

Customer Communication: Opportunity or Necessary Evil?

Top tips for banks looking to engage and retain customers



"The technology landscape is rapidly changing and we need to know ourselves how these shifts could be used to better service our customers."

– George Kelsey, Chief of Integrated Architecture, Royal Bank of Scotland Group¹

This statement sums up the key issues facing a banking industry that's working hard to recover – not just financially, but also in terms of global reputation. Can technology help banks to regain the trust and goodwill of their customers? Banks can be perceived as conservative and slow to innovate, preferring to 'follow the herd' once ideas have been proven in practice. However, the economic turmoil of the last few years has forced many institutions to review their approaches.

In fact, it is rarely conservatism that prompts caution among banks. This is an industry that's facing extraordinarily high levels of regulation and compliance requirements. It is also a sector that's often burdened with aging and complex legacy systems – especially in the back office. The dilemma facing many banks lies in how to innovate and differentiate their offerings in the market, while not appearing to be incautious.

At the same time, the exponential growth in the use of both mobile technologies and location-based social networks presents an additional challenge for banks that are trying to stay ahead of the curve. As ever, this challenge is also an opportunity for banks to get closer to customers, enabling them to access the information they require as and when they need it, and in the format (and on the device) that suits them.

An Ernst & Young survey of nearly 300 senior retail bankers across Europe suggests that the majority is seeking to reduce the cost of serving customers whilst at the same time planning significant service improvements. Omar Ali, Head of Ernst & Young's EMEIA Retail Banking Advisory Team, explains: "These two statements seem contradictory but the results of the survey show a renewed willingness from banks to invest in improving the quality and efficiency of critical customer interactions. This is good news for consumers as many of the system inefficiencies that cost the banks money are also the root cause of the industry's ongoing problems with customer service."²

In this fast-moving environment, cost-effective customer communications are becoming ever more crucial to the recruitment and retention strategies of forward-thinking banks. According to IDC, companies can spend as much as 15% of their annual revenues on document production, management and distribution.³ Flexible, powerful document solutions can not just reduce bottom-line costs, they can add significant value throughout the communications lifecycle – strengthening relationships, streamlining two-way conversations, ensuring compliance and exploiting cross-sell opportunities in a way that no other systems can do.

¹ Financial Technology magazine, "Thinking outside the bank: innovation in financial services", February 2012

² Ernst & Young, "A new era of European retail banking: better banking but at what price?", November 2011

³ IDC, "Managed Print and Document Services for Controlling Today's - and Tomorrow's - Information Costs", January 2011

Add Value through Efficient Document Output Management

Enhancing customer communications through the use of highly agile document output management software can bring benefits over and above process efficiencies and cost savings. In a world of increasingly mobile and social-savvy users, such systems can help to integrate banking with the customer's life in a way not previously conceivable.

- **Managing change and compliance:**

The need for banks to appear risk-averse has led to a perception of the sector as being slow to innovate and over-cautious. However, some technology solutions offer measurable benefits without risk. Today's leading document output offerings require significantly less IT involvement in deployment and maintenance, meaning quicker time-to-market for new products and prompt response to legislative or market changes.

- **Seamless and easy-to-deploy integration with both legacy applications and modern systems:**

While most banks use output tools to manage diverse data, there are often 'problem streams' that cannot be easily incorporated, therefore adding to costs. An output system with outstanding integration strengths helps to bring multiple information resources under the control of one intuitive, centralised document delivery process. And it can handle social-enabled customer communication – for example a customer being notified, through his preferred social channel, of a new account statement.

- **Taking 'TransPromo' to the next level:**

Banks use personalised documents such as statements to convert routine communications into valuable cross-sell opportunities. As Darren Armitage, Head of Technology Innovation at HSBC, says: "Financial services customers don't exist in isolation. Each one of them interacts with a wide range of technologies and services each hour of the day."⁴ It is therefore vital to select the right channel for each message while reflecting the customers' own stated preferences. Such targeting makes for better marketing communication – improving image, response, speed and sales – and also reduces waste and duplication.

⁴ Financial Technology magazine, "Thinking outside the bank: innovation in financial services", February 2012

Interested in reducing document output expenses? Then download our e-book "How to Slash Customer Communications Costs ... and Increase Customer Loyalty at the Same Time":
www.cincom.com/ChannelStream/CostReduction

"Our main priority is to provide service of the highest possible quality for our customers. Cincom software definitely helps to achieve that aim. Cincom was the only company that was prepared to adapt its product to all of the environments we needed." – Barclays

About Document Output Management

Document output management systems offer a genuine opportunity for banks to reduce costs and increase productivity, accuracy and efficiency while providing responsive customer service. By adopting best-in-class solutions and applying proven methodologies, banks can gain a competitive advantage and achieve business growth.

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