

# Retail banking: 3 strategies for success in a rapidly changing market

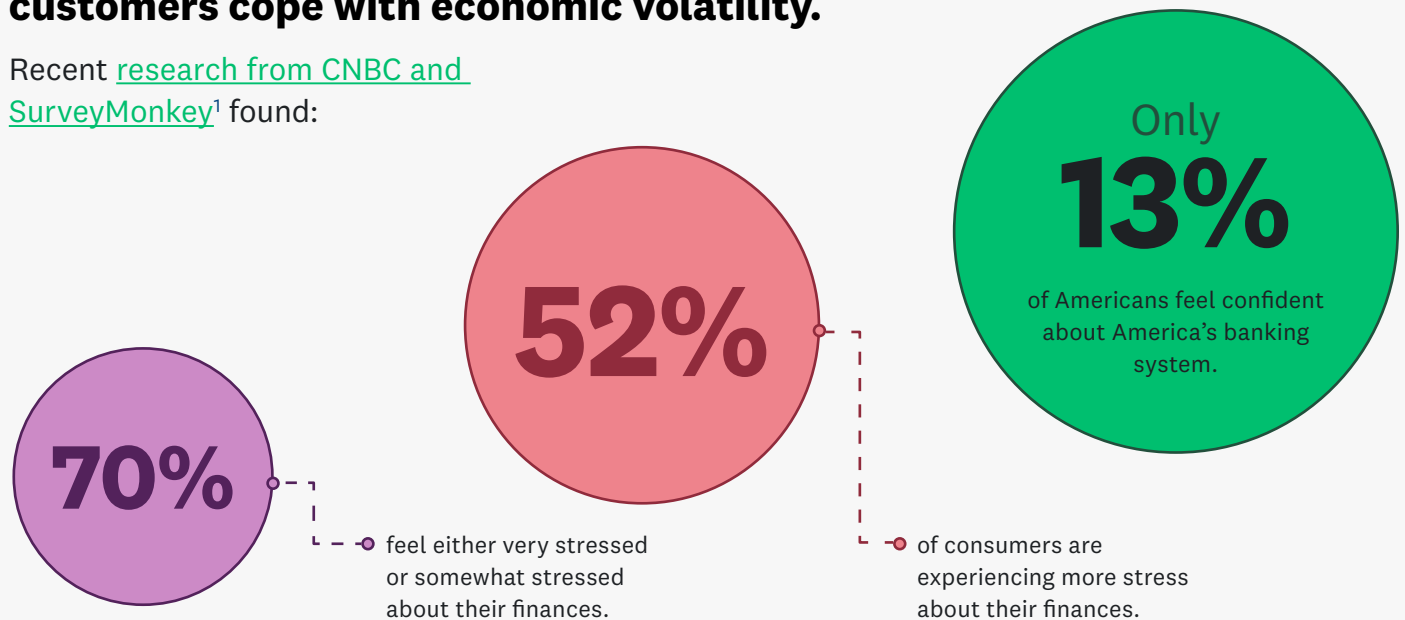
Discover how to fuel better decision-making and stand out in the financial services industry by harnessing insights.





## The retail banking industry is changing rapidly as customers cope with economic volatility.

Recent [research from CNBC and SurveyMonkey](#)<sup>1</sup> found:



Banks need to meet this moment by creating actionable content that meets the growing demand for practical advice and by adapting their strategy to the changing environment. Banks also must respond to continuously rising customer expectations. Customer loyalty lags behind other industries and new types of banks are gaining popularity. One third of young adults admit to “churning” credit cards—quickly opening and closing accounts to maximize rewards like airline points—and digital banks and FinTech companies are offering next-generation services and modern experiences to entice customers away from their existing institutions.

The net of it? Traditional banks and credit unions are under pressure to prove their stability, help their customers understand and thrive in today’s markets, and beat back

competition from newcomers by offering superior customer experiences.

This is a tall mandate, and one banks and credit unions cannot meet on their own. They must collect feedback from their customers and their employees to learn what the people they serve truly want, and to deliver it — before their competitors.

