed to calibrate the interaction between the customer and the agent. Rather, they focus primarily on the agent's correctness and adherence to workflows and processes. For financial institutions, this also surfaces as a focus on minimizing complaints made to the CFPB.

Our analysis has discovered that fatal errors—what we term auto fails—are nearly always related to business process items. This is often due to a focus on ensuring that agents meet the minimum standards for the call related to mandatory client “must-haves.” Agents are often graded on a pass or fail score for these regulatory requirements. The lack of nuance used in scoring these calls does not help companies identify potential improvements that could raise CSAT, because the offset would be a lower score in relation to quality monitoring.

If your customer service program is reflecting high quality monitoring scores and low CSAT scores, this could be a symptom that universal truth #2 exists in your contact center. If the reverse is true, and quality monitoring scores are lower, but CSAT is higher, the symptom remains, but it is an indication that agents

Example

Redesigning QA forms can bring big benefits. A client had 2 auto-fail questions on their QA form, but also tied 35 of the 100 points available in the form to attributes related to the auto fail questions. Our study determined that achieving a great customer experience hinged on 3 key Agent attributes – Empathy, Understanding the Customer's Needs, and Call Control. By reallocating 20 of the 35 points on the QA form, we created a learned behavior within the Agent population to focus on those 3 key attributes. Over the course of 6 months, average Customer Experience scores improved by 12% by focusing attention on these.

are trying to organically overcome limitations that constrain them to provide the customer with a better experience.

In our work to correct this “truth,” we’ve found that it’s best to create a scorecard that aligns business goals with customer experience goals. By assigning points to agents based on matching caller types, empathy, and other attributes displayed during calls, you can identify the behaviors that should be coached for improved outcomes. Agents with fatal errors can be retrained and quality forms can be redesigned.

Questions to ask if this “truth” exists for your customer service program include:

- Can we identify the behaviors that drive great customer experiences?
- How will we redesign the quality monitoring process to enable this?
- How can we modify coaching to correct fatal process errors in a way that still improves CSAT?

Example

Following an Analytics study and readout for a strategic client, we redesigned the IVR tree to mirror the frequency of the main Call Drivers. The result of the reorganization was an AHT decrease of over 6%, and Customer Experience scores increased by over 14%.

Universal Truth #3: IVRs are a simple means of providing access to information, with the caller never getting to a live agent

When customers call the contact center for service and support, the first thing that greets them is your IVR. The system presents customers with a menu of options they can select to resolve their issue on their own. By analyzing which functions—or menu items—in the IVR are used the most, as well as the drivers for volumes of calls to the contact center, the IVR can be reorganized to present the most common reasons people call in the most efficient order. This reorganization shortens the time customers must listen to the instructions in the IVR before they can make a selection, and gets them to a resolution quicker.

Another common driver of increased average handle time (AHT) is an inefficient customer verification process. Due to certain regulations, the verification process is rather in-depth, requiring account numbers and other personal information for authentication. If the customer is calling to dispute a charge, they will also need to have the transaction date handy.



Our analysis has discovered that it’s common for customers not to have this verification at hand, resulting in customer-initiated hold time while they try to retrieve it. This results in “dead air” time that unnecessarily lengthens AHT, as well as increased anxiety in the customer as they search for the

information. One solution we've found effective is to create a step in the IVR, where customers are told what information they need to have ready while they are in the queue.

Questions to ask if this “truth” exists for your financial services support program include:

- Can our IVR process be re-organized to shorten the time it takes customers to make the correct selection?
- Can we add verification information to the resources where our customers will access the number to call for customer service support? (website, mobile app, application help instructions, etc.)
- Are the self-service options presented by the IVR effectively resolving their issues? (In other words, does the self-service deflect the live service element, or are customers still returning to wait for a live agent after not being successful with the self-service alternative?)

Universal Truth #4: Some call volume can be deflected to alternate support channels

As new customer service channels have become available, customers have adopted them, and companies have risen to the challenge by incorporating these channels into their overall service strategy. Examples of this “Knowledge Centric Support” include self-help on websites, community forums, chat and social media. All of these channels are less expensive than traditional financial services support provided by agents over the phone or by email. Developing the ability to deflect calls to alternate non-voice channels presents a huge opportunity for cost improvement. Our research suggests that between 40% to 60% of customer service calls to the contact center can be handled through means other than live phone support.

Several years ago we started an analysis project where we tagged every call on each analytics study by answering these questions:

- Should this call driver be led away from phone support?
- Can it be led away?
- Will it never go away?

Example

An Analytics project identified two key opportunities:

- 43% of all calls could be handled through the Client’s website
- Dead air occurred an average of twice on calls, and each occurrence averaged over 30 seconds

The dead air was caused by tool latency as agents switched between screens. We designed and implemented a Job Aide that agents used during dead air instances, to explain how the problem could be solved online. This offered the customer an opportunity to receive an email with detailed instructions and a link to help them solve problems on their own

Once we determined the call drivers that supported a deflection opportunity to alternate channels, the team created a process to train customers to use those channels. For example, during “dead air” time while the agent is researching a resolution, they may say: “Did you know you could do X on the website? Would you like me to send you a link?”

An additional opportunity is to allow agents working with customers who are less tech-savvy to take the customers to an alternative channel and “shadow” them through how to resolve the issue themselves. What may result in slightly longer AHT at the beginning of a customer’s journey, will result in lower call volume over time, as customers become informed about, and adept at using, resources beyond traditional live phone support to resolve their issues.

Questions to ask if this “truth” exists for your customer service program include:

- Which call drivers can we create “guided walk-throughs” for agents to help customers learn to use alternative channels for issue resolution?
- Which alternate channels are the best options for deflecting calls based on call drivers?
- How can we identify the “inflection point” within a call to best educate our customers about alternate channels for financial services support?

In Conclusion

The discoveries our analytics team consistently makes reveal universal truths that are present in some form for all our clients, irrespective of contact center sites, geographies and locations. In fact, the findings are similar across industry verticals, although the “truths” will manifest in different ways on different call types.

Analytics has been proven to put data to work for the continuous improvement of customer service programs, enabling the achievement of a level of performance as a competitive advantage for financial institutions. The ability to identify and remove limitations that prevent agents from utilizing critical skills, as well as to help customers adopt alternate channels, should be seen as a windfall opportunity. We also see clients falling into the trap of using QA as a last line of defense related CFPB as a watchdog for compliance. Personalizing the customer experience is one of the last remaining opportunities to create true differentiation.



One of our clients has chosen to go to great lengths to increase CSAT through customer service. Another is a virtual bank that focuses almost exclusively on soft skills because it’s the only time they have personal interactions with its customers. By choosing to alter the traditional QA status quo, both clients have seen increased performance in their KPIs that matter most to them for their customer service.

In the end, the challenge is in whether or not your contact center provider can execute against the findings from data that illuminate the path to better decisions, which lead to great customer experiences. Don’t

jeopardize the success of your customer service programs by choosing the QA status quo when presented with universal truths. Your customers' expectations are rising each and every day. Customers compare their bank experiences with those of online retailers and other online experiences. This is the experience they have come to expect from a bank. Providing consistently great experiences through improved customer service approaches can result in sustainably higher levels of CSAT that will bring about business growth.



About the Author: *Bo Young leads the Analytics and Customer Experience efforts for SYKES, focusing on creating an environment that constructs the optimal experience for each Customer engagement. With more than 20 years of senior leadership experience in Marketing, Branding and Market Research, Bo leads a Global Team that performs Customer Experience studies. These studies combine advanced call listening strategies and a proprietary data collection tool, allowing for industry leading work in Customer Experience enhancement.*