



**DELIGHT**  
**DELIVERED**

**CUSTOMER EXPERIENCE  
IN THE NEW.  
THE BATTLEGROUND FOR  
FINANCIAL SERVICES.**

# PUTTING CUSTOMERS FIRST

In an era of financial product commoditization and fluid customer expectations, experience is a financial institution's battleground to differentiate and delight customers. However, experience is often a rapidly moving target with expectations constantly being re-shaped by the customer's latest interactions with her favorite brands and services.

The vast majority of financial services organizations understand the strategic importance of customer experience and know that differentiation lies in how they understand, anticipate, and execute against customer needs and expectations. They also know that, to be truly valued by customers, most will need to move beyond their traditional role as enablers of financial transactions to become indispensable, trusted partners in their customers' digital and physical lives. Such "everyday banks" will help customers from the birth of a need through its full lifecycle, providing the necessary advice, services, and information along the way.<sup>1</sup> However, despite understanding the importance of customer experience and embracing a customer-centric vision, many financial institutions are struggling to truly transform their businesses (figure 1).

**"EVERYDAY BANKS" WILL HELP CUSTOMERS FROM THE VERY INCEPTION OF AN EXPERIENCE THROUGH ITS FULL LIFECYCLE, PROVIDING THE ADVICE, ACCESS, AND INFORMATION NEEDED ALONG THE WAY.**

Figure 1: **FROM PRODUCT-FIRST TO CUSTOMER-FIRST**  
**FROM INSIDE-OUT PROCESSES AND OPERATIONS**



I have existing products and services.

Let me find the right customer...

...and talk to her about it

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**TO OUTSIDE-IN CUSTOMER EXPERIENCES**



I have a customer and I want to understand her needs, expectations, situation and preferences to deliver relevant experiences.

# LIQUID NEEDS, BUT INFLEXIBLE RESPONSE

Reinventing the organization is not simple. In fact, three primary factors are contributing to financial institutions' inability to continuously deliver experiences that delight customers.

## 1

### LIQUID CUSTOMER EXPECTATIONS

Customer expectations for financial service providers are influenced by their experiences in entirely different industries. Our Fjord service design thought leaders call this consumer trend and design paradigm shift "Liquid Expectations" (figure 2)<sup>2</sup>.

Figure 2: **WITH LIQUID EXPECTATIONS EVERYTHING COMPETES WITH EVERYTHING AND PEOPLE'S EXPECTATIONS TRANSCEND EXPECTED BOUNDARIES**



Services that change customer expectations—and raise them for yours.

## 2

## CHANGING EXPERIENCE LANDSCAPE

Even as financial institutions re-evaluate the experiences they deliver to their customers, they are also facing new disruptors that are radically transforming the competitive landscape. These firms range from FinTech start-ups to large technology giants providing everything from robo-advising to payments. For example, Robinhood is a mobile brokerage that allows users to buy and sell stocks at no cost<sup>3</sup> and Lemonade is a peer-to-peer insurance company that uses AI to power its policy management tools.<sup>4</sup> At the same time, Apple and Android are ramping up their mobile payment and digital wallet services and Uber is helping its drivers register for bank accounts, prepaid cards, and car leases.<sup>5</sup> There is no doubt that FinTech companies and technology giants will continue to challenge the services and products offered by traditional financial services organizations.

## 3

## LEGACY INFRASTRUCTURE AND ORGANIZATIONS

With all of these changing customer and landscape dynamics, financial institutions have to be able to move and respond quickly. However, the historical processes, products and organizational silos resident in most financial institutions make it difficult to collaborate across functions and quickly iterate and adapt to change. Waterfall development methods cannot compete against agile delivery, technology-centric organizations struggle to put customer experience first, and lines of businesses operating in silos are unable to gather enough data to form a cohesive view of the customer. Legacy infrastructure and processes are cementing financial services organizations into a past that no longer works.

# EXPERIENCE-LED TRANSFORMATION

Companies able to overcome these challenges (evolving expectations, significant industry disruption, and legacy constraints) drive real results. They are increasing customer acquisition, share of wallet, and retention while simultaneously decreasing administrative and technology costs. It's no wonder that 56% of respondents to recent Accenture research cited customer experience as a top digital initiative.<sup>6</sup>

So how do financial institutions excel in their day-to-day businesses and transform themselves to stay ahead of ever evolving customer needs and expectations? Our experience shows that completing this change requires re-architecting the business from multiple dimensions. Financial institutions need to build the capabilities to understand customers, engage with them how they want to be reached, build ecosystems to offer the right solutions, and continuously optimize and adjust as customer expectations change. This change requires investments in technology, operations, and culture. We call this experience-led transformation (figure 3).

