



Qorus

Balancing human and digital: Are banks losing touch with customers?

New Qorus-Avanade report shows banks face a high-wire act in blending human engagement and digital interaction

Do what matters

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Foreword

Qorus, as the largest global banking association, has for decades worked with leading consultancies and providers to support the industry in a fast-changing world driven by technology and an ever-increasing number of new entrants.

Avanade, as one of our Associate Members, has always provided insightful research for the industry and we are delighted to have worked with them on this project.

The report highlights the significant challenges that banks face today in dealing with the balance between people and technology when putting customer experience at the heart of their business. The demand for personalisation, straight-through processes and 24-hour global access, whilst providing a safe and trusted environment that appreciates the emotional daily demands of customers, creates a complex web for the industry. This report highlights the challenges in a clear and concise approach drawing upon best-practice (the core of the Qorus value proposition) to enable readers to learn and consider how best to meet the future demands within their culture and geography.

There is no right or wrong answer. This report enables the debate to stimulate innovation and new thinking as the industry faces, perhaps, its greatest challenges.

Thank you to the Avanade team for their hard work in putting this report together.

John Berry
Chief Executive Officer
Qorus

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Executive summary



The balancing act: banks on the high wire

The pressure on banks to be more responsive to customers is intensifying. Some banks have used this as an opportunity to go deeper into digital, increase automation in the business and have fewer people on the frontline. Branch numbers decline, self-service rises and digital engagement becomes the norm. But you sometimes need the skills of a detective to find a telephone number on a web site to speak to a human being about the advice you need.

For other banks, there is a deep recognition that people are key to creating customer trust but the cost of doing so is just too great. So, banks adopt a middle road, giving just enough support to those at the cutting-edge of customer engagement and hope that with minimum investment in technology and training, their people will somehow be able to handle the internal complexity placed before them every day – and still develop great customer relationships. Amazingly, sometimes they do.

Meanwhile, other customers get lost in call center options, turn up for branch interviews (booked online) where no one is available to see them, are offered products they've already bought from a competitor, cannot find anyone to speak to about the low savings rates they're on (because they aren't rich enough to get through to an advisor) or get the help they need as they spiral into debt (while the bank automatically charges overdraft fees).

Is there a way out of this?

Can banks intelligently blend human and digital to create personalised interactions, moments that matter, conversations with context? Are customers simply lost in a self-service, digital labyrinth that makes money for the bank but feels like an impersonal institution, devoid of emotion – great for those smart enough to navigate the system, but a nightmare for those who cannot? Is the best option always too expensive? In this high wire act

of balancing human and digital interaction, what happens to the customer if the bank slips up?

The recent rise of large language models, such as ChatGPT, has highlighted not only how sophisticated chatbots have become due to Generative AI, but also the way in which such services can augment and tailor the customer journey at various points along the human-digital spectrum. The GPT models clearly have significant potential to become part of a data-driven, customer conversation that can be balanced with high touch, human engagement. The quality, speed and depth of ChatGPT's responses have surprised many people and have got industry commentators wondering what this means for the future of customer engagement and the role and nature of search engines. But there are limits. Such models rely on copyrighted data to train them (an emerging legal issue), there is often bias, they lack a transparent audit trail and they sometimes produce strange answers. Clearly, they are not a silver bullet, but part of a spectrum of customer engagement tools to build customer trust.

"Marketing and sales are vital components of retail banking, but it's not the only focus. There are other aspects, such as maintaining a strong brand and establishing adequate processes to deal with high transaction volumes. Having the right IT infrastructure in place is crucial to the success of any retail banking operation. However, the most critical factor is the people working in the business, as it is primarily a face-to-face industry that requires a labor-intensive approach."

Nikolay Lazarov,
Head of Sales – Retail Customers, Eurobank

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What we discovered

For details of our approach, see the section 'Research Methodology.'

Human engagement is vital to build customer trust: Over half (55%) of all survey respondents agreed. Responses from MEA (64%) and Europe (59%) were even higher. Only 3% said that human engagement was not needed and that it could all be done digitally.

Channel strategy is still populated by people: When asked 'Where do you regularly put customers in touch with a human being?', the top two areas were Branch (76%) and Call Centre (70%), followed by Relationship Manager (RM, 61%), Financial Advisor (52%), Wealth Manager (43%) and Investment Banker (33%). In terms of coverage across the six areas, just under one in five (17%) banks covered them all.

Bank staff are under-resourced and facing conflicting demands from the business: The biggest problem for customer-facing employees was too much focus on product targets (18%), conflicting demands from the business and lack of investment (staff training, development and incentives), both at 14%. Lack of staff investment was the top issue in Asia (29%).

If you don't measure it, you can't manage it: 49% did not know how much (or how little) their bank invested in staff as a percentage of overall revenues.