We created this guide to help you do that. In it, we detail three strategies for achieving success in the modern, evolving financial services industry. Each strategy explains a new way you can collect the right data from your customers and employees and feed those insights into effective decisions, content, products, marketing programs, and experiences that will guide the people you serve through these challenging times.

<sup>1</sup>From a SurveyMonkey study of 4,336 U.S. Adults aged 18+ on March 27-31, 2023



# 3 Strategies for success in the rapidly changing retail banking industry



**Modernize and improve your business strategies with market insights and feedback.**

Understand your customer's end-to-end experience

Upskill your workforce and drive employee engagement

Align your products and marketing to customer needs



# 1 Understand your customers' end-to-end experience

The better you know your customers, the better you can prioritize decisions that help you stand out from the competition and drive long-term loyalty. Here's how.

## Create a customer-centric culture

You have more channels to reach your customers and prospects than ever before. Customers connect with your bank through many different online and in-person touchpoints—including your own website, mobile application, call centers, and physical branches. Through these channels, customer feedback can be constantly generated and spread, and word-of-mouth about the quality of your services can powerfully impact your business and brand.

Yet too often this customer feedback isn't collected, analyzed, or shared in a meaningful way. Doing so requires more than just monitoring one system or waiting for transactional data to paint a user experience story. Feedback adds the “why” to data that is collected across your organization. By pairing people's voices and opinions with your bank's business metrics, you can add a qualitative dimension, making your data far more valuable.

What are your customers' biggest pain points? How and when do you consumers see the value of your products and services? Can you do more to incorporate your front-line employee's perspective into your services? Find out with surveys.

Personalized surveys can help teams collect valuable data at all points of the customer journey, from gauging customer satisfaction post-interaction to onboarding new members or collecting event feedback. Data that is consistently collected—and connected across your organization—can uncover what's working and how to drive advancements in customer experiences.

## Learn what modern customers care about

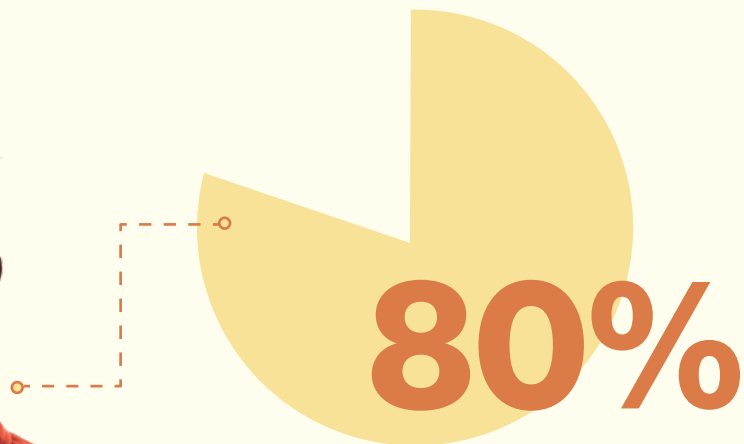
If you don't know what your customers care about, you can't serve their needs. While everyone's customer base is different and the only way to truly know what your customers need is to ask them, there are also some broad trends that most customers likely align with.





We recently surveyed<sup>2</sup> a cohort of financial services customers about their needs. In particular, we wanted to learn how rising competition from FinTech companies has changed customer needs and expectations. We learned that customer service, ease of use, and convenience are now top-of-mind for most financial services customers. Specifically:

- Among digital bank customers, their top reasons for setting up an account are an easy to use mobile app (50%), ease of opening an account (41%), 24/7 service (43%), and ease of managing money (44%).
- Among credit union members, almost half (47%) say customer service is the main reason they bank with a credit union, along with lower fees (46%) and better interest rates (45%).
- For all customers surveyed, the top priorities are ATM networks (56%), online access (56%), and physical locations (48%). 80% say it's very or somewhat important their bank has physical locations.



