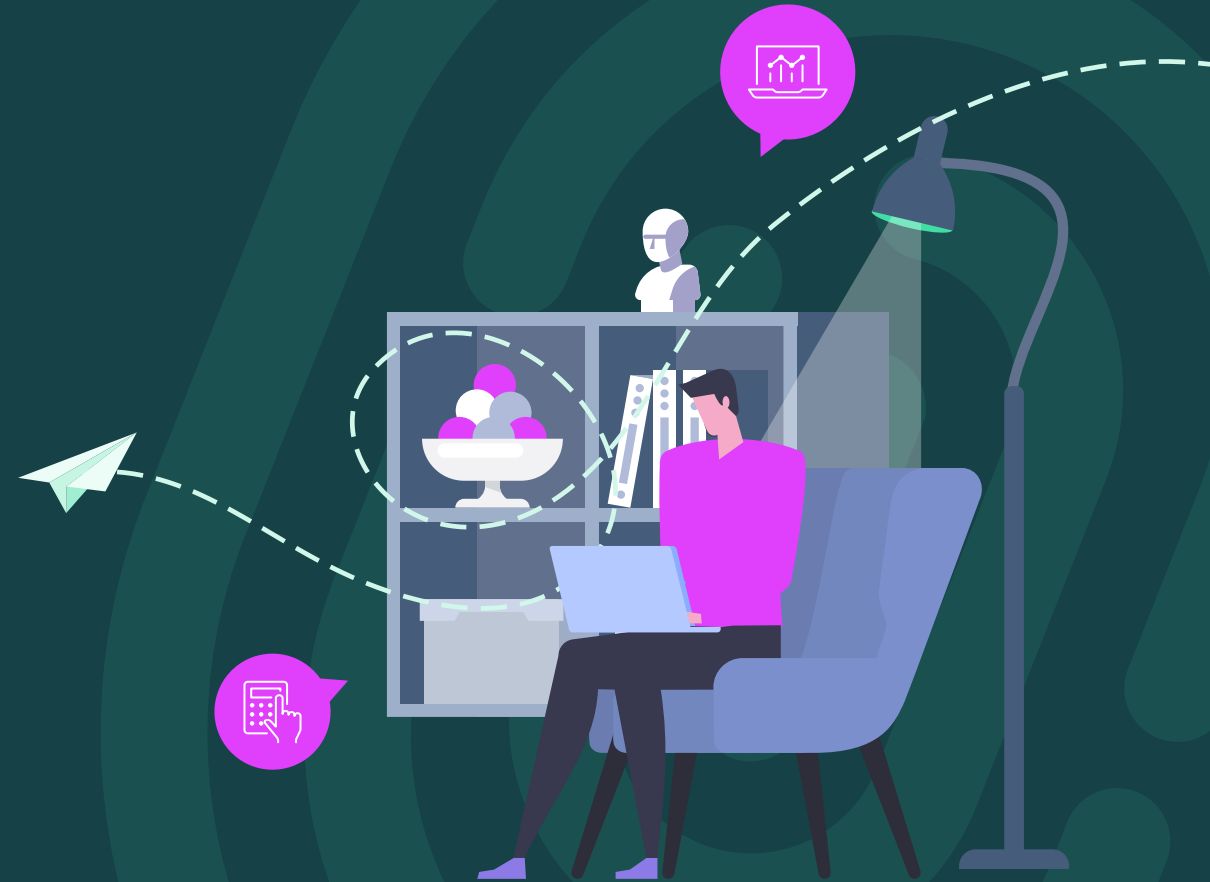


Sector Snapshot: **Banking**

A quick overview of some of the standout banking sector findings taken from the broader 'Communication Cut-through - Voice of the Consumer' report





Introduction

Being more consumer-centric has long been a goal for the banking sector. Businesses have worked hard to flex to consumer demands and to improve communication standards. Now, the bar has been raised further still by the FCA's new Consumer Duty which puts a regulatory framework around the requirement to put consumer needs first.

So - in light of heightened consumer expectations and an ever-changing regulatory landscape, how are the sector's communication strategies perceived by those that matter most – the end customer?

We surveyed 2000 UK consumers to discover the very latest attitudes and expectations.



Methodology

Adare SEC commissioned independent market research specialist Vanson Bourne to undertake the research upon which these findings are based. A total of 2,000 consumers were interviewed in November and December 2022, in the UK. Respondents had to be aged 18 or over and the sample was nationally representative by age and gender.

