VIEW POINT

INTEGRATED DIGITIZATION FOR CONSUMER BANKING

The evolution of human touchpoints

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Abstract

Many banks are embarking on digitization initiatives to transform how they deliver services to their customers. A close look at such initiatives highlights the key success drivers as well as the missteps that may lead to failure or limited success. A common omission in most digitization roadmaps is syncing human and digital touchpoints. Unfortunately, many companies view digitization as a purely technological implementation. This paper looks at how digitization impacts the human element, i.e., employees as well as customers. It also provides some valuable recommendations for banks to create the right blend of human and digital touchpoints ensuring the success of their digitization programs.

Introduction

As banks adopt digitization initiatives, there is a corresponding impact on human touchpoints. Consumer banking interactions that were once handled solely by employees at physical bank offices are now scattered across a variety of channels such as online, mobile, telephonic, and in-store, thereby impacting customer journeys.

But, it isn't just customers who must deal with this change. Even bank employees experience shifts in ways of working because of digital transformation. While some banks leverage digital for quick wins by enabling various customer touchpoints, others embark on a comprehensive exercise that transforms everything from technologies and infrastructure to services and touchpoints.

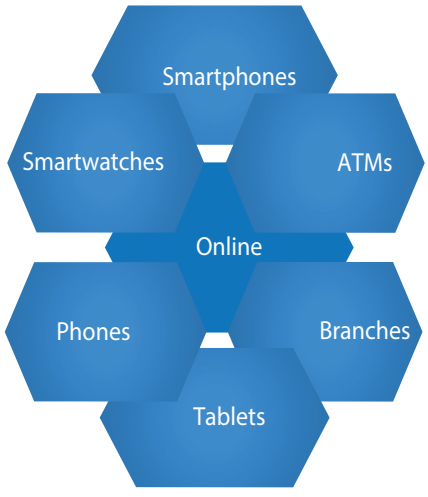

Figure 1: Banking touchpoints

Further, some digital transformation initiatives are coupled with automation. Here, banks focus on automating routine processes, introducing conversational interfaces such as chatbots for customer support and enabling specialized service offerings in branches. Let us explore how digital transformation impacts customers and employees at the ground level.

Digitization impact on bank employees

Any digitization exercise creates organization-wide changes within the core business model and across processes, teams and individual roles. These initiatives invariably disrupt traditional ways of working. Thus, organizations must be empathetic to employee impact and take proactive steps to minimize disruption and simplify adoption. But to do this, they must first understand the scale of changes and their impact. These include:

- **Tellers becoming sellers** – Digital-savvy customers prefer the convenience of online and mobile banking. Consequently, the role of tellers is no longer relegated to merely executing transactions. As customer-facing agents, tellers are in the perfect role to educate customers about new banking products, financial instruments and innovative services. Thus, owing to digitization, tellers are increasingly becoming sellers and are taking on additional responsibilities.
- **Using chatbots in customer service** – Handling customer queries and complaints has traditionally been a person-intensive task. However, the emergence of machine learning and robotic process automation is enabling banks to automate workflows and implement chatbots to manage customer service. This may displace a significant portion of the existing workforce who must then re-skill themselves for newer roles such as supervising bots and ensuring quality.
- **AI in the workplace** – Machine learning and artificial intelligence (AI) have several applications in back office operations such as automated document processing, product recommendation, fraud detection, legal contract analysis, targeted marketing and anti-money laundering. Typically, these areas have long been managed by large teams of employees. The introduction of AI techniques is enabling organizations to minimize such dependencies, allowing them to work with smaller and more focused teams.
- **New ways of working** – Not all digital transformation initiatives are holistic. Sometimes, banks merely enable front-end digital touchpoints while retaining back-end legacy systems and applications. Often, this results in frustrated employees who struggle with archaic applications and process flows while juggling the old with the new.

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Impact of digitization on consumers

Digitization also affects customer journeys and interactions. Hence, banks must proactively educate their customers about new touchpoints and seek feedback on service delivery. Some of the changes disrupting customer journeys are:

- **Decrease in the number of branches** – As banks invest in digital to increase the number of customer touchpoints, they also look to cut costs by reducing the number of physical branches. For non-digital savvy or elderly customers, this can be quite challenging as they must learn how to work with new apps and online banking services. Further, some customers prefer the in-person support that is available in a physical branch.
- **Automated customer support** – Sometimes, the introduction of online/automated telephonic support leads to convoluted menus, which increases wait times and customer frustration. The reduction in the number of customer service representatives further compounds this issue as customers are unable to access human support to resolve their queries.
- **Digital versus human interactions** – Limited access to real-time human assistance across various digital touchpoints can have adverse consequences. Without assistance, customers may be unable to proceed with the transaction as they are unaware of what to do next. In such cases, they tend to abandon the process resulting in loss of business for the bank.
- **Integration challenges** – In some digital transformation programs, banking institutions retain legacy requirements such as expecting a customer to print, sign or affix a photograph onto an application form when using digital touchpoints. This lack of synchrony causes friction and frustration for digital-savvy customers.

