

Customer Channel Use: Taking a Holistic View



Are you taking too narrow a view of your customer data? Nothing is more critical to strategizing and executing an effective Voice of the Customer (VoC) program than looking at the “big picture.”

As an example, our financial services clients gather massive amounts of data from customer transactions and mine it for insights about what customers think (and tell the world) about them. With so much information from multiple touch points –branches, ATMs, the Web, email, phone, and mobile banking– the temptation is to do a bang-up job of figuring out what’s going on in each channel, take channel-focused action, and stop there.

What we and our clients have come to understand is that analyzing data and creating a tidy package of insights, channel by channel, takes you only part of the way on your VoC journey. Viewing channel use as a whole, however, and seeing the commonalities across channels produces information that can drive measurable business results.

“How US Banking Customers Use Different Channels,” a recent Forrester® report aimed at eBusiness and channel strategy professionals, provides an overview of that information, which is consistent with our findings through multiple client engagements.

Channel Use is Evolving in Financial Services

According to Forrester, 59% of U.S. adults now bank online, up 8% from 2005. By 2014, the firm predicts that the number of online banking households will reach 66 million. Customers are using more than one channel to conduct their banking activities. In fact, multichannel banking is “widespread,” with Gen Xers, Gen Yers, and younger Boomers most likely to use multiple channels. Channel use varies by region. Customers in the Northeast, for example, tend to bank at branches more frequently than customers in the West. Channels use varies by income as well.

Key Findings

- **The branch still rules** – The majority of U.S. adults still visit branch banks, and they tend to be happy with their transactions. Higher-income, higher-value customers are more likely to prefer branches (and online channels) for their banking.
- **Online is OK** – Over 80% of Internet banking users are satisfied with this channel. These customers use it more often than other channels, and increasingly using the Web to research bank products and open accounts.



- **ATMs are valued** – Half of U.S. adult banking customers use ATMs, and more than 80% of them rate it 4 or 5 on a 5 point satisfaction scale.
- **The phone is still important, but...** – Whether customers use an automated system or speak to a representative, they find the phone less satisfying than online, ATM, or in-branch transactions.
- **Mobile banking has room for growth** – Less than half a percent of customers are into mobile banking, but those who use this channel do so more frequently than branch or phone customers. On the other hand, a significantly smaller percentage of mobile banking customers are as satisfied with their transactions as branch or phone users.

The Big Picture

An important implication of Forrester’s message—backed by our own experience—is that to truly hear the voice of the customer, you need to broaden your analytical horizon to include all customer touch points in your business. This applies whether you’re a bank executive or run an apparel chain with an online presence.

Taking a holistic approach offers tremendous benefits in both the near and long term. If you can replace a siloed view of your customer with one that factors in the entire transactional spectrum, you’ll gain information that’s more insightful and valuable. With improved insights, you can make better decisions, which in turn drive higher satisfaction ratings and increased customer retention and brand loyalty.

Let’s Talk

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