This snapshot summary presents a sample of the findings relevant to the banking sector. The interviews were conducted online and were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate. Unless otherwise indicated, the results discussed are based on the total sample.

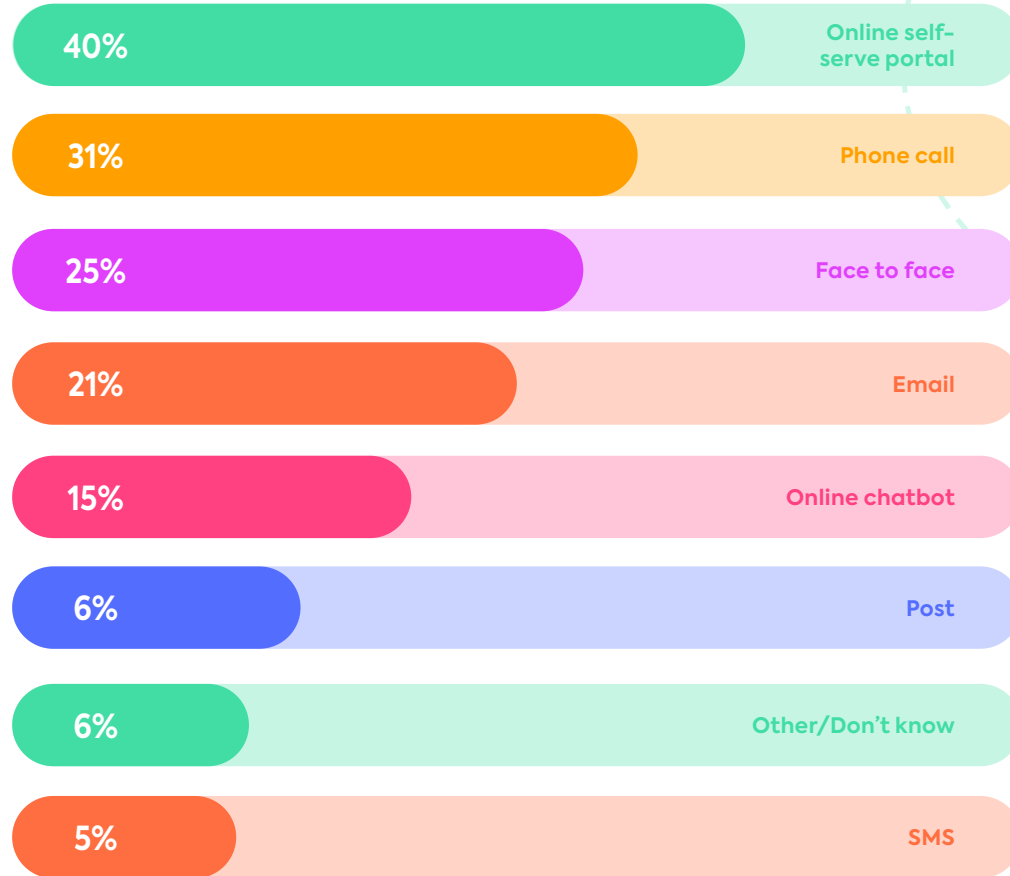


Channel preferences

The challenge of offering channel choice and meeting channel expectations is not a new one, nor is it one that is getting any easier to solve. Channels that the sector may regard as traditional or well embedded – the phone, face-to-face, email – continue to be popular with consumers. The shift to digital is happening but human contact is still valued.

The use of self-serve portals is notable. Indeed, this usage figure (40%) was the highest of any sector within our survey (utilities, retail, insurance, local government, NHS). Implemented intelligently, such portals can drive real cost and efficiency gains. But, as further analysis reveals, the sector cannot afford to rest on its laurels.

Q: Which channels do you currently use most often to communicate with the banking sector?*