Customer-facing staff face daily complexity: On average, staff have to deal with 5-9 major applications every day to do their job (39%). One in five in MEA (17%) and one in four in Asia (24%) had to deal with 20+ applications daily.

Better customer service is the goal: The main driver for going digital was better customer service (40%). However, "greater personalization" and "improved employee productivity" were bottom of the list of digital drivers. If greater people productivity is effectively absent and the ability to tailor the customer experience to create moments that matter is not a top priority, then what do banks mean by "better customer service"?

Banks think they are still emotionally connected with their customers: Most banks thought this was the case (59%), but a third (33%) disagreed. This is clearly still an ongoing debate.

Top challenges for blending human and digital are IT integration issues (33%) and a silo mentality between different parts of the business (23%): Even so, "back office complexity" was bottom of the list, a surprising development given the need for an integrated front, middle and back office to provide a consistent customer experience.

Banks want easier processes (33%) and greater personalization (29%) to engage better with customers: "Face to face empathetic engagement" was ranked bottom of the list of options for better customer engagement. Given human engagement is essential to building customer trust, are banks missing an opportunity?

If banks believe that human engagement is the route to building customer trust, then they need to embrace the future of work and invest more significantly in their people with the relevant tools and insights.

Now is the time for banks to examine alternative ways to be more responsive *and* increase customer trust. There does not need to be a descent into a digital spiral that is devoid of emotion. The value of the human touch cannot be underestimated in the customer journey. The promise is deeper customer engagement and higher revenue per customer, while operating at substantially lower costs, closer to that of the fintechs and neobanks. This may feel counter-intuitive in the current climate, but being truly human in your banking interactions is the basis of real differentiation.

"With our clients' permission, we automatically retrieve and collate their financial information from various sources such as credit bureaus, online property valuations, and industry aggregators. We analyse this information across five key behaviours: emergency savings, managing debt, having the right types of insurance, planning for retirement and paying off property. A simple score helps clients understand how well they are doing and gives tips on how to improve."

Akash Dowra,
Head of Client Insight, Discovery Bank

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Research Findings

Our research findings can be grouped into four areas:

- It's all about better service
- Humans are still here
- Blending human and digital
- Invest in your people

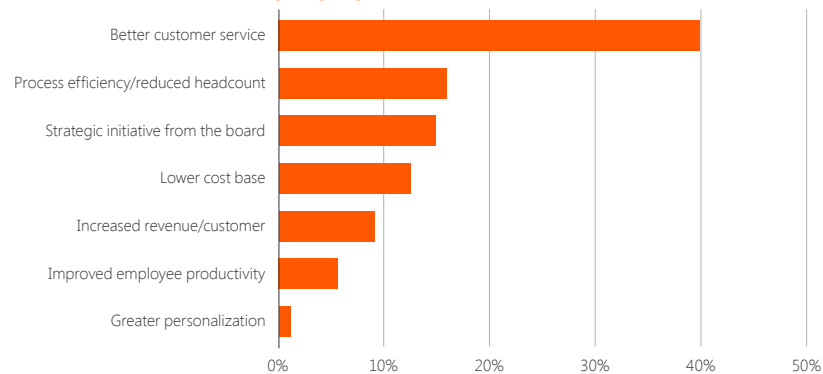
It's all about better service

But this needs definition

When asked "What are your main drivers for going digital?" the key reason was "Better customer service" (40%). This was the case across all regions and was well ahead of "Process efficiency/reduced headcount" (16%) and "Strategic initiative from the board" (15%), which were second and third respectively.

However, what better customer service means for bank staff and customers still needs clarification. What is interesting is what it does *not* include.

What are the main drivers for going digital?



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Personalization and employee productivity are the lowest ranking factors

First, the need for “Greater personalization” was noticeable by its low ranking, appearing as the lowest factor. This is key to creating conversations with context, identifying moments that matter and building experiences that are personal. Banks have often spoken about the need to tailor customer experience to compete with the likes of Big Tech companies, such as Apple or Amazon. Perhaps undertaking this approach at scale has proved more difficult than expected. As we shall see later, when asked “What can banks do to engage more effectively with customers going forward?”, personalization was consistently in the top two choices.

Second, it is significant that “Improved employee productivity” was the second lowest ranking. Many banks do not appear to regard staff productivity and motivation as a key area for investment – rather, it is a cost to be reduced wherever possible. Ironically, digital should be able to improve staff productivity, collaboration and motivation, which, in turn, improves customer retention and loyalty. It may be that given the recent move to hybrid working due to the pandemic, banks feel that this issue has now been mostly resolved and that employees already have the tools they need to be productive remotely.

However, banks have traditionally been reluctant to invest in new technology for employees, even those on the frontline. Often those working directly with customers must grapple with complex systems, while making it look easy. When asked what percentage of revenue is invested in employees, almost half (49%) simply did not know. If banks want to deliver “better customer service”, then people productivity and motivation needs to be a key component.

