

INTERSECTIONS

Where **Financial Institutions** and the **Investment / Insurance** Industries meet

Twelfth Edition

Products, Portals & Platforms... OH MY!

The Cowardly Lion and Financial Institutions

Similarly to the cowardly lion in the Wizard of Oz, Financial Institutions (FIs) need to muster their courage and design a Customer Experience (CX) that will keep pace with a new breed of consumers; GenX and GenY. Our perspective is that FIs have great bravado (like the lion, ok you get the gist of this) when talking about the changes needed to better connect with, engage and drive stellar CX with GenXY, but it is not happening quickly enough. The numbers tell the story. Some measures show banks achieving a per annual growth rate of 5-6% from 2010 – 2015 while insurance displays an anemic 3.1 % growth rate annually. Asset management has an after-tax ROE of 7.7%, which is still below other mature industries such as retailing at 13.1%. Do retailers have more courage than financial services companies, or do they see the perils on the yellow brick road more clearly and act more quickly?



Digital engagement is becoming commonplace and is helping the customer feel important, special and when done well, very pleased. I have been thinking about how we have educated and engaged our FS clients over the last 5 years and the progression from product sales strategy to platform ecosystems with portals being used when appropriate.

Product strategy used to be the motivation for sales and the institution's internal divisions were organized around market segments. While we may have engaged the end-user in the product design, too often this was done with the idea of making sure they liked whatever we were had already planned. Very often the process was not iterative and there was reluctance from the designers to actually change the product after receiving the customers' insights due to the long product development cycle, IT legacy system constraints and regulatory hurdles inherent in financial services product development. This meant that the customer's journey travels along a bumpy road during and after the sale.

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The use of portals has allowed digital cooperation and partnerships to sell products and services without necessarily waiting for the institutions' internal IT team to address the new needs. Not having to dramatically impact legacy systems means that the customer's experience can be designed more organically from the outside-in and with an emphasis on exactly which portions of the journey and customer touchpoints should be optimized. Portals can be completed in-house or externally, but at the intersection of financial services we usually see third parties in the mix.



Platforms have been with us for years in other than digital forms (think shopping malls) but digital platforms have allowed us to take CX to another level and to capture and use resultant data more effectively. Great platforms like Airbnb and Uber empathize with the customers' journey allowing them to personalize, interact, engage and purchase easily and conveniently. It does not matter where the customer is on their journey: exposure, interest, trust, purchase or loyalty; a well-designed platform captures the information needed at every stage in the process to create data exchange, feedback, and a virtuous circle that demands and receives continuous communication.

I work with two platforms that capture the essence of this idea and execute well on their promise. The first is an investment platform that facilitates the small saver's interest to invest in mutual funds with the minimum amount being 1 cent, (not usually done, but doable) and it is an end-to end online experience. The second platform has the ability to give brokers, insurers and financial institution customers' direct access to selected insurance products, 100% online where they can be educated, purchase and fulfil all on the platform in one setting (think Amazon.com-type experience).

The mantra used to be "put the customer first, and now it is, "put the customer in the center" and design an omni-channel experience. Omni-channel is when an institution understands each platform and device a customer uses to interact with the company. That knowledge is then used to deliver an integrated CX. This integration allows institutions to align their goals, objectives and communication across and among each channel and device.

The CX journey, in the same way as the cowardly lion's yellow brick road experience, is not linear or easy to accomplish. However, using customer-centric design thinking can assist in delivering a compelling end product. Platform technology gives us the ability for customer-centric omni-channel journey designs which reimagine and reinvent the CX. Platforms are the Wizard behind the curtain that will place a medal on our chest if we have the courage to begin the redesign.

A handwritten signature in cursive script, appearing to read 'Carmen'.

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