

3 Marketing and Customer Experience Trends That Are Transforming Manufacturing



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Most financial advisors would agree that any return that beats the market (which has seen an average annual return of 10.7% since 1871) is pretty darn good. From 1965–2017, Warren Buffett (through Berkshire Hathaway) enjoyed a 20.9% average annual return, and he's historically one of the best investors in the world.

But did you know that the Renaissance Technologies Medallion Fund has gained 71.8% per year from 1994 to 2014, thriving through the Dot Com Bubble and the recent recession?

How did Simons and his team achieve such staggering returns?
By using robots.

According to The Economist, robot trading now accounts for 35% of all stock market trading, 60% of institutional equity asset management, and 60% of all trading and investing overall.

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But what began at the trading desk now impacts every part of financial services firms. The robots aren't just taking over trading and investing—they're overseeing and facilitating nearly every aspect of workflows and customer experiences, too.

As an enterprise marketing consultant, here are the 3 biggest trends I've noticed in financial services marketing and customer relationship management:

1. Robotic process automation drives sustainable growth

According to Gartner, Robotic Process Automation (RPA) is becoming increasingly important to finance. RPA is the practice of using custom-made robotic software programs to take over and automate standardized, repeatable business tasks that are usually handled by entry-level hires.

By 2020, 72% of controllers will be operating RPA in some capacity. When you look at the costs involved, this isn't surprising: RPA solutions typically cost $\frac{1}{3}$ the price of an offshore employee and just $\frac{1}{5}$ the price of an onshore employee.

While these costs may be justified at higher seniority levels where a human touch is often crucial to closing a deal, it's a lot harder to make the case that a recent college grad, even one with a great pedigree, should cost 500% more than an RPA solution that makes no mistakes.

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A great example of when it might make more sense for RPAs to replace humans is on earnings calls. Traditionally, institutional investors would record calls for later review, take copious notes, and execute trades before the call was over. Relying on human intuition, they would attempt to determine what *wasn't* being said.

But this is medieval divination compared to what cutting-edge financial services firms are doing today. Robots can use voice recognition to scrutinize over 30,000 hours of earnings calls across 13,000 public companies each year to detect lies and deception in real-time—and automatically adjust position sizes to reduce risk.

2. Open banking platforms with less friction are in demand

On the other side of the financial sector, retail banks are accepting the fact that convenience is king. This isn't a trend unique to finance. But finance—a traditionally slower adopter of digital best practices—has taken a bit longer to catch up to modern expectations than other industries.

According to The Financial Brand's 2018 Digital Banking Report, improving digital customer experience was *not* the top trend or prediction for the banking sector for 2019 (but it was a close second). One year ago, banks were prioritizing:

- Real-time intelligent data integration through the use of AI, advanced analytics, and cognitive computing (54% of survey respondents)
- Customer-centric perspective and the elimination of friction from the customer journey (50%)

- Use of APIs for the transformation to an open banking platform (37%)

But when you compare these trends to the top strategic priorities at banks, the responses are a bit different:

- Improve the digital experience for customers (72% of respondents in 2018, 84% in 2019)
- Enhance data analytics capabilities (42% in 2018, 51% in 2019)
- Reduce operating costs (32% in 2018 and 2019)

What's interesting is that the survey respondents for both questions are the same people. The results seem to indicate a slight disconnect between observed and predicted trends and stated priorities.

This reveals a slight disconnect—or perhaps unconscious resistance—on the part of banks towards transitioning to fully online, mobile-first customer experiences and platforms.

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This might have something to do with how outdated legacy CRM systems are in Financial Services. As an example, Lloyds Banking Group recently integrated their CRM with its website and mobile platforms to improve social messaging get a better view of their customers. Modern CRMs tailored to Financial Services will only become more important.

3. Improving digital customer experience

According to Salesforce, “79% of consumers say the experience a company provides is as important as its products and

services. Today's most successful marketers are using...a myriad of channels to reach consumers with relevant, personalized content in real-time, at all stages of the customer journey."

Additional research from Salesforce has found that nearly 8 in 10 customers are willing to share their information in exchange for better engagement, and nearly 9 in 10 would share their information for more personalized offers. And most marketers agree with these consumers:

- 92% of marketers say personalization improves brand building.
- 86% of marketers credit personalization with a boost in lead generation.
- 84% of marketing leaders say personalization improves customer acquisition.

Developing highly personalized communication also has a positive impact on customer retention (85%), customer advocacy (82%) and up-selling (79%), Each of these has a major financial impact on an organization.

And according to The Financial Brand, 81% of financial services marketers agree that optimizing the customer journey will be a priority in the next 5 years.

More 'bank' for your buck

Of course, this is all to be expected. Times are changing for all industries. Not even banks are immune to customer expectations. With globalization and decentralization come ease of access and more options than ever before.

And thanks to Google and Amazon, 62% of consumers now expect companies to anticipate their needs. From what I'm seeing across the country, that number is only going to increase in

2020 and beyond.

Simply put, this is the first time in history that consumers have wielded so much power to choose where and how they invest or do their banking.

The financial institutions that prioritize *customer convenience*—by offering frictionless banking platforms and more personalized offers—will be the most successful.<https://www.entrepreneur.com/article/349331>