Figure 3: **EXPERIENCE-LED TRANSFORMATION**





## KNOW YOUR CUSTOMER

Experience-led transformation centers on gathering a deep understanding of the customer and, through analytics, turning that data into timely customer insight. Analytics enable financial institutions to identify prospect behavior patterns, personalize customer interactions, and anticipate future needs.

### THERE ARE MULTIPLE WAYS FOR AN ORGANIZATION TO BEGIN DATA ANALYSIS:

- Identify key areas to consolidate internal data across product lines to get a good picture of the customer's relationship with the financial enterprise.
- Apply targeted advanced analytics to learn when, how, and with whom the relationship can grow.
- Combine necessary internal data with available external data to create a 360° profile of customer demographics, habits, and preferences.
- Close the loop with performance data and customer feedback captured during a customer interaction. Then, using techniques such as sentiment analysis, gauge success and identify ways to improve the experience.

Data—about both customers and the experiences that have been launched—are critical to ensuring a company is delivering what customers want when they actually need it.

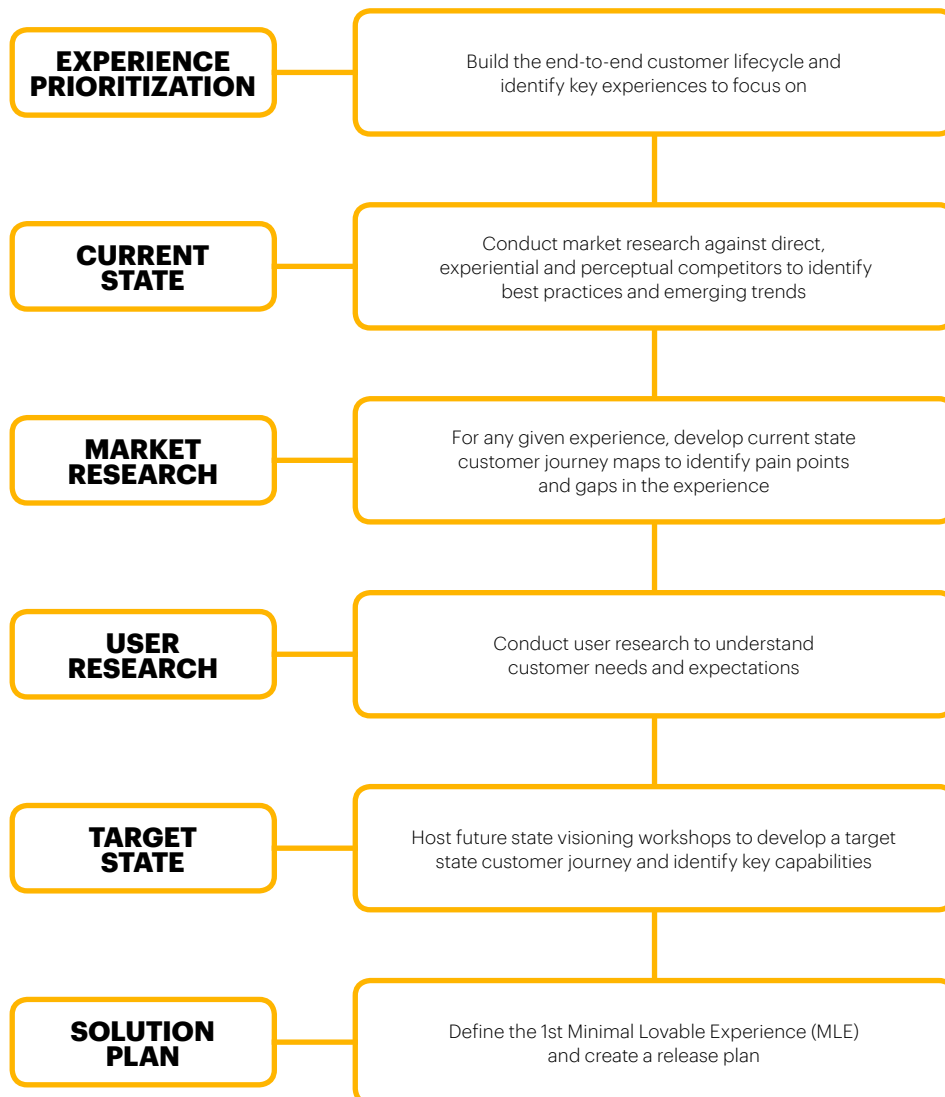
When approaching data, be sure not to boil the ocean. Many organizations input all of their data into large data structures that are difficult to use and analyze. Instead, consider using an iterative build approach based on high value use cases and creation of value-based business changes.



