

The Fragmented Communication Systems of the Financial Services Industry

Why a Strategic Overhaul is Needed Now



Communication Expectations

The need for modern communications systems in banks and credit unions has never been more important. The pandemic greatly accelerated the adoption of technology, forcing financial institutions to pivot almost overnight. As the demand for digital banking surged, banks and credit unions had to make quick decisions and were forced to adopt a 'make it happen' approach in order to quickly adapt to meet customer/member expectations.

This rapid deployment of communication technology by financial institutions during covid, without a cohesive strategy, has resulted in disjointed systems that fail to meet customer/member expectations. It is critical for financial institutions to prioritize their integrated communications strategy to enhance customer/member loyalty and reduce operational inefficiencies.

The Market's Current State

Understanding the current state of communications at banks and credit unions is essential to navigating a strategic transformation. Today, many financial institutions are struggling with sunsetting communications systems and outdated technology, creating disconnected communication across all channels. As the bank or credit union grows and the current infrastructure is no longer able to accommodate increased call volumes and new channels of communication, scalability becomes a concern. Financial institutions are relying on multiple systems and vendors to achieve their goals, but these platforms operate independently, lacking integration capabilities.

Outdated technology coupled with today's consumer demands intensifies the challenge. Customer/member expectations have changed, and delivering consistent service across all

communication channels is no longer optional – it is essential. While many consumers prefer self-service options when they need to speak with a representative, they expect it to be quick and efficient. Personalization is key in today's crowded marketplace; consumers want to feel understood with their needs anticipated. The customer journey should be seamless and tailored at every touchpoint.

The lack of modern infrastructure is significantly impacting financial institutions both externally and internally. Internally, there is a disconnect across various channels. Call centers, back-office operations, and branch staff often operate in silos. This fragmentation not only leads to inefficiencies but also deeply affects the customer/member experience. According to *The Financial Brand*, 84% of customers are already online when they call a customer service representative. Oftentimes the representative on the other side has no context and does not know the customer has been online for a length of time prior to their phone call. This type of experience leads to a breakdown in the customer journey.

Manual processes and multiple systems lacking integration capabilities are creating operational hurdles within banks and credit unions as well. The outdated 'smile and dial' approach remains a standard, which prioritizes quantity over quality and does not cater to customers/members specific needs. Without modern monitoring tools, banks and credit unions are also struggling to provide meaningful coaching or recognition for employees. Additionally, without proper integration, the data remains incomplete and unreliable, hindering analysis and decision-making.

Outdated systems not only interfere with productivity and the customer/member experience, but also increases the risk of fraud due to limited oversight and outdated security protocols. Without real-time data sharing between systems or advanced fraud detection, fraudulent activities slip through the cracks. This puts the financial institution at risk financially and reputationally, while eroding customer/member trust.

The time to strategically overhaul your bank or credit union's communications system is now...

An Aligned Strategy

Defining clear goals and understanding the communication preferences of your customers/members is essential before selecting from the myriad of options available in the market today. Financial institutions must take a proactive approach to identify gaps, pain points, needs, and wants within their communication strategies. This process involves not only assessing the current state of communication but also anticipating future customer expectations.

It is important to recognize that any strategic overhaul of communications systems requires a holistic approach. The entire organization must work in tandem to reach the bank or credit union's objectives and ensure a positive customer/member experience.

An effective integrated communications strategy must be aligned with the financial institution's digital strategy. Contact centers play a critical role in this process, serving as the bridge between human and digital experiences. As the adoption of digital solutions continues to rise, more customers/members are turning to contact centers for support on a variety of issues, such as mobile banking, online payments, and budgeting tools. An integrated approach ensures customers/members can move smoothly between digital and human touchpoints, improving satisfaction and operational efficiency.

Aligning your strategy with the expectations of customers/members is a priority. Institutions should evaluate whether features like text, chat, video banking, or others will truly be beneficial. AI is more than a buzzword and can be extremely beneficial for knowledge sharing, agent assist, and translating data to personalize the experience.

Reduced wait times and call-back features are not just benefits; they are expectations by the modern consumer.

Adopting an integrated approach to your communications systems will streamline operations, improving workflows and enhancing collaboration between departments. A standardized system should include real-time dashboards and reporting, enabling teams to access critical customer/member data instantly to make informed decisions and drive efficiency across the organization. Additionally, these systems help improve compliance and security by ensuring data is protected and monitored, while adhering to industry regulations.

Why the Time is Now

Now, more than ever, is the time to prioritize and implement your integrated communications strategy. With the emergence of fintechs and the ongoing wave of mergers and acquisitions, the financial services industry has never been so competitive. Fintechs and digital-only banks are leading the charge by fully embracing integrated communications strategies, and community banks and credit unions are being left behind.

Having a well-thought-out integrated communications approach is no longer a differentiator; it is necessary for growth and member/customer satisfaction. The lack of integration creates frustration, leading to customer/member loss and missed opportunities. Furthermore, the key to attracting and retaining younger members is to embrace digital options and an omnichannel approach.

External factors aside, the increase in operational costs is hard to overlook. Maintaining outdated systems can be a substantial financial burden. Additionally, the sheer number of systems in use can often be streamlined, reducing cost and complexity. Employees spending excessive time creating workarounds and managing manual workflows drains resources and creates frustration, which can contribute to higher turnover rates, an expensive issue for financial institutions.

As the industry tries to keep up with evolving customer/member expectations and the rapid advancement of technology, an integrated

communications strategy is key to remaining competitive, improving operational efficiency, and delivering an exceptional customer/member experience.

To learn more about integrated technology, listen to our latest podcast or contact Engage fi.

Why Engage fi

Today's modern contact center should fulfil two pivotal roles: deliver an exceptional customer/member experience and optimize operational efficiency. A lacking infrastructure places banks or credit unions at risk of falling behind the competition. Our integrated communications solutions are designed to empower your financial institution with the tools you need to deliver great service, seamless communication, and streamlined operations.

Through our collaborative partnership, we act as an extension of your team, dedicated to making sure you are set up for success and future growth.

Learn more:

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