*Respondents able to tick more than one option



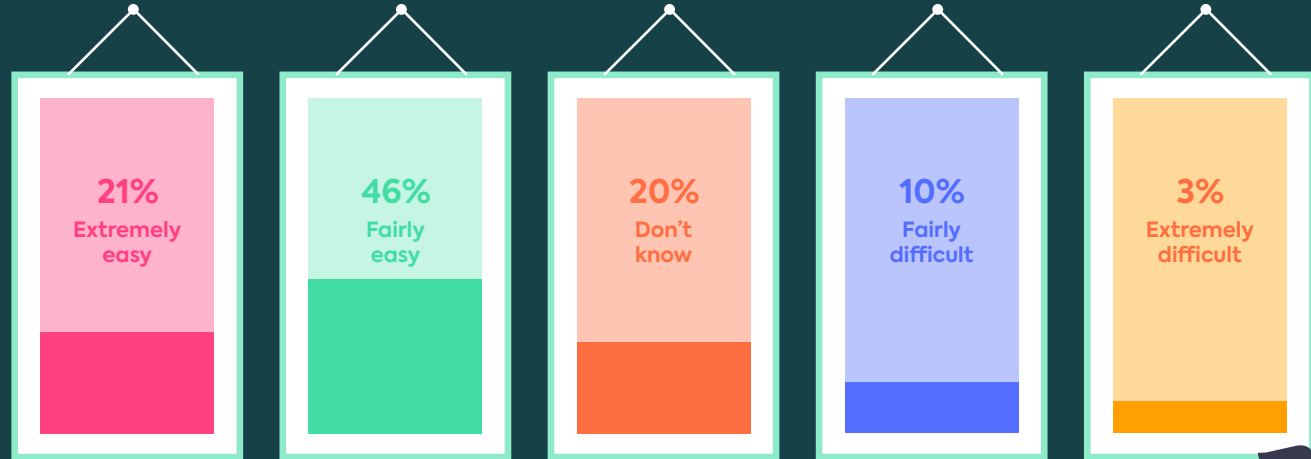


Self-Serve Portals

Self-serve portals are as good as the information that sits within them. If that information is up-to-the-second accurate, then banks can lessen the volume of consumer calls to the call-centre and reduce the volume (and associated cost) of postage and email communication. Our statistics show ease of use figures to be respectable, with 67% of consumers finding self-serve portals easy to use. But as portals become more prevalent, demands for such services to be instantly intuitive ('extremely easy' to use) will rise.

Certainly, banks must ensure that their intelligently populated self-serve portals are genuinely useful and transformative for users, tailored to each customer's specific circumstances.

Q: How easy does the banking sector make it for you to self-serve and retrieve necessary documents and information yourself?



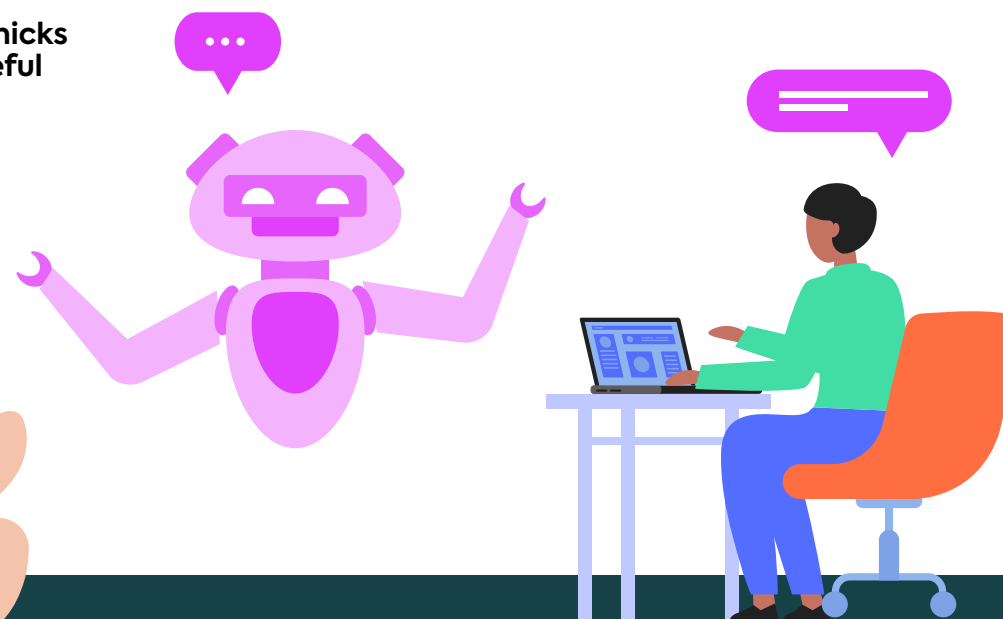
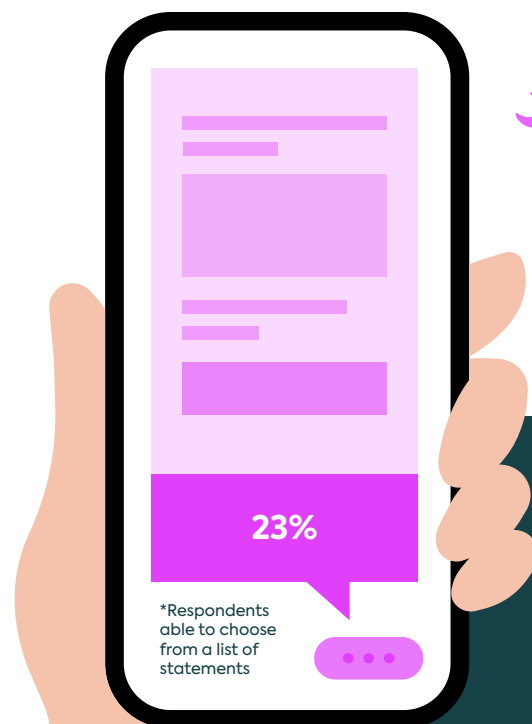
Customisation vs personalisation