This begs the question: what do banks mean by “better customer service”? If people productivity and motivation is effectively absent and the ability to tailor the customer experience to create moments that matter is not a top priority, how will better customer service be delivered? As we will see, people are a key component of any bank’s channel strategy and essential to building that rare ingredient: customer trust.

“Customers are not simply interacting with banks to make payments. They may be undertaking significant financial transactions, such as setting up a pension fund for their children, that require a higher level of confidence and understanding than can be provided by a chat button. These long-term relationships with customers are built on trust and require a human touch to truly be successful.”

Maurice Lisi, Head of Digital Business, BPER Banca

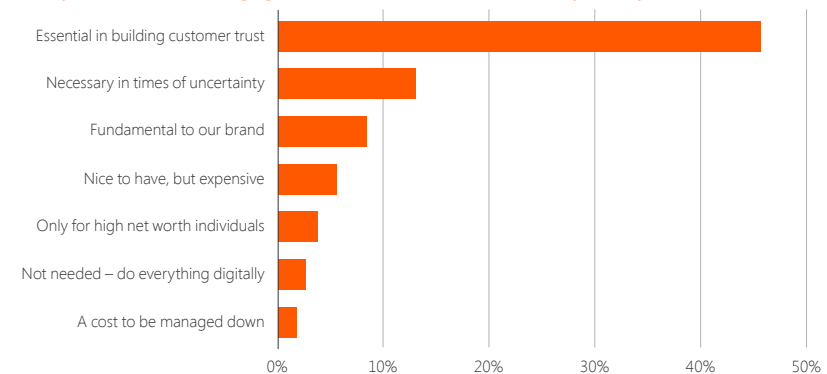
Humans are still here

Real people build trust

When asked “How do you see human engagement as part of the customer journey?”, the highest response was “Essential in building customer trust” (55%). All other responses were far behind this. The next two responses were “Necessary in times of uncertainty” (16%) and “Fundamental to the brand” (10%). There is clear recognition that human contact helps build trust, which means stronger customer relationships, greater retention and loyalty and increased profit. Responses from MEA (64%) and Europe (59%) were even higher. Interestingly, only 3% said that human engagement was not needed and that it could all be done digitally.

Asked “Do you think human engagement is the only way to create long-term relationships for your bank?” two-thirds (63%) of banks thought that it was not. Americas (82%) and MEA (75%) were the highest regions. Thirty-two per cent thought it was, with Europe (36%) and Asia (35%) showing most agreement. Clearly, human engagement is a fundamental part of building trust with customers, but it needs to be balanced intelligently with digital interaction.

How do you see human engagement as part of the customer journey?



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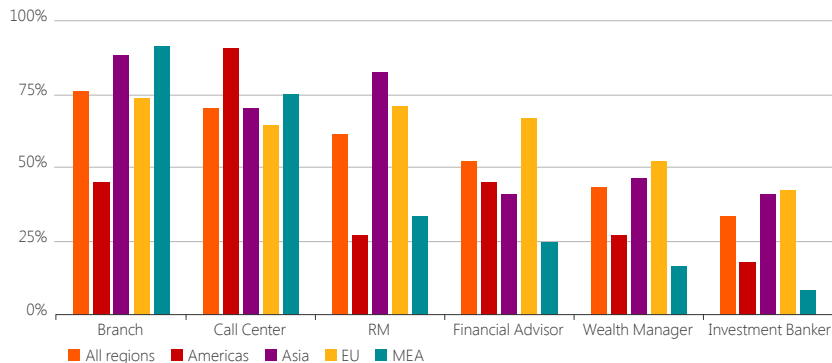
However, when asked “Do you think with the focus on digital that banks have lost an emotional connection with their customers?” most banks thought this was not the case (59%), though a third (33%) disagreed. Consumer banking surveys typically find a disconnect between the analytical, rational decision-making adopted by senior banking executives (better products and rates are what drive behavior) and the emotional investment required by customers (due to finance impacting on such a large portion of their lives). As we have found, people like talking to people. This develops trust and loyalty and fulfils the emotional connection customers often need. From this response it appears evident that banks are still connecting emotionally with customers through direct human engagement as well as providing simple and predictable digital services.

Channel strategy: populated by people

Asked “Where do you regularly put customers in touch with a human being?”, the top two areas were Branch (76%) and Call Center (70%), followed by RM (61%), Financial Advisor (52%), Wealth Manager (43%) and Investment Banker (33%). In terms of regional variations, MEA (92%) and Asia (88%) were above average for Branch and Americas (91%) for Call Centre.