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<sup>2</sup> From a SurveyMonkey study of 1,007 U.S. Adults aged 18+ on March 8, 2023



## Deploy the right customer experience solutions

Capturing customer feedback often, and across the user journey, is just half of the equation for success in financial services. You also need to infuse that feedback into your daily operations and make sure all data is safe and protected.

[Customer experience \(CX\) solutions](#) from SurveyMonkey Enterprise deliver secure, comprehensive feedback management tools that enable financial services companies to make better decisions. You get the unparalleled speed-to-insights you need to fuel your mission, while protecting sensitive data with advanced security features. With pre-built templates, hundreds of business-critical integrations, and intuitive analytics, it's easy to make feedback a natural part of how you build industry-leading experiences.

To give your customers what they're looking for, you'll need to gather both structured and unstructured customer feedback on an ongoing basis. Here are a few ways to capture structured feedback and shape your CX strategy:

- **Customer Satisfaction (CSAT):** With FinTechs and digital-only banks disrupting financial services, it's more important than ever to deliver positive experiences across channels, and do so consistently. Measuring CSAT helps you do that. CSAT focuses on understanding satisfaction with a specific product, service, or interaction and helps inform your strategy around areas to improve. You might want to increase your focus on CSAT after seeing a decline in satisfaction, or when rolling out a new product or service to gauge how customers are reacting.
- **Customer Effort Score (CES):** These scores enable you to measure the success—or ease—of an isolated interaction with a customer. CES helps you identify and address any obstacles to the customer experience, across the entire customer journey. This metric is important because it can help isolate individual causes of churn and smooth the experience overall, a key piece of winning trust in a competitive landscape.
- **Net Promoter Score (NPS):** NPS helps you measure customer loyalty and satisfaction with your bank overall and track your performance over time. This also enables you to tailor your relationship with your customers. If a customer is a passive responder, what's one thing you could do differently? If they are a promoter, would they be interested in additional offerings from your bank?



# 2 Upskill your workforce and drive employee engagement

Your employees are at the frontlines of nearly every customer touchpoint. If you keep your employees engaged, they will keep your customers happy. Better employee experience (EX) leads to better CX.

Here's how you can do that with feedback.

## Bridge the gap between EX and CX

Your frontline workers' [employee experience \(EX\)](#) is the sum of all interactions they have with your business, and it includes everything from direct interactions with others, to the actions and capabilities that let them do their job, to their perceptions of fairness and more.

The impact of EX on CX is clear, and manifold. A frontline employee will have a hard time showing up ready to give your customers a good experience if they:

- Have a poor experience as they are onboarded and trained, do their job, contend with life events, or try to advance their career and aren't supported
- Don't receive positive growth, development, feedback, coaching, recognition, appreciation, and communication
- Lack the tools, processes, clear policies, resources, and workplace and workspace they need to complete their work successfully

Deloitte's recent report "The future of banking: The employee experience" imperative makes

a clear point that employees now expect the same level of personalized experience as customers and that, for banks, EX challenges are generational. Creating programs that help build purpose is essential as banks respond to changing values and expectations around work.

- 45% of Gen Z are proud of their employer vs 61% of Gen Jones (people born between 1954 and 1965)
- 36% of Gen Z feel their job gives them "a sense of meaning and purpose" vs 59% of Gen Jones
- 36% of Gen Z feel free "to speak up about ideas, questions and concerns and/or to admit your mistakes" vs 66% of Gen Jones

Generational, technological, and social change will continue to put new demands on financial services institutions and the EX they provide their employees. Meeting these demands requires training employees in a combination of new hard skills (i.e. digital expertise) and soft skills (i.e. communication, empathy, leadership, and innovation) and baking them into a dedicated, updated EX program.



## Ask, listen, and act on the employee feedback you collect

EX is a complex topic with many moving parts. However, the fastest and simplest way to home in on what your employees need from you—and to do what they tell you—is to follow three simple steps.



