

# CX IN BANKING

KEY SUBJECTS INCLUDE

- // Leveraging data
- // Emerging technology, including chatbots and augmented reality
- // Digital ecosystems
- // CX consultancy
- // Partner experience

AUTHORS

**Hassan Nasser**

CIO of Digital Banking Solutions,  
*Sopra Banking Software*

**Laurence Niclosse**

Director of Customer Experience for Banks,  
*Sopra Steria Next*



# CX IN BANKING

**W**e believe that full digital customer experience is key for banks, as trust is a strong differentiator in an industry going through perpetual disruption. Engagement is key as clients expect fast decisions within an end-to-end, humanized digital experience.

Inspired by a relentless wave of highly personalized, innovative products and services – from Netflix to neobanks – customers around the world are more digitally savvy and empowered than ever before. It's not just that they expect seamless and slick customer experience. They demand it.

The banking sector is as implicated in this shift in customer behavior as any other, and financial players of all shapes and sizes are scrambling to ensure they're able to offer the very best in class to their customers. However, according

to a study conducted by Forrester Consulting on behalf of Sopra Steria in July 2021, **just 14% of the 900 decision makers surveyed said that their bank's technology infrastructure and applications can deliver great and differentiating customer experience (CX).**

Clearly, if these banks are going to prosper in the coming years, they need to make some drastic changes in order to better meet the needs of their customers. By considering exclusive data from [“Master Ecosystems To Be Future-Ready In Banking”](#), this white paper will explore the current state of CX in banking, the appetite for change, and the key steps that need to be taken to go through with this transformation.

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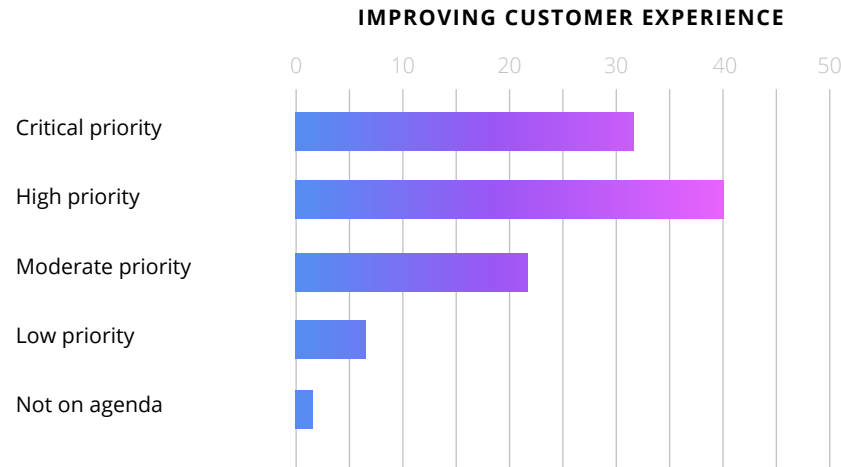
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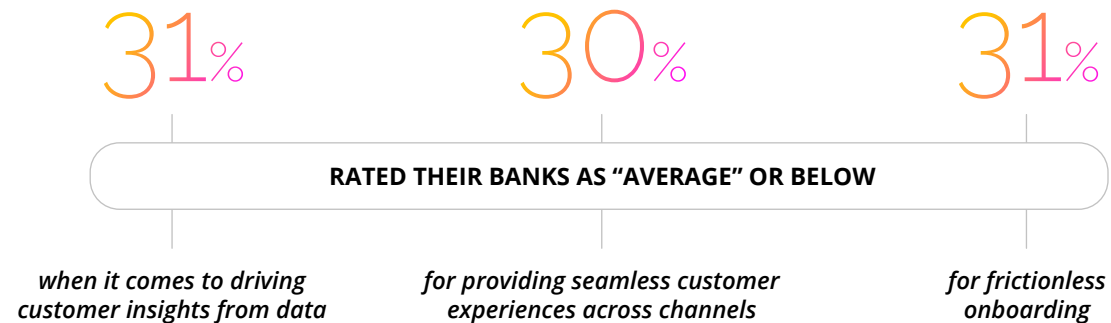
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## BANKS RECOGNIZE THE IMPORTANCE OF A STRONG CX

Improving CX is a key objective for many banks, with 72% of the Forrester survey's respondents saying it's a critical or high priority.