For other areas, Asia (82%) and Europe (71%) were above average for RM; for Financial Advisor and Wealth Manager, Europe was highest (67% and 52% respectively); and Europe (43%) and Asia (41%) were strongest for Investment Banker. In terms of coverage across the six areas, just under one in five (17%) banks covered them all. One in four European banks (24%) and one in five Asian banks (18%) covered all six areas.

Where do you regularly put customers in touch with a human being?



“We are using better technology to bridge the ‘human contact void’, such as video calls, to enhance CX and EX. We are strong advocates for conversation. Even though we use digital applications and have online tools to initiate a product application, we capture customer preferences to reach out with a call by a product specialist to get to know the customer and facilitate their onboarding. During the recent rising interest rate environment, we called every mortgage customer to talk with them about their options and to let them know we are here to assist.”

Barry Ferguson, COO, Wealth One Bank of Canada

Humans are still here – and will be for the foreseeable future, especially for the sale of complex products and services, but also for reassurance during times of uncertainty. Banks can build customer confidence and deepen trust by offering video calls with experts as part of the customer conversation, as well as bringing in experts as required throughout the conversation to resolve specific issues.

It is important to do so at the right point in the conversation, and in a way that does not require customers to repeat any of the previous history of the discussion. Having an integrated customer profile is certainly one of the key elements to getting this dynamic right, along with employees who know how to interrogate customer data to find the context for the discussion and the next best action. Engaging with bank staff is critical in order to develop trust and build long-term relationships. The challenge, of course, is how to blend these elements together intelligently in the context of a customer journey.

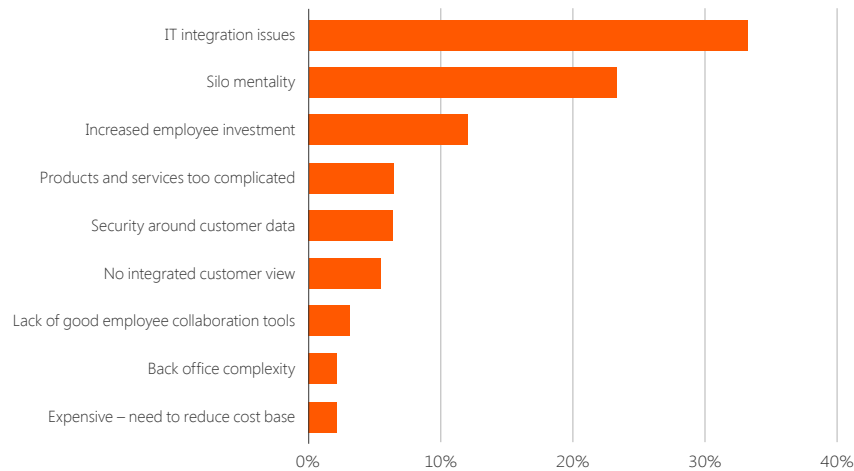
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Blending human and digital

The key challenges: IT integration issues and a silo mentality

When asked “What are the major challenges to blending human touch and digital services seamlessly into the customer journey?”, we gave respondents the option to rank their responses across nine choices. “IT integration issues” (33%), “Silo mentality between different parts of the business” (23%) and “Need for increased employee investment and training” (12%) were the top three choices. Banks still struggle to provide an integrated customer view, even given their intimate knowledge of every customer’s transaction history.

Major challenges to blending human and digital in the customer journey?



“It’s important to focus on both customer retention and efficiency measures. We should aim to serve customers with a combination of automation, self-service, and contextually relevant human interaction. Context is key; if we truly know what is going on in the customer’s world, we can provide a more empathetic and customer-centric experience across the relevant channel.”

Aviram Vijh, Chief Design Officer, Macquarie Bank

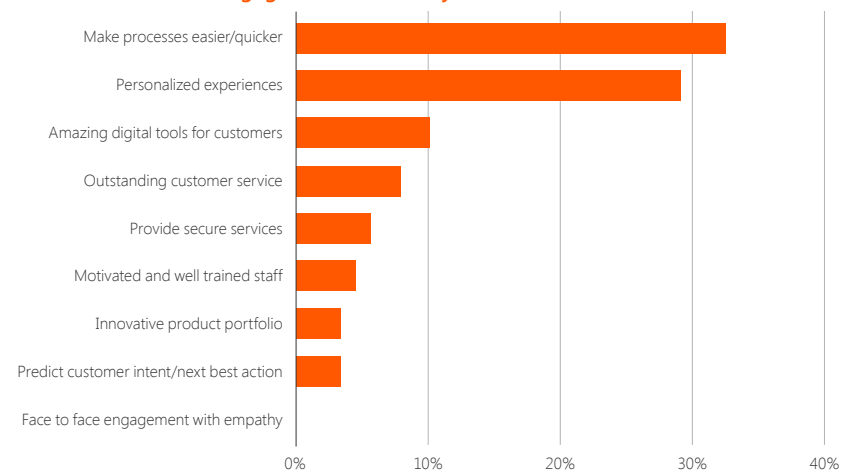
The only regional variations were: MEA had employee investment and training as their second choice and “No integrated customer view” as their third; and Asia had “Products and services are too complicated” as its third choice. Given improved employee productivity was near the bottom of the list as a major driver for going digital, it is good to see banks acknowledge the need for greater investment in this area.