## ENGAGE YOUR CUSTOMER

Once financial institutions have a good understanding of who their customers are, they can begin to build experiences that are relevant and valued to them (figure 4).

Figure 4: **HIGH LEVEL CUSTOMER EXPERIENCE STRATEGY**



This process begins with building the customer lifecycle and identifying the key experiences to focus on. Determining the focus areas is based upon what customers find important and what the organization wants to be known for. For firms, this means distinguishing between where they want to differentiate versus align to industry standards, and allocating the right investments based upon these needs. Regardless of the type of experience selected, it is key for each journey to have its experience owner responsible for strategy, design, launch and optimization.

Once an experience has been selected, organizations can begin mapping the current customer experience and identifying key pain points and gaps. Following this, conducting market research enables firms to compare this experience with competitors – direct, perceptual, and experiential – and identify the opportunities to align, differentiate or disrupt against these competitors. In parallel, user research should be conducted to understand customer expectations.

These activities are the basis to build a future state vision and target state customer journeys aligned to strategic goals. When creating journeys, it is critical to remember the employee as they are the conduit for delightful customer experience. Wherever required, employee journeys should be developed in parallel to customer journeys.

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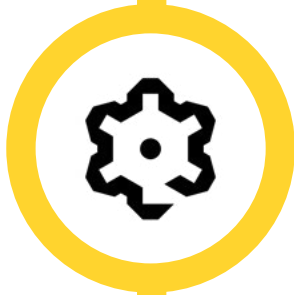


When the target state customer and employee journeys are developed, they can be analyzed to identify all the capabilities, both customer and enterprise-facing, that will be required to enable the journeys. This involves defining, prioritizing, and selecting the features that will be launched first as a Minimal Lovable Experience (MLE) and building the long-term strategic roadmap and release plan. Examples of capabilities that may be required to support journeys include banker workstations with remote interaction capabilities, artificial intelligence-based assistants, robotics, and omnichannel interaction platforms. For signature experiences, the vision and long-term release plan should be periodically revisited to ensure that the experience meets evolving customer expectations.

**FOR SIGNATURE EXPERIENCES, THE VISION AND LONG-TERM RELEASE PLAN SHOULD BE PERIODICALLY REVISITED TO ENSURE THAT THE EXPERIENCE MEETS EVOLVING CUSTOMER EXPECTATIONS.**

In building signature experiences, organizations should think beyond what customers say they want to reimagine what customers will need, in order to cultivate brand ambassadors and advocates. To support this, our Fjord service design thought leaders have developed "The Love Index", a fresh approach to measuring affinity to physical and digital brand experiences<sup>7</sup>.





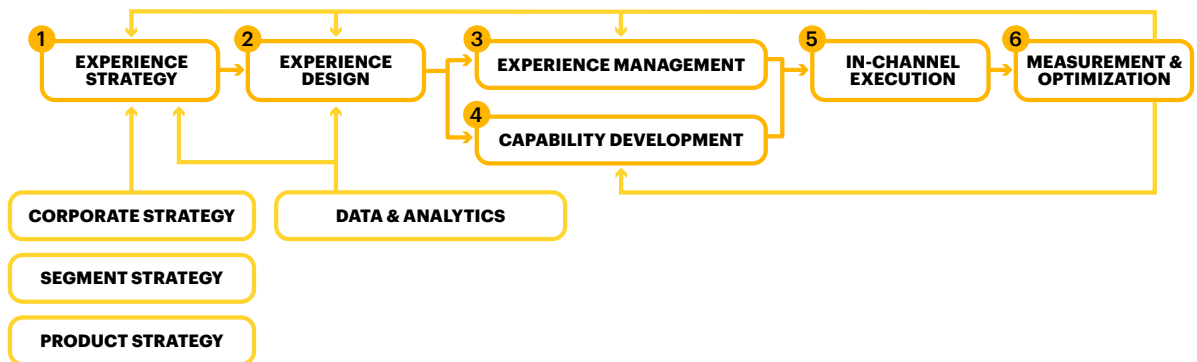
## BUILD YOUR ORGANIZATION

The third piece of experience-led transformation is to build the supporting organization to develop, execute, and optimize customer journeys.

This often requires re-architecting both the front-stage and back-stage functions and involves extensive cultural and operating model changes. Building the right organization starts with the employees required to support the business. Culture becomes paramount in this process, and re-aligning corporate incentives and metrics to focus on long-term customer value and customer empathy is the first key step to transforming an organization. Rather than business units that are focused on P&L and short-term gains, organizations need to emphasize the KPIs required to support the end-to-end customer experience.

In addition to culture, organizations also need to build a customer centric operating model focused on the delivery of seamless and automated cross-channel experiences (figure 5).