Per [McKinsey research](#), leaders in the banking industry delivered 55% higher total shareholder returns versus organizations with comparatively low CX performance.



When asked to rate their organization's ability across aspects of customer experience, seven out of 10 respondents described their banks as "Good" or "Excellent." Indeed, 72% of respondents rated their banks above average at embedding products and services in partner's platforms or channels. The law of averages suggests this is not possible and betrays overconfidence.

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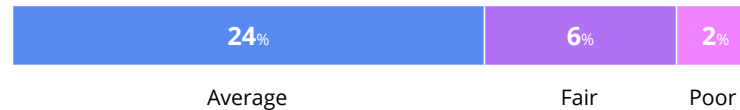
## LEVERAGING DATA AND TECHNOLOGY TO IMPROVE THE CUSTOMER JOURNEY

Key to improving CX for banks is to better understand their customers' needs and wants, and then to deliver them, often using innovative and cutting-edge technology.

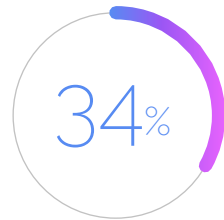
In order to better understand their customers, a good place for banks to start is with data. And with a wealth of customer insights at their fingertips, banks are in a privileged position.

While over two-thirds of the survey's respondents said that their organization's "ability to enable rapid improvement based on customer feedback or insight" was either "good" or excellent," for 30% it was "average" or below. Clearly, for many banks there's still work to be done.

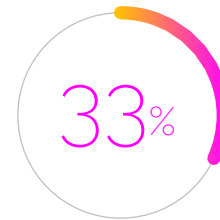
### ENABLING RAPID IMPROVEMENT BASED ON CUSTOMER FEEDBACK OR INSIGHT



Creating new, innovative products and services is also a vital step in meeting the needs of end-customers, and it's something that many banks are focusing on.



Among the survey's respondents, 34% said that they were prioritizing innovating new digital products and services as part of their future vision and roadmap, higher than any other category.



Tellingly, joint-second highest (33%) was leveraging emerging technologies - such as chatbots and augmented reality - to engage consumers and collect more data in the process.

*"Customers are expecting **more personalized experiences** and to be treated **holistically**"*

**Richard Caven**  
Lead financial services specialist for AWS, speaking at [SBS Summit 2021](#)

*"The job of the banks is to **push product innovation, to collect customer data, to get a 360-degree offer** that can meet the customers' needs."*

**Steve Fogue**  
CEO and co-founder of Particeep, speaking at [SBS Summit 2021](#)

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## THE POWER OF CUSTOMIZATION

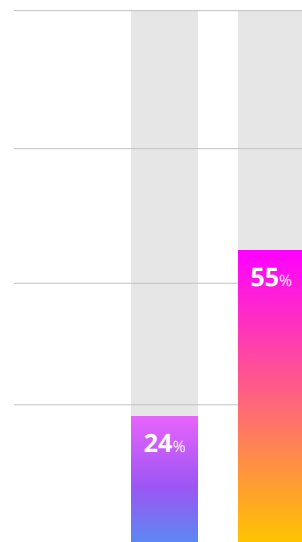
By considering research conducted in conjunction with our sister company [cxpartners](#), we can see that, for banks, it's not simply a question of providing cutting-edge products and services. They also need to create highly tailored, personalized customer journeys. Our results showed that customized journeys outperformed generic control experiences by significant margins.

The Net Promoter Score – a percentage of customers rating their likelihood to recommend a company, a product, or a service to a friend or colleague – is widely considered a reliable indicator. According to the NPS, customized journeys more than doubled customer satisfaction. For the personalized journey, there was a 30.9 point increase versus the control.

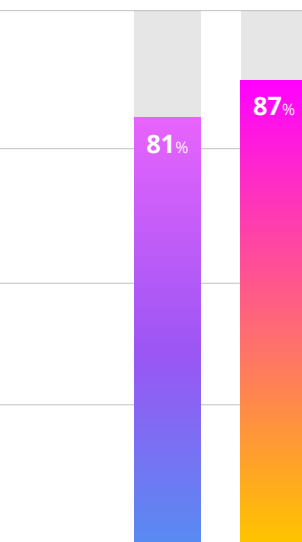
The System Usability Scale, which is perhaps the best-known UX questionnaire, showed similar preference for customized journeys, albeit by a smaller margin. In total, there was a 6-point increase for personalized journeys versus the control.