“Back office complexity” was bottom of the list, even though “IT integration issues” was the top challenge. Integrating front, middle and back-office is essential to providing a joined-up, consistent and stimulating customer experience. We know that the back-office is often characterized by complex legacy systems that need maintenance and development and constrain banks’ attempts to innovate. Streamlining processes and adopting automation is vital to free up staff to engage in customer discussions. This could be an indication of the second challenge – “silo mentality across the business” – with a focus on the front office by many respondents, rather than the bigger picture.

Easier processes and more personalization required

Given the challenges, we asked “What can banks do to engage more effectively with customers going forward?” The top three choices were “Make processes easier” (33%) and “Personalized experiences/knowing which moments matter” (29%) with “Amazing digital tools for customers to use” (10%), coming a distant third.

What can banks do to engage more effectively with customers?



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Although 'greater personalization' was seventh of eight reasons for going digital, it would appear that this is a critical factor in generating better customer engagement and was the top choice for both Asia and MEA. In Asia "Personalized experiences/knowing which moments matter" (47%) was first choice, "Predict customer intent/next best action" (18%) came second and "Outstanding customer service" (12%) was third. In MEA "Personalized experiences", "Innovative product portfolio" and "Motivated and well trained employees" were all ranked as equal first (25%).

"Face to face empathetic engagement" was ranked as the last choice, which is surprising given our finding that human engagement is essential to build customer trust. This was proven to be the case during the pandemic, when banks kept branches open and proactively communicated with their customer base. This lack of understanding of the power of empathetic engagement could be a major opportunity for banks to connect more meaningfully with their customers. It also confirms that this has led to banks under-investing in their greatest asset: people.

"When customers are in distress and can't pay back their loans, we need to be proactive and offer solutions to help. During Covid, we had many customers who needed to restructure their loans, so we allowed customers to hold off on loan repayments for a period. I believe it's crucial to address these issues at the product level, rather than just being empathetic in exceptional cases. We can use analytics to handle these situations, but it's essential to have the right products available for customers in distress."

Vincent Chatard, COO, Mauritius Commercial Bank



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Invest in your people

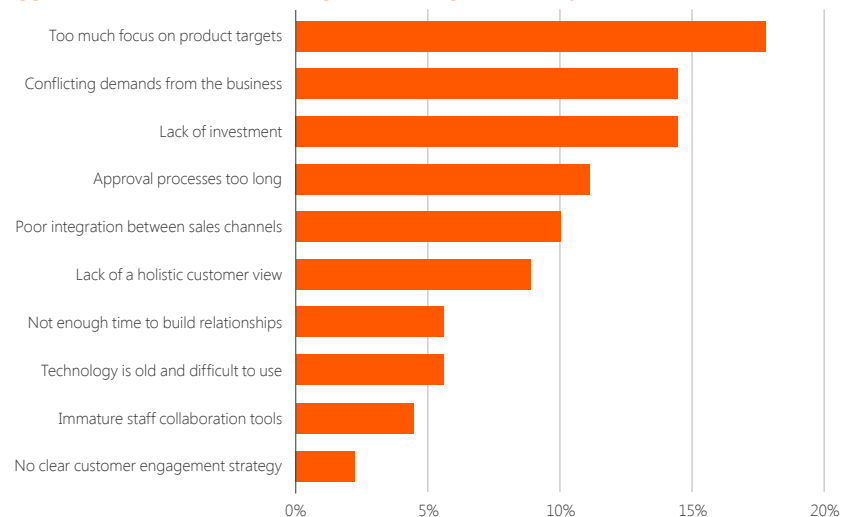
Product focus and conflicting business demands undermine staff motivation

When asked “What are the biggest problems for your customer-facing employees in engaging successfully with customers?” one of the main barriers for customer-facing staff was “Too much focus on product targets” (18%). This influenced the nature of the conversations they were having with customers, possibly in directions that were not helpful to building rapport and gaining confidence.

There were two issues ranked equally for second place: “Conflicting demands from the business” and “Lack of investment (staff training, development and incentives)”, both at 14%.

“Conflicting demands from the business” may relate to the need to have cross- and up-sell conversations or next best action recommendations that may not be the reason the customer has got in touch. Alternatively, there may be a drive towards improving customer satisfaction, yet service staff are monitored on reducing the time taken to resolve a call or selling specific products.

Biggest issues for customer-facing staff dealing successfully with customers?



