

A Guide to Real-Time Communications in Banking and Financial Services



A woman sitting down to dinner with her family receives a text notification on her phone. It's an automated message from her bank. They want to know if she's just swiped her card to purchase \$79.00 worth of sushi in Cabo San Lucas. Since she's never even been to Cabo, she responds that, no, this was not her purchase. Following the text's instructions, she can confirm her bank's suspicions that the charge was not initiated by her and is most likely someone who cloned her credit card. Seconds later, her phone buzzes to let her know that her card has been canceled, and someone from the bank will be in touch to issue her a replacement and answer any questions she might have. The entire process is so simple and takes so little time that her family dinner isn't even disturbed.

This is the power of real-time communication - a forward-leaning, responsive tool that places actionable information into the hands of your customers through the use of ultra-convenient digital channels.



How Financial Services Organizations Use Real-Time Communications

A real-time alert is a form of instant communication sent via SMS, email, mobile, or desktop applications. CEDAR CX's larger financial institution clients¹ rely on automated alerts to send direct messages to their customers. Banks and other financial institutions typically use a few different types of real-time engagement to make these rapid, one-on-one connections with their customers.

Balance



Consumers like to be informed if their accounts dip below certain thresholds. Banks can send automated notifications to their customers based on customizable settings with on-demand alerts, so customers always know their current balance. Because their customers are alerted when their accounts fall below a designated floor, individuals are less likely to overdraft their accounts. They can even adjust their spending habits based on this helpful service. Providing your customers with these personalized insights improves the experience and drives customer satisfaction and trust. For example, Accenture's Banking Consumer Study² found that 65% of consumers are interested in receiving savings tips from their bank or insurer based on their spending patterns.

Purchases



Much like in our example above, customers appreciate the extra convenience of being notified about large or unusual purchases made on their accounts. With criminal fraud activity on the rise, consumers expect financial services companies to be on the ball with instant alerts so customers can confirm or dispute unusual charges as they arise. Real-time purchase alerts help consumers feel safe knowing that someone is monitoring their accounts for criminal activity like imposter scams and fraudulent online shopping – the top two categories of consumer fraud reported to the FTC³ this past year.

Deposits and Withdrawals



With more digital channels to connect with providers than ever before, on-the-go money management is rising in popularity with consumers. Instantaneous alerts that let your customers know when a check has been deposited or when money has been withdrawn are now a normal part of the personalized digital banking experience. When more than one individual manages an account, this feature is helpful for all account holders to see the inflow and outflow by other users.



Account Changes



Particularly useful for cybersecurity, real-time alerts can be sent by financial services providers to customers whenever account information, like an address or password, changes. These prompts are critical for mitigating fraudulent activity and keeping customer accounts secure. Since 76% of consumers would like assistance in dealing with cyber threats, these rapid notifications have become necessary to help customers feel secure in our digital world.

Personalized Advice and Perks



More and more financial services businesses are offering specialized advice and even perks to customers via real-time communication. Consumers respond well to companies that take this personalized approach, and digital channels make it simple and easy to form these individual connections with customers. Over half of those surveyed in Accenture's report would like a chatbot that offers personalized financial advice, and 68% would be interested in receiving offers and perks based on where they shop most often. Organizations that invest in these capabilities are likely to jump ahead of the competition.

Your Customers Expect Real-Time Engagement – Are You There Yet?

In the World Retail Banking Report 2021⁴, 81% of those interviewed said they would be motivated to switch to a new-age financial institution for anytime, anywhere accessibility and more on-demand banking capability. Increasingly, customers have come to expect immediate assistance and omnichannel engagement from their financial services providers.

Heightened consumer demand for this 24/7 convenience is due, in part, to how many other industries have embraced real-time communications. For instance, online retail shopping experiences offer instant purchase notifications in the form of digital invoices or receipts. A shipper will automatically send a separate alert when they have determined a likely delivery window. Then, customers receive a message when the item is delivered. Sellers can interact with customers post-delivery through customized emails with survey links and promotional

codes that can be applied to future purchases. These frequent touchpoints keep the customer engaged at every step of the sale process, and, critically, they set achievable expectations throughout the entire customer life cycle.

Real-time alerts, automated emails, and push notifications are an integral part of our everyday lives. Service markets are mobile-centric, and many businesses are working hard to lower their baseline response times. For good reason – 83% of customers⁵ expect to engage with someone immediately upon contacting a company. With the significant growth in user adoption of digital technologies, many industries have adjusted their engagement strategies to incorporate on-demand, omnichannel distribution. Consumers expect one-on-one communication from businesses, and when financial services companies fall behind the digital curve, their customers notice.





The Benefits of Anytime, Anywhere Communications

Faster response to potential fraud



Depending on how and when it occurred, a financial institution could be considered liable for fraudulent activity. By utilizing a real-time alert system, businesses can improve their response times to malicious activities. Your customers know when their account activity is suspicious versus merely unusual. Loop them into the conversation with automated alerts so they can help you suspend fraudulent charges or cancel compromised purchase cards before bad actors can rack up additional charges.

