



ARTICLE

/ QUICK Q&A: MINIMIZING CUSTOMER FRICTION DURING A CHANGE EVENT

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To manage change, banks and credit unions must construct a road-map designed to create engagement, retention and loyalty.

Let's break down five things financial institutions need to consider when preparing for a change event such as a digital banking or core conversion, or a merger or acquisition.

01 WHAT TYPE OF EVENTS CREATE THE MOST SIGNIFICANT CUSTOMER FRICTION FOR FINANCIAL INSTITUTIONS?

It can be any of the changes they go through — such as a change to their core platform or how a customer migrates through their mobile app. Or it could be a change to the online banking platform when they go through a digital conversion. It could be debit or credit card reissue. And then there are mergers and acquisitions (M&A). We've seen more M&A activity, especially late last year going into this year. I don't see that slowing at all. Any type of change is going to have some friction or some change that will need to be addressed for customers.

02 WHAT'S DRIVING THOSE TYPE OF EVENTS IN TODAY'S MARKETPLACE?

An institution's desire for customer retention is a key driver. Financial institutions want to increase share of wallet through updating or upgrading payments options. The customer's digital experience is absolutely important. Customers expect robust self-service channels. But person-to-person communications are also important, especially during a merger or an acquisition. These growth opportunities allow banks and credit unions to move into additional footprints. Those are the key drivers we're seeing.

03 WHAT CAN FINANCIAL INSTITUTIONS DO TO BEST MINIMIZE OR MITIGATE THE RISKS ASSOCIATED WITH THOSE FRICTION-CAUSING EVENTS?

First, create a plan with clear goals. Start early so you understand the change event's impact on customers, as well as on employees. Executive sponsorship is very important.

Next, consider involving outside partners. You're going to have additional call volume and longer handle times. Customers will ask you to help them migrate to a new platform. Augmenting your staff will be critical at times like this.

Third, pay attention to your technology. If your phone system's infrastructure isn't adequate, customers may not be able to reach you, or they'll be put on hold for long periods. It's not the type of customer experience you want at a critical moment.

Fourth, train your staff. Walk your phone specialists and branch staff through what they will likely experience when dealing with customers unsettled by the change. Staff needs to be comfortable with any new technology associated with the change. And test, and then test again and again.

Fifth, communicate. We suggest not communicating the exact conversion date because that date may need to be pushed if you hit a snag. Use all channels. And consider some selective outbound calling to a segment of clients or customers who may need more white-glove concierge service.

Sixth, set up a war room to mobilize people to help answer questions. You can't prepare for every question, but you can anticipate certain questions and provide the answers quickly. Have extra support floating on the floor to answer questions.

And, finally, be prepared for customers who are blindsided by the change because they've ignored all your communications. Patiently walk these customers through the steps and reassure them.

04 WHAT IS A COMMON BLIND SPOT WHEN PREPARING FOR A CONVERSION?

I've seen institutions drop the ball when it comes to preparing and training their employees for the change event. It's a change for the customers, but it's also a change for the employees, and that can get overlooked.

You need to make them as comfortable as possible because they're going to be the ones communicating the change to customers. You want your employees to be advocates for the change and generate excitement around it.

05 WHAT'S THE BIGGEST OPPORTUNITY COMING OUT OF A SUCCESSFUL CONVERSION?

It's creating or building on customer loyalty. It's the opportunity to establish human touchpoints to be in direct dialog with customers during a change event. It's that opportunity to optimize and create loyalty and retention. The experience that customers have deeply impacts how they feel about their financial institution. That just cannot be under-valued.

Change events bring unforeseen challenges — and risks. But successful M&As and digital conversions don't just seek to hang onto customers, they seize the opportunity to delight them and build an affinity for the brand.

48%

of acquired customers are likely to leave within the first year of an M&A

Source: Vericast 2022 Financial Services TrendWatch report

Vericast's Customer Change Management solution delivers exceptional customer experiences before, during and after high-impact events.

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TERRI PANHANS, Vice President of Contact Center Solutions, Vericast
Terri is continually focused on delighting customers and members with each and every contact, delivering incremental profitable growth, and providing solutions that deepen relationships and mitigate attrition.

Find more about why an integrated, unified and proactive communications plan is essential for achieving a frictionless change event.

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