This was the number one issue for MEA (33%) and Europe (19%). Front-line employees usually have a very good understanding of what customers require and it can only be demotivating to have conflicting requirements imposed by other parts of the business.

Then there is “Lack of investment (staff training, development and incentives)” (14%). Not only are staff finding it harder to engage customers but there is less motivation to do so, given the low levels of employee investment – a common theme throughout this report. This was the top issue for Asia (29%).

Almost half did not even know current staff investment levels

When asked “How much do you invest in your employees annually (% of revenues)?”, although 5-10% was the majority response (17%) – particularly strong in Asia (35%) – the significant finding was that almost half of the respondents did not know (49%). This echoes earlier findings of lack of staff training and incentives.

We also wanted to get some understanding of the complexity that customer-facing staff have to face each day, so we asked “How many applications do your customer-facing staff have to deal with in an average day?” The average was 5-9 (39%). Only in MEA was it lower: 0-4 (33%). However, staff in MEA (17%) and Asia (24%) had to deal with 20+ applications daily. One in five respondents did not know (20%).

If generating customer trust is a major objective – because it leads to greater retention, growth and profit – then people investment, in terms of skills development, technology support and clear goals from the business, is critical.

“The challenge we face most of the time is to provide a simple and easy solution to our front-line employees for them to capture customer interactions without it being time-consuming – and to make these interactions visible to our business intelligence systems for us to manage them, derive meaning and further develop insights.”

Dominic Larivée, VP, Marketing Planning and Execution, Desjardins

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Recommendations

To perform the high wire act of balancing human engagement and digital interaction, banks should focus on six areas:

1. Put your people first

Our research found that 55% of all respondents agreed that human engagement is vital to build customer trust. To do so, employees need to be given the right tools to engage intelligently in both physical and digital interactions. However, employee experience (EX) has traditionally been a lower priority for banks. Great EX means great CX. That's why it's important for banks to support their staff, especially in frontline roles. Companies that invest in EX outperform the ones that don't by four times the profit and twice the revenue.

By investing in EX with collaborative platforms, such as CRM or videoconferencing, banks can improve working across silos (one of the top two challenges to blending human and digital interaction, according to our research) and drive innovation and cross-functional working. Microsoft is distinctive in that it provides sales and service tools that are integrated with collaborative platforms, such as [Microsoft Dynamics 365](#) or [Microsoft Teams](#). Microsoft is the only platform that combines service, data and collaboration to enable end-to-end transformation.

- Develop better feedback loops with your staff, especially those in frontline roles. Focus not just on automated, data-driven input on team performance but qualitative responses and group discussions, too.
- Use automation, such as chatbots and AI, to free up staff from repetitive transactional activity to generate value-added conversations, such as remote advisory for more complex products.
- Reward staff retention wherever possible, as this encourages customer retention.
- Focus on cross- and up-sell opportunities but allow customer-facing staff to be more flexible in their discussions, based on the data provided, so that they can proactively ask about future financial goals and offer any applicable support. Data should drive personalization.

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2. Avoid the 'sea of sameness'

As digital adoption has accelerated over the last two years, customer expectations have changed significantly. Neobanks and fintechs are becoming real alternatives due to their ability to offer extreme simplicity and zero servicing by deconstructing products to their essence. Traditional thinking about omnichannel is dead: everyone is customer facing. AI and automation now provides the opportunity to streamline back-office processes and approvals, enabling more banking employees to engage with customers. Customers expect personalized access to the right experts, no matter who they are. Unsurprisingly, easier processes and greater personalization were the top two factors in creating better customer engagement, according to our research. Generative AI can certainly complement the role of experts. Microsoft has recently developed a [Microsoft 365 Copilot](#) to augment staff roles and improve productivity across all its applications using large language models.

Many CX fundamentals are now commonplace – attractive stores, simple and beautiful apps, helpful service agents, AI chatbots – and they're easy to copy. Many banks report languishing growth from CX investments amid a sea of sameness. It's not about self-servicing to off-load the internal complexity onto the customer. Video has now become a key enabler and the basis for meaningful emotional connection, advice and relationships, rather than old-style paperwork and servicing through remote call centers.

- Support staff with better collaboration tools to encourage more cross-functional working and innovation and avoid silo behaviour.
- Design customer journeys based on complexity, with simple, standard and complex options.
- Work out how you can adopt a more intelligent blend of human and digital in areas outside of retail banking – such as RMs or financial advisors. Our research confirmed that these areas are ripe for such an approach with 61% and 52% of banks respectively using people in these channels for engagement.
- Assess how much more video engagement is feasible and create a pilot to understand its impact.

"We are not relying on automated responses. We have direct and personalized communication with our customers and we are acting as their partner in the hard times they face. During the pandemic, there were a lot of businesses that were shut down and many customers faced difficulties servicing their loans. We had direct communication with customers to understand their needs and to make them feel supported. Now, facing expected decrease in economic activity, we plan to keep the same honest and prompt human connection with our customers, as we always did in the tough times."