We also assessed the stated preference of our users, which was notably positive on the personalized journey. In this case, the order of the tests did have an effect on preference, but the customized journey was still a clear favorite for most users.

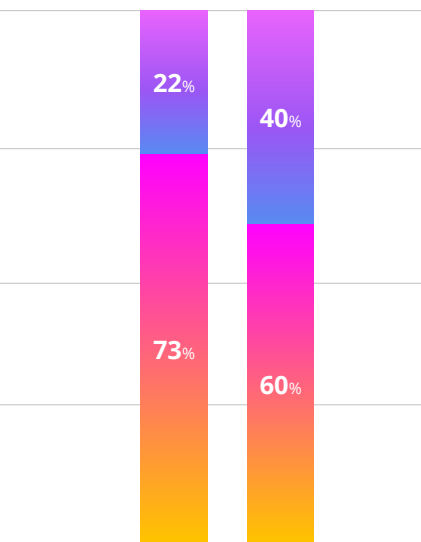
NET PROMOTER SCORE (NPS)



SYSTEM USABILITY SCALE (SUS)



STATED PREFERENCE OF USERS



● Control ● Personalized

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## IMPROVING CX WITH PARTNERS AND THIRD PARTIES

While we can see that there is an appetite among banks to improve customer experience, there's also a reluctance to go alone.

### WITH PARTNERS

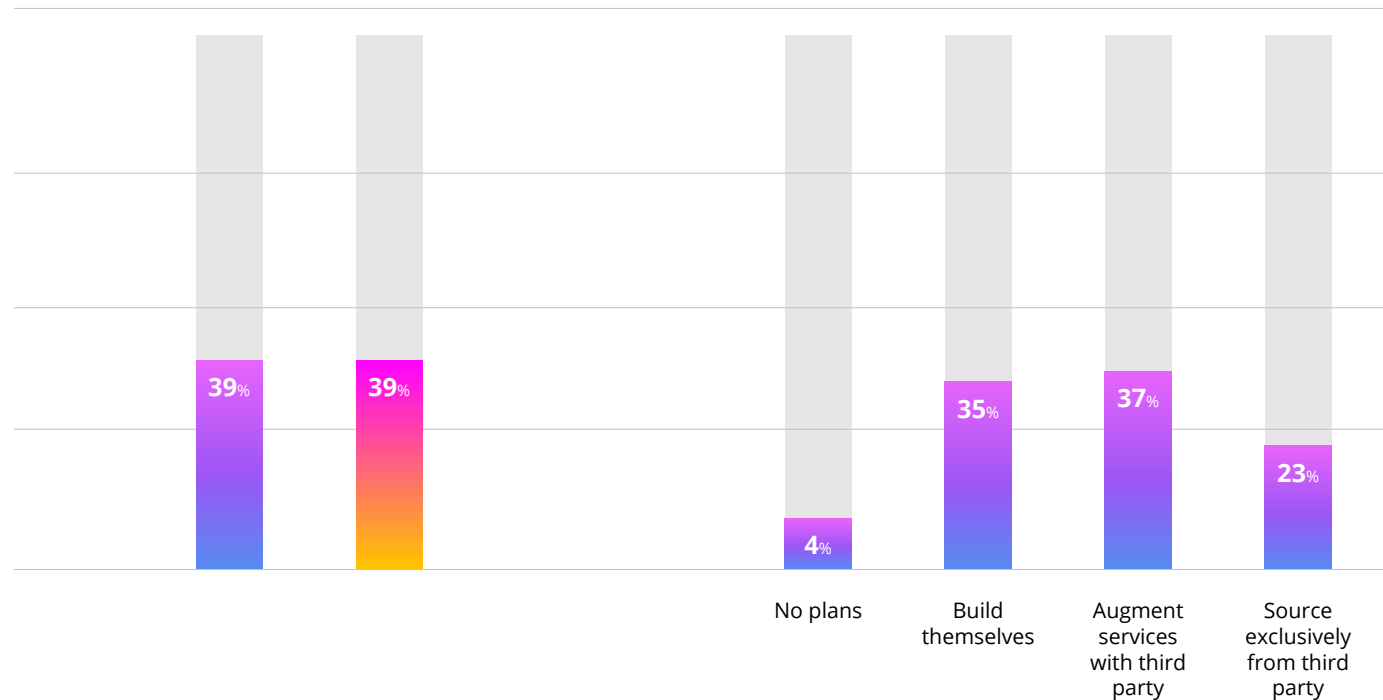
Many banks are looking to make the most of opportunities brought about by open banking and partner with an external organization to help better engage with customers.