Figure 5: **EXAMPLE OF A CUSTOMER-CENTRIC EXPERIENCE FACTORY**



Successful examples of customer-centric operating models include an integrated experience strategy function focused on prioritizing and defining the end-to-end experiences across platforms, channels and segments. It also includes an integrated design function to turn an experience strategy into an actionable design, including service blueprints, user stories, and UI/UX prototypes. An agile cross-functional development arm can then take the required features and build the capabilities. In parallel, content teams can develop required creatives and marketing assets.

The goal of all of these efforts should be to launch Minimal Lovable Experiences (MLEs) and release customer journeys through an in-channel execution function that orchestrates the delivery of the experiences. Following the launch of a MLE, a test and learn function should focus on capturing feedback and performance, analyzing the data, and generating insights for constant optimization and improvement. With the right operating model and culture, organizations can get on the right path to deliver distinctive experiences.



## EXPAND YOUR ECOSYSTEM

While firms can build their internal assets to enable experience-led transformation, increasingly they must also rely on a network of external partners to further differentiate themselves.

These reciprocal relationships often create value for the financial services provider, the partner, and the customer. For example, a variety of financial services firms have partnered with TrueCar to power car-buying programs.<sup>8,9</sup> The partnership provides customers with targeted savings through TrueCar, provides firms with additional customer insights to sell products (e.g. car insurance, car loans), and gives TrueCar increased search traffic and car dealer fees. Another example of beneficial partnerships is that between Santander Bank and Funding Circle.<sup>10</sup> Santander Bank will refer small businesses that do not qualify for a loan to online peer-to-peer lender Funding Circle. Funding Circle reciprocates Santander's endorsement of its lending platform by promoting the financial services group's account and cash management services.

Through partnerships, financial institutions can expand their reach beyond traditional boundaries and interact with their customers in places they could not be before. They also streamline and create better experiences for the customers they are trying to serve.

# THE SUCCESS FACTORS

Given the breadth and depth of experience-led transformations, there are several different approaches to help organizations begin this journey. These options may range from proof-of-concept projects to large-scale enterprise transformations. Regardless of the approach selected, three overarching principles guide the path:

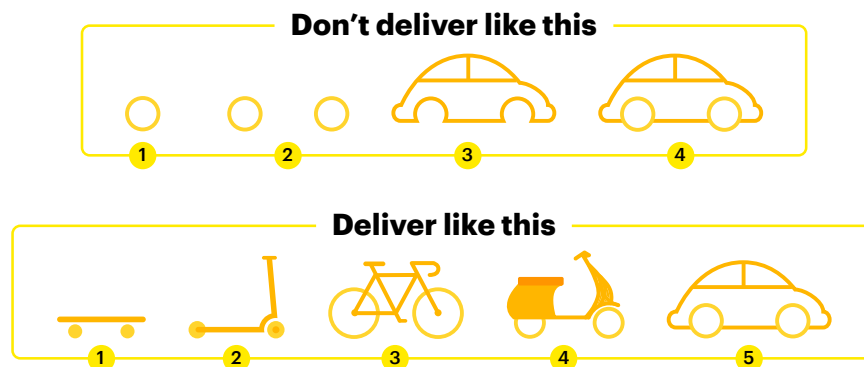
## 1. THINK “OUTSIDE-IN”

Always adopt an “outside-in” perspective (figure 1) as an experience-led transformation must begin with the customer herself. What is the customer really trying to do? Where is she in her customer lifecycle? What is the best way to help her achieve her goals?

## 2. BUILD ITERATIVELY

Once customer intent is understood and the key capabilities have been identified, adopt an agile development methodology to build the solutions. The first release will likely only have a few features of the target journey, but it is fundamental to build iteratively and realize incremental business value. Don’t build the entire target journey prior to releasing it—chances are by the time this actually happens, the capabilities in the journey will already be obsolete (figure 6).

Figure 6: **HOW TO DELIVER IN AN AGILE WORLD**



## 3. EMPOWER EMPLOYEES

Delivering a new experience often requires significant behavioral and cultural change in an organization. Defining and improving employee experience in parallel to the customer’s will ensure the organization is ready and motivated to improve the lives of their customers. Great customer experience cannot be delivered without empowered employees.

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## GETTING STARTED

For financial services providers, succeeding amidst the various challenges at play today requires a customer-centric mindset and increased agility to meeting changing customer needs and expectations.

Accenture has the people, processes, and technologies required to help you get started on this transformation, accelerate it and implement it. Our team of experience architects can help you analyze and understand your customer experiences, identify and develop external partnerships, and build the right operating models to enable and optimize experiences.

To learn more about how to drive strategic value and become customer-centric, contact:

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