Ivan Ivanov, Director, Retail Banking, BACB

3. Everything in one place

Our research showed that the need to reduce complexity for bank staff when interacting with customers was a major issue – including conflicting demands from the business. Our vision of the modern bank includes straight-through transactions and automated operations in combination with customer care requests handled by customer-facing employees or virtual agents.

Employees can complete a task or answer an inquiry on a call without ever leaving the flow of work in Microsoft Teams. They can work through a process that normally spans across many systems from one single place. They may also contact colleagues or bring them into a customer video call in real time, using the collaboration, screen-sharing and task management capabilities to get their work done. All of this takes place in a secure environment and with the ability to combine critical tools and services – such as booking meetings, identifying tasks, and sharing documents – in one place (our North American bank story provides an example). Furthermore, intelligent automation, such as bots and AI, can remove the mundane manual processes involved in day-to-day tasks.

- Look at ways in which you can integrate service, data and collaboration so that all your work with a customer is done in one single place, including booking meetings, task management and document sharing without the need for email or call centre contact. This should reduce capacity requirements.
- Assess the impact of product targets on customer conversations
- Reduce complexity and make core systems easier to use (fewer apps, fewer passwords).
- Provide access to experts during such conversations, including members of your partner ecosystem.

A North American bank develops human-centered digital banking

Our client wanted to develop an integrated portal where clients and bank staff could collaborate and perform banking activities within a secure virtual environment e.g., book and conduct meetings, exchange messages and activities, share documents securely, create new digital experiences, capture everything the customer does in the portal and create data on their activities and capture servicing behavior for leaders to measure and manage the working of frontline teams.

Avanade designed an end-to-end, secure, personalized, virtual banking collaboration platform, in which we leveraged Microsoft Collaboration toolkit and the Financial Services industry cloud.

The system is equipped with major personas and key customer journeys. We captured the human, business and technical requirements at each stage of the journey. None of the existing IT systems or infrastructure at the bank needed to be replaced. We developed a secure and flexible cloud-based platform that allows frontline staff to join via intuitive dashboards and meetings where chat history is integrated into Microsoft Outlook and Microsoft Teams.

4. It's all about the experience

These new principles – putting context back into every conversation, predicting intent, truly meeting customers where they are and building experiences that finally feel personal – are causing a total rethink of which products to deliver to which customer segments and at what service levels.

Digital adoption has led to significant benefits, but it has also driven customer experiences that are effectively lacking in emotion. Although technology can open new engagement channels, it can also unintentionally depersonalize the experience, erode trust and widen the disconnect between customers and their bank. The challenge is to be a digital bank, with all the elements that implies, like cost reduction, automation and simplified work processes, that is also able to connect in an authentic, rich and nuanced manner with its customers: to be digital by design, yet truly human.

- Invest in rapport-building skills for customer-facing employees as well as product knowledge.
- Develop a multi-skilled workforce that can solve customer problems across many products, particularly in branch.
- Evaluate how you can consistently inject more emotional input into customer conversations.
- Ensure your cross-channel links work effectively – from mobile to call center to branch, for instance – to provide an integrated experience free from 'black holes' that customers can fall into.

"The definition of human interaction will be revised in the next few years. Why should customers need to visit a branch to know where to invest their money? It's time for banks to conduct more market research, gather feedback frequently, and start using all customer data collected to gain insights into what your customers want and need from their banking experience."

David Jiménez Maireles, Chief Experience Officer, TNEX

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5. Integration is key

Given IT integration issues was the top challenge to blending human and digital interaction effectively, this shift to collaboration and instant decision-making has put Microsoft in a pole position in the application market. It has a head start with Microsoft Dynamics and several other important platforms already neatly integrated inside Microsoft Teams. That is precisely what Avanade has been pioneering with Microsoft. These developments will fundamentally reposition and differentiate the applications you want to design for your bank. In addition, Microsoft's investment in OpenAI will continue to be applied across its various platforms to create distinctive and exciting experiences for employee and customer alike.

- Provide context for all your conversations so customers do not have to repeat themselves as they go through the customer journey.
- Develop a unified, holistic customer profile for each call so staff can get straight to the heart of the issue.
- Set up Next Best Action prompts, identify "moments that matter" and leverage life event triggers within the customer journey.
- See how cloud can accelerate better customer data management.

6. Be clear on the benefits

Imagine the impact on a bank's organizational structure. Frontline employees are empowered with the information they need to solve customer queries instantly. There is less need for a burgeoning back-office function, as back-office processes are simplified and automated and staff are moved into customer-facing roles. This will have a huge impact on the cost structure of the bank. This represents a new way of thinking about how to deliver human interactions, customer care and applications in general – and how to embrace a new, bolder model of work.