By building ecosystems with trusted partners, respondents **expected their banks to experience enhanced CX (39%)** and **improved customer satisfaction and loyalty (39%)**.

### WITH THIRD-PARTY CONSULTING PROVIDERS

Most banks plan to work with a third party to improve their CX related products and services.

How do banks plan to improve customer onboarding and know-your-customer (KYC)?



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## IT'S RISKY TO GO ALONE

For many banks, the imperative to improve their customer experience is massive, and the time to do it is now. However, going through such a transformation is easier said than done. A large number of banks are impeded by a lack of in-house CX expertise, as well as legacy systems that inhibit easy access to data and make rapid innovation difficult and costly.

Those without the resources to proceed would, we believe, be best suited to partnering with an organization with the missing elements to help them prosper in CX. By leveraging the CX expertise of partners, banks will be able to make the necessary changes to meet the evolving needs of their customer base, without going through a disruptive and costly internal revolution.

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## FIND OUT HOW SOPRA BANKING CAN HELP YOU

Our [Ecosystem Engagement](#) solution can help you to grow your digital ecosystem, develop key partnerships and, ultimately, become more competitive on the market. We offer a market-leading API platform, decades of banking industry expertise, a powerful account aggregator, and data enrichment capabilities.



**3,400+ financial institutions**

Accessed through a single API



**A cloud-native platform**

To focus on your core competencies



**400+ banking APIs**

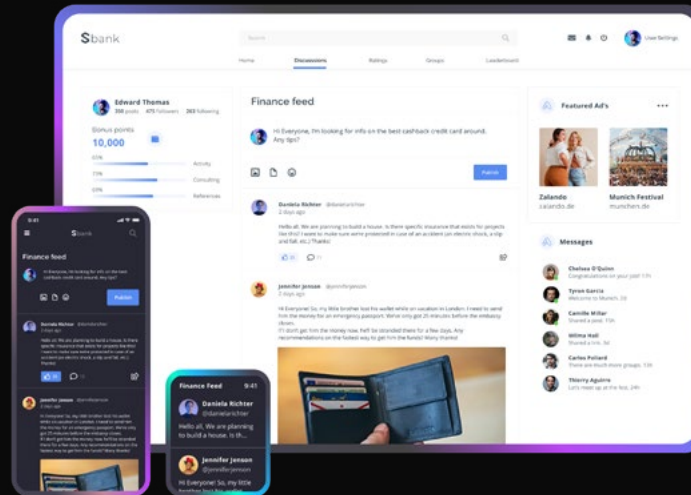
To design innovative use cases



**A core-agnostic approach**

To keep your existing banking system

Our [Digital Banking Suite](#) is an open digital banking platform with composable banking capabilities, including an omnichannel customer experience and cloud-native, state-of-the-art middleware. Core-agnostic and natively integrated with SBS core banking systems, our solutions can be launched in a front-to-back or a domain-focused way, rolled out component by component across the front, middle, and back layers.



- ✔ **Modern customer experience, fit for every channel**
- ✔ **Comprehensive library of off-the-shelf banking solutions**
- ✔ **Support for Request-to-Pay, Instant Payments, ApplePay and Google Pay**
- ✔ **Running on AWS, Axway premium API capabilities**
- ✔ **Compliance and regulatory reporting for KYC, AML, PSD2, and GDPR**
- ✔ **Middleware functionality supported by OpenShift technology**



Sopra Banking Software is the partner of choice for more than 1,500 financial institutions worldwide. The rich variety of our solutions, the strength of our conviction and our passion for innovation enable us to support our clients on a daily basis and in their future projects, as well as in their goals regarding financial inclusion. Our customers, based in over 80 countries around the world, benefit every day from our technologies and software, as well as the expertise of our 5,000 employees.

Sopra Banking Software is a subsidiary of the Sopra Steria Group, a European leader in consulting, digital services and software development. With more than 47,000 employees, the Sopra Steria Group generated a turnover of €4.7 billion in 2021.

*To find out how we can help your bank to create market-beating digital transformation strategies, visit [www.soprabanking.com](http://www.soprabanking.com) or contact us at [hello@soprabanking.com](mailto:hello@soprabanking.com)*