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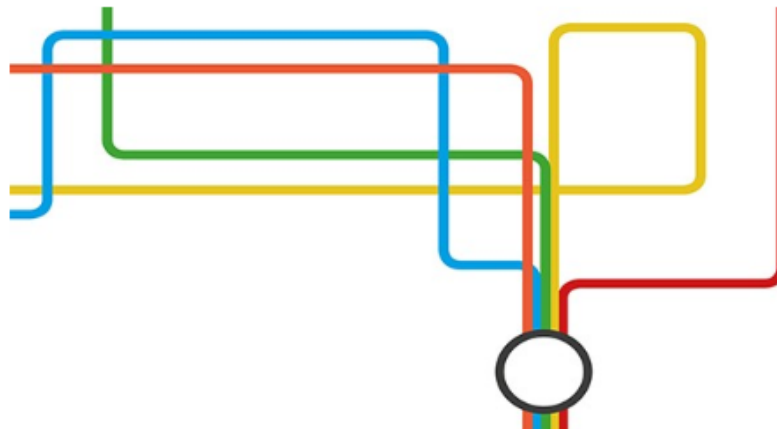
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### Omni-channel experiences – the new competitive benchmark

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Moving from a multi-channel to an omni-channel strategy will give people a greater choice in how they interact with financial organisations and improve the customer journey. Bill Safran, chief executive officer at Vizolution, explains



More than ever before, banks and mortgage providers are defined by the experiences they deliver to customers. As new challengers from outside financial services enter the market, organisations such as Amazon and Apple set a new benchmark by which all companies are measured.



Furthermore, the proliferation and fragmentation of channels has increased the challenge for mortgage providers, putting the issue of omni-channel firmly on the agenda.

The emphasis on the customer journey is even more relevant for mortgage providers, as the mortgage process is a long and complex one. It is also a very emotional process, as providers are often helping someone to buy the house of their dreams, their first home or a place where their family can grow up.

Mortgage journeys also have several parties involved, such as a bank, solicitor and surveyor, and typically require a lot of documentation. This means the opportunity for journey failures is amplified. Additionally, since the Mortgage Market Review (MMR), there are increased regulatory requirements that impact on both the mortgage provider and the customer, so simplifying the process as much as possible is critical for mortgage providers.

So, what are the drivers and critical success factors influencing an omni-channel strategy?

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### **From multi to omni**

According to McKinsey, two-thirds of customer decisions are informed by the quality of their experience across their customer journey, so it's no wonder that mortgage providers want to provide efficient and seamless journeys.

Over the last few decades, organisations have increased the number of communication channels, giving them the opportunity to reach them through branch, telephone and most recently, through digital channels. However, this has largely been a siloed approach and the ability for customers to move between channels has been limited.

In an attempt to offer a joined up service, omni-channel has become the new holy grail, going one stage further by providing customers with a range of channels that they can move between as their journey demands it.

The first step for mortgage providers is therefore to design customer journeys at a granular level. To create a strong omni-channel strategy, providers must identify the issues in each journey and have visibility of the breaking points that are causing delays or causing a customer to abandon.

Are customers being forced down a channel that they don't want to use, such as going into a branch or waiting for documents to arrive in the post? Are customers being asked to complete multiple forms? Are product comparisons well communicated or are customers left confused by the range of options open to them?

All of these issues and many others create breaks, disconnects and inefficiencies in customer journeys that negatively impact on businesses through increased drop offs, decreased completions and poor customer service. The challenge for mortgage providers is to solve these problems in a way that is simple and intuitive.

### **Balancing cost and service**

Digital transformation has swept across the financial services industry, and has become the focus for providers who have seen an opportunity to service customers at a reduced cost. However, low cost channels are often typified by being low engagement, and this can lead to lower customer satisfaction, higher drop off rates and lower completion rates, especially if customers are forced down these channels when the journey is more complex.