**1. Ask** your employees' opinions on management's approachability, communication, trustworthiness, performance, and more with a management performance survey. Doing so will uncover how well your frontline employees are being managed, and what changes, either to management actions or in training and resources, they need to best serve customers that visit your branches or interact via phone, website, or mobile.



**2. Listen** to your employees' feedback to understand what motivates and engages them with an employee engagement and satisfaction survey. Begin to measure employee engagement levels, spot warning signs when retention is threatened, and track progress over time. Doing so will give you a clear picture of the impact on new technologies, like increased automation at branches, and new policies, like responses to social issues, have on your employees and their feelings of pride, purpose, and psychological safety.



**3. Act** on what your employees have told you, and what you've learned by surveying them—especially with intangible elements of EX and employee engagement. For example, survey your employees to understand their position on topics like diversity and inclusion, and translate what you hear into new policy. See where your frontline employees may not feel like they belong, are not encouraged to grow, and are not treated fairly to know how to attract and retain diverse and talented people, and make them feel supported.







# 3 Align products and marketing to customer needs

Your customers' needs are constantly evolving. The right data can ensure your product offerings and marketing campaigns accurately reflect these needs. Here's how.

## Build an understanding of your target market

The retail banking industry serves a wide range of customers. It pays to build a highly developed understanding of your target audience so that you can support the things they value.. To do so, you must identify audience attributes and preferences, and really dig into what resonates with each of your target customers. Often, that means casting a wider net than surveying existing customers.

Collecting feedback from outside your current customer ecosystem can help you refine your

target audience and possibly unlock new customers in another age group, background, or location. These insights let you track market shifts and test assumptions before going to market.

Innovation in financial services involves a unique set of challenges, and the risk of failure is greater when a company doesn't have a nuanced understanding of the market's pain points. Launching your own insights program will give you an up-to-the-minute perspective of what matters to your market, so you can make the right call on new products and go-to-market strategies.





## Quickly test product and marketing concepts

Financial services has historically lagged behind other industries when it comes to digital innovation and customer experience. Yet the secret to confidently launching new products or services is to know ahead of time that they strike a chord with your customers.

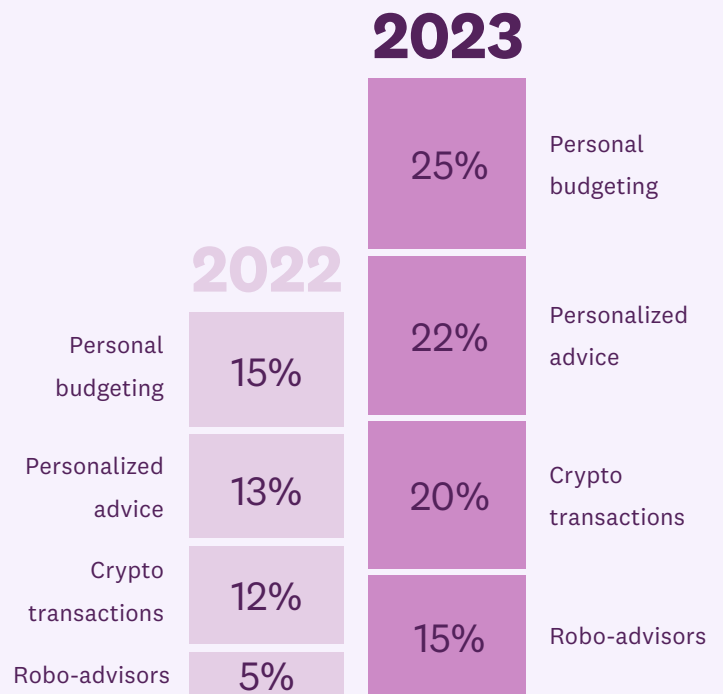
[Concept testing solutions from SurveyMonkey](#) are the fastest way to determine how early-stage ideas will perform with your target audience. By testing different stimuli—which could be anything from a series of new services you’re thinking about offering to potential pricing models—you can prioritize the ones that your audience cares about most. For example, among banking customers, you can explore whether additional services that leverage innovative technology will resonate in the market.