The financial sector analyst BCG suggests that for every \$100 billion in assets a bank has, it can achieve as much as \$300 million in revenue growth through customer personalisation. The banking industry has no shortage of innovative customer experience tools but these are typically examples of customisation rather than personalisation. In other words, tools are customisable within a select range of options (e.g., choice of colour, choice of design) but are rarely tailored based on the consumer's data. The approach is product-centric rather than customer-centric.

The risk is that these tools and others like online chat assistants are dismissed as gimmicks.

Q: Chatbots and online assistants seem like gimmicks rather than genuinely useful

✓ Agree



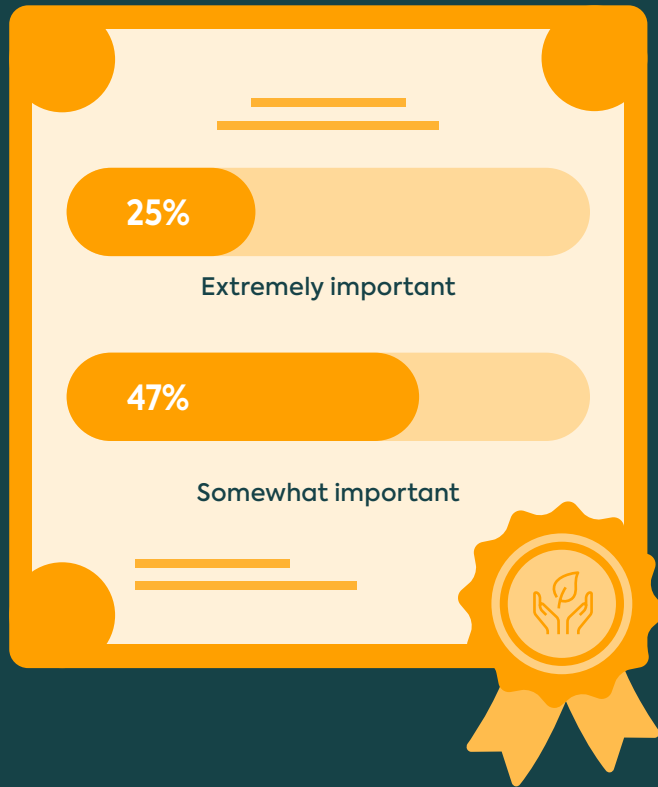
Commentators argue that the ultimate goal for the banking sector is to mirror the level of personalisation found on sites such as Amazon, Netflix or Spotify, where the daily experience is updated and tailored.

This service is now regarded as the norm, and the argument goes that consumers will expect this tailored provision across all business interactions.



Sustainable choices

Q: When choosing an organisation in the banking sector, how important is their record of sustainable trading?



Sustainability in the banking sector describes two things – the choices the sector makes in terms of sustainable trading, and the operational carbon footprint of banking businesses themselves. Thinking about the latter and the role of communications management, it is clear that being demonstrably sustainable is swiftly becoming a core differentiator.

Getting messaging right can play a big role. Consumers can get frustrated if queries that have been successfully answered digitally are then followed up with unnecessary post. Any duplication or inefficiency will raise questions. The development and launch of green and sustainable products can support customers on their sustainability journey,

but any decisions here must be made with the channel-choice picture in mind. Many customers are turned off by digital-only provision, so how can choice be balanced with sustainable operation?

As Accenture states – ‘Sustainability is the new strategic imperative’. Operations must flex accordingly.



For full details – which provides 19 pages of analysis across all sectors, please head to: *'Communication Cut-through - Voice of the Consumer'* report