Blending customer touchpoints the right way

A recent Infosys survey on digitization trends across industries1 uncovers how banks can streamline their digitization programs for maximum positive impact on customers as well as employees. To begin with, banks should define a holistic strategy when adopting digitization. Here are some key elements of such a strategy:

- **Supplement digital with the human touch** – When designing digitization journeys, banks should incorporate options for customers to seamlessly invoke human assistance in every digital interaction. This is important to eliminate abandoned transactions. Further, omni-channel capabilities are vital to help customers smoothly switch between channels and finalize difficult transactions. Enabling this also requires the right technology services at the back-end so that services and products can be customized appropriately.
- **Ensure smooth front to back-end integration** – Superficial digital transformation initiatives that retain legacy applications at the back-end and target only customer-facing interfaces pose challenges for employees. The lack of synchrony between applications increases employee dissatisfaction and creates service discontinuity, eventually compromising the customer experience. The best way forward is to leverage a comprehensive approach that considers future requirements in order to enable end-to-end integrated digitization.
- **Use the right technologies** – Bank employees should be empowered with the right tools to ensure frictionless and faster transactions for customers who visit their branches, call their helplines or employ their mobile apps. These tools can include software that unifies access across multiple applications as well as AI-driven product recommendation applications that leverage data from individual customer profiles.
- **Provide effective training** – Change management is a key requirement for any successful transformation program. When implementing digital, banks should prioritize conducting effective training programs that teach employees how to use digital touchpoints. This is particularly important for branch employees as they may be required to educate customers or assist them with transactions. As tellers become sellers, they should also be trained on executing high-value and complex transactions and giving customers tailored advice.

The scope of digitization

Digitization initiatives can be geared to do a lot more than just enable newer channels for customers. Its scope can extend across new platforms, services and customized offerings. The Infosys report highlights several of these trends.

For instance, many banks are already partnering with FinTech firms in the area of payments to enable blockchain-driven innovation. Further, peer-to-peer lending is an upcoming area in the payments space driven by agile and digital players. To gain market share in this new area, banks are focusing on replacing legacy systems and adopting new technologies for origination, servicing and delinquency management. Meanwhile, they will also invest in digitizing, consolidating and upgrading core banking platforms. Inspired by the customer experience offered by e-commerce and new providers, banking channels will soon expand their current repertoire of services and offer additional services and features. For instance, they will renew their focus on personal finance management (PFM), enhance solution features and enable omni-channel support to drive adoption of PFM.

Thus, irrespective of how banks want to implement digital touchpoints, they must focus on unifying the experience for customers as well as employees. Here, application and service convergence is the key to helping customers enjoy seamless service between different channels and across digital and human touchpoints.

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Conclusion

For banks, ensuring seamless service delivery is paramount to customer as well as employee satisfaction. Today, banking has moved from a person-centric to technology-driven service thanks to online and mobile channels. Thus, digitization programs must consider how digital touchpoints impact customer journeys and employee roles. The impact on employees includes taking on additional responsibilities, dealing with archaic systems and learning how to use new technologies. For customers, this impact ranges from navigating different channels, dealing with limited human assistance and the lack of synchrony between front-end and back-end systems. Thus, to ensure seamless adoption, banks should use a holistic strategy that trains employees, seamlessly incorporates human assistance across channels and touchpoints, leverages the right tools for employees, and ensures smooth integration between front and back-end applications. Such a strategy will help banks prepare for the future and reap more benefits through digitization programs.

About the Author

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Pramod has been with Infosys in account and program management roles for over 11 years now, and is currently a member of the New Offerings Presales team focused on the Financial Services, Insurance, Healthcare and Life Sciences industry verticals. In this role, he is involved in providing overviews and recommendations to customers on Infosys' offerings around Digitization, AI and Automation, as well as plays a solution consulting role in RFXs in this space.

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