Reducing strain on internal resources



Customer Communications Management (CCM) technologies make rapid response and real-time alerts simple and easy to automate, freeing internal resources for other activities. By tracking and archiving all customer communications, including real-time messaging, customer support personnel can quickly assist customers with any issues that arise. These time-saving capabilities can reallocate resources to more value-adding activities that drive revenue growth, like new customer engagement and discovering upsell opportunities.

Staking your claim in the future of digital engagement



As instant communication becomes easier to implement and more sophisticated in capability, its usage will continue to grow. Since the pandemic, 44%⁶ of retail banking customers use their primary bank's mobile app more often, and Bank of America's business banking app has experienced a 117% growth in mobile check deposits. Accenture found that 50% of customers use mobile apps or websites to interact with their banks at least once a week. Simply put, to stay ahead of the competition, you need real-time, digital engagement.

Real-Time Communications As Part of an Omnichannel CX Strategy

The ability to connect with your customers via multiple channels, including in-person, paper documents, and various devices and digital platforms is no longer optional. Seventy-four percent of consumers⁵ use multiple channels to start and complete a transaction, but nearly half of all banking and investment customers experience high levels of difficulty while interacting with these businesses in various media, according to the 2021 World Retail Banking Report. Seventy-six percent of these customers expect an omnichannel experience from their banks.

Providing a seamless omnichannel CX that increases customer satisfaction and loyalty takes more than simply slapping more digital channels into your offering. One 2020 study by J.D. Power⁷ discovered that digital-only customers of retail banks have the lowest levels of customer satisfaction. A similar report⁸ has found Canadian banks running into satisfaction issues with their mobile customers. With consumers flocking to digital channels in droves, the question becomes - how do financial services providers improve customer happiness and retention while engaging in a progressively digital-first world?

The answer lies in hyper-personalized, one-to-one, real-time engagement. Digital communications don't have to lose the human touch. In fact, by leveraging the benefits of digitalization, like increased access to customer data and analytics, businesses can actually engage customers on a more intimate level than before. By layering real-time communications into an overall omnichannel CX strategy, organizations can deliver more relevant content and offerings tailored to each customer's needs - exactly when, where, and how they want.



How to Integrate Real-Time Engagement into Your Customer Communications

Integrating real-time communications into your overall CX strategy doesn't have to be complicated. Here is a four-step checklist you can use in your journey to incorporating real-time engagement and alerts into your systems and processes.



Employee buy-in

Gather feedback from all users and internal stakeholders before pressing ahead with implementation. Ask your fellow team members for advice and suggestions for improvement. Have everyone look at your current communication channels from the customer's point of view so that you can define system requirements that work for all future users, both internal and external.



Communications and compliance audit

Put together a detailed inventory of current communication processes and customer journeys so that you can identify the gaps and prioritize those areas. Check to see how compliance will change as a result of real-time alerts and messaging.



Customer surveys

Speak to new and long-term customers about real-time alerts. What would they want to see? What would they want to change about your current processes? Conduct a network-wide survey to assess customer readiness for these new digital channels.



CCM partnership

The final key to successful real-time implementation is to work with a CCM partner who understands your challenges and can offer expert advice and guidance as you make these changes. No matter the institution's size or the legacy systems already in place, CEDAR CX is prepared to help streamline the integration of our fully customizable CCM solution, incorporating real-time capabilities to maximize customer engagement.



Offering rapid, on-demand connections to customers is the best way to provide a human touch and enhance customer experiences through digital channels. Financial services providers will find that building in these real-time capabilities is much easier with proper planning and professional support from experienced CCM experts. If you want to learn more about how CCM solutions enable real-time customer engagement, contact us for a demo or visit our website at: www.CEDARCX.com.





¹ CEDAR CX Technologies, Case Studies.
<https://www.cedarcx.com/case-studies/>

² Accenture, Banking Consumer Study: Making digital more human, December 2020.
<https://www.accenture.com/us-en/insights/banking/consumer-study-making-digital-banking-more-human>

³ Federal Trade Commission, CFPB Supervision and Examination Process, October 2012.
<https://www.ftc.gov/news-events/press-releases/2021/02/new-data-shows-ftc-received-2-2-million-fraud-reports-consumers>

⁴ Capgemini and Efma, World Retail Banking Report 2021.
<https://worldretailbankingreport.com/>

⁵ Salesforce, State of the Connected Customer.
<https://www.salesforce.com/resources/research-reports/state-of-the-connected-customer/>

⁶ Celner, A., & Shilling, M. (2020). Banking and capital markets outlook.
<https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/banking-industry-outlook.html#digital-customer-engagement-the>

⁷ J.D. Power, Retail Banks Face Major Customer Satisfaction Challenge as World Shifts to Digital-Only Engagement, J.D. Power Finds, April 2020.
<https://www.jdpower.com/business/press-releases/2020-us-retail-banking-satisfaction-study>

⁸ J.D. Power, Canadian Banks Face Untimely Digital Banking Headwinds Since Pandemic Began, J.D. Power Finds, May 2020.
<https://www.jdpower.com/business/press-releases/2020-canada-retail-banking-satisfaction-study>