[Research](#)<sup>3</sup> shows that between 2022 and 2023, a growing volume of customers are using services that have only recently become available from some banks and credit unions. These include:

- Personal budgeting: Used by 25% in 2023 vs 15% in 2022.
- Personalized financial advice: Used by 22% in 2023 vs 13% in 2022.
- Buying and selling crypto: Used by 20% in 2023 vs 12% in 2022.
- Robo-advisors: Used by 15% in 2023 vs 5% in 2022.

Testing concepts is a great way to vet and prioritize winning concepts with your target buyer. Test product and feature ideas and compare them against financial services industry benchmarks to see how they compare to similar products in the market. It can also prevent disruptive missteps by eliminating ideas that are likely to fail.

Testing concepts early in the development process and throughout the product lifecycle is also an important way to build consensus internally about which initiatives to prioritize. It’s easier to make decisions and get everyone onboard with them when you have statistics about customers’ or prospective customers’ preferences to build upon.



<sup>3</sup> From a SurveyMonkey study of 1,007 U.S. Adults aged 18+ on March 8, 2023



## Focus on marketing campaigns that resonate with your customers

The right products will only succeed when they are backed by the right marketing campaigns. Financial service marketers need to make sure their messages resonate with their customers, and reflect how those customers are thinking and feeling. Economic times are getting harder, and it's easy to sound out-of-touch with your customers' daily challenges. Brands in every industry are having a hard time finding the right tone while continuing to promote and sell their products and services.

Personalization is key to speaking with relevance to your customers, and to sending them communications and offers they actually want to consume. Recent research<sup>4</sup> from

SurveyMonkey found that 76% of customers are open to receiving more communications from their bank or credit union—as long as those messages are personalized and targeted to their unique interests and spending habits.

Communication quality needs to be consistent and clear at every customer touchpoint. The more you help and engage your customers, the closer they will feel towards you, the more helpful they will find you, and the more likely they will turn to you for advice and services.

The more you know about your customers—what they think and feel, what they worry about, and what language they respond favorably to—the more likely you are to create marketing messages that resonate.



<sup>4</sup> From a SurveyMonkey study of 1,836 U.S. adults aged 18+ on October 28, 2022



## **Create engaging educational content for your customers**

Your customers turn to you for more than products, services, apps, and branches. They also need you to help them navigate their changing financial realities. Here's how you can do that.

Finances are complex, and the various trends and forces impacting your customers' money are constantly changing and can be difficult for the average person to understand. In addition, many of your customers will feel anxious when they talk or even just think about their personal finances.

Providing engaging, educational content is one way to add tangible value for your customers—and build loyalty.

The easiest way to know what personalized advice your customers want is to ask them, and then turn their answers into pieces of content. To begin, perform a baseline assessment of your customers' financial literacy and needs, including:

- What financial concepts do our customers understand well?
- Where are there gaps that we know how to fill?
- What topics do our customers say they want to know more about?
- What channels do they prefer to receive financial content through?

The better you're able to understand and help your customers, the more confident they will be entrusting you with their hard-earned money.

What to do next:

### **Leverage insights from SurveyMonkey Enterprise to stay agile**

This guide is just the start. Discover more ways agile market research and consistent feedback can help your company stay ahead in today's dynamic financial services environment.

## Our Enterprise solution offers:

- One intuitive and flexible platform to easily ask customers and employees about their experiences, listen to them in the right channels, and act quickly on key areas of need to shape what's next.
  - Enterprise-grade customization, collaboration, and administrative features that make protecting sensitive data and adhering to brand guidelines seamless.
  - 120+ pre-built integrations, plus API access,
- to put feedback right where you need it and automate key workflows.
- AI-powered insights to eliminate manual analysis and uncover insights in your data that you may have otherwise missed.
  - Access to a global panel of more than 175 million people in over 130 countries, with over 200 targeting options – so you can target the consumers you want, when you want.

## Ready to get started?

Contact our experts to see how insights and feedback can supercharge your key initiatives.

[Learn More](#)