Customers who are on a 'happy path' will move seamlessly along a self-serve journey. However, for more complex products such as mortgages, where there is a greater requirement for evidential documentation such as ID, proof of income or proof of earnings, these journeys can quickly fall apart if there is not an element of assistance. The real winners in the customer service race will be those who can move customers seamlessly between self-serve and assisted journeys as and when the journey demands it. This is the real essence of omni-channel – to ultimately optimise the balance between service and cost.

### **The age of the consumer**

Forrester first identified 'the age of the customer' a few years ago, and today, the impact of this power shift is even more real for businesses. Customer demands for greater convenience and control mean providers are under increased pressure to deliver their services in different ways. This has led to a reshaping of both customer journeys and indeed, business strategy, that has left many businesses playing catch-up.

Central to the customer desire for convenience is the need for flexibility. With the new 24/7 culture and the 'always on' consumer, customers' expectations are higher than ever before. Organisations such as Amazon have raised the game, with customers now expecting the same level of service whenever and wherever.

For example, a customer may want to review and sign a document after work, or provide relevant identification when typically, branches and call centres are closed. Providers need to respond to this and facilitate journeys that are convenient for the customer, not just the business.

Ultimately, customers want to decide where their customer experience journey starts, and where it ends – they don't want to have a journey forced on them based on a provider's legacy system. In this age of the customer, no two journeys are the same and the role of the provider is to be the facilitators of the customer's choice of journey – not the dictator.

Allowing customers to move between channels is only part of the success of an omni-channel strategy. Also critical is the need to move customer data along the journey with them. Onmi-channel journeys require a single point of truth, and asking customers to duplicate forms and conversations serves only to annoy customers and lengthen the journey.

### **Leveraging technology**

There is no doubt that technology can reshape a customer journey and has driven the digital transformation agenda. However, for organisations operating within the constraints of legacy systems, progress has been slower than hoped. Yet there are some shining beacons of success within financial services where technology has facilitated a transformation of the customer journey.

One such success is RBS's Digi Docs platform, which enables customers to apply for products, supply supporting information, and be automatically updated on progress. What's important is that Digi Docs utilises technology to facilitate a transformed journey – but it wasn't technology for technology's sake. It worked backwards from the customer journey and the technology was leveraged to solve real pain points in the journey.

Technology can certainly help join up customer journeys, but success will come from placing the customer at the forefront of the process rather than the IT department.

### **Measuring customer satisfaction**

While omni-channel strategies require a shift in approach away from siloed channels, measurement of success needs the same approach if providers are going to have full visibility of the customer journey.

It's no longer sufficient to measure each channel in isolation – providers need to see the big picture and measure from the perspective of the customer. For example, call centre measurement is centred around measurements such as average call handling time (AHT). However, this can deliver a narrow and sometimes misleading view of the customer journey.

While AHT tells an organisation how quickly an agent has dealt with a customer, it doesn't measure the effectiveness of the call – whether a customer's query was resolved on the first call, or whether that customer had to call back a number of times to get their issue resolved. It also doesn't show if they've previously used another channel to try and solve their issues but was unsuccessful, so have had to change channels (possibly against their will), in order to get an answer.

We therefore need to measure the effectiveness of the overall customer journey, taking into consideration complex and non-linear customer journeys. While channel-level metrics are key for understanding a single aspect of a customer journey, focusing exclusively on siloed channels can often be misleading, and impact the overall effectiveness of the customer experience.

### **The benchmark of customer experience**

The true utopia in omni-channel delivery is one where customers can begin an online application process, upload identification and proof of earnings documentation at their convenience. They can then engage with a mortgage advisor who is able to clearly demonstrate product options, request a signature and move customers through an optimised journey that uses assisted and self-serve channels; as well as a managed workflow to ensure the journey is convenient, consistent, compliant, and completed in the shortest period of time without breaks and delays. This is a model that many mortgage providers are already working towards and are already starting to see the benefits.

For those organisations who have established best in class omni-channel journeys, the rewards have been great. In fact, according to the Aberdeen Group, organisations with the strongest omni-channel strategies retain an average of 89% of customers, compared to just 33% in companies with weak omni-channel strategies – so the incentive is there for organisations to embrace omni-channel.