There are three opportunity areas:

- Monetizing interactions: Create value through increasing closure rates by 10-20% and acquisition rates by 25-50%
- Zero operations: Reduction in back-office FTEs by 20-70% and migration to front-office plus 20-90% reduction in cycle times
- Greater personalization: Contextual communications increase digital engagement by 40%, increase CSAT by up to 35% and grow deposits and share of wallet by 15%.¹

[1] Global benchmarks based on cross-industry data from Accenture's Value Assessment Tool; [Personetics](#) data.



Creating a bank that's digital by design, yet truly human, is challenging but achievable. Employees want it. Customers demand it. If you want to win back trust and grow your business, you really have little choice.

This is a topic we are passionate about. We would be delighted to discuss this further with you. Please [contact us](#) to set up a short discussion. Alternatively, we'd be happy to host a structured workshop, tailored for your business. For more details, please visit Avanade's [Balance in banking](#) site. This includes short video interviews with The Banker on this topic and our thought leadership guide.

Balancing human and digital:
Are banks losing touch with customers?

Research methodology

Qorus and Avanade conducted online research between December 2022 and March 2023. We had 94 respondents from Europe (51%), Asia Pacific (21%), MEA (15%) and Americas (13%), covering 38 countries.

In addition, Qorus conducted in-depth qualitative interviews with the following banks: BACB, BPER Banca, Desjardins, Discovery Bank, Eurobank, Macquarie Bank, Mauritius Commercial Bank, TNEX and Wealth One Bank of Canada. The full interviews can be found on the Qorus site – see the following pages for specific links. Qorus and Avanade would like to express their appreciation and thanks to each bank that participated in our in-depth interviews.

In-depth interviews

BACB (Bulgaria):

Ivan Ivanov, Director – Retail Banking

“To make the most of human engagement, banks will be implementing the human touch in the digital channels. Clients need human interaction remotely, without the need to go to a branch and waste time in queues. Banks can create a virtual, digital bank branch where customers can be engaged and provided with insights, and a more personalized approach with virtual assistants. It can provide customers with a 360-degree view of their current position, the various status of their requests, new offerings and much more. Virtual branches can offer a much more realistic experience, keeping the human touch as well as a way to communicate and reach new audiences.”

[Full interview here](#)

BPER Banca (Italy)

Maurice Lisi, Head of Digital Business

“As customers become more financially mature and interested in more complex products, they may require more personalized guidance and advice from a human advisor. One way to do this is through the use of a digital concierge, which allows customers to schedule appointments with remote relationship managers and have video conferences to discuss their financial needs. Additionally, the use of remote contracts can provide a more convenient and efficient way for customers to sign important documents without having to visit a physical branch.”

[Full interview here](#)

Desjardins (Canada)

Dominic Larivée, VP, Marketing

“We are working on customer journeys, anchored in an omnichannel setting, to enable prospects to become (Desjardins) members, to purchase their home, to manage their loans and mortgages, and so on. These journeys are meant to be seamless so that members never have to “restart” again or to repeat the same information many times over if they switch channels. We have developed many predictive behavioral models that are used to personalize offers or to generate potential leads for our first-line advisors. We also have a good set of models that give us insight into the current situation of our members, whether it's their financial wellness score or their current state of activity.”

[Full interview here](#)

Discovery Bank (South Africa)

Akash Dowra, Head of Client Insight

“A centralised service centre allows us to have servicing agents right next to the teams that developed the products. This ensures that agents are true experts in their field and provide real-time feedback to product development for future enhancements. This helps Discovery Bank manage the client experience far better. Having a dedicated team helps our clients, allows us to create smaller, more cost-effective teams, and manage workforce planning to deal with seasonality.”

[Full interview here](#)

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Eurobank (Bulgaria)
**Nikolay Lazarov, Head of Sales –
Retail Customers**

“Clients want more complex and sophisticated products, which are explained to them in detail and where they can ask questions face to face, receive a summary, clarification by email, or have several meetings. Clients take one or two mortgages during their lives and it is more digestible for them having all these options. Recently, we noticed an increasing number of people who prefer video conference instead of visiting the branch.”

[Full interview here](#)

Macquarie Bank (Australia)
Aviram Vijh, Chief Design Officer

“We are seeing a transition towards higher levels of human engagement in certain types of banking activities. More complex transactions, such as loans, financial advice, superannuation funds, and setting up trusts, will probably require more human engagement due to their complexity, including legislative complexity. Banks will need to prioritize high value interactions that have a direct impact on the customer experience and the bank’s financial metrics. While there may be an additional cost for this, it will probably be factored into the bank’s overall efficiency.”

[Full interview here](#)

**Mauritius Commercial Bank
(Mauritius)**
Vincent Chatard, COO

“Highly automated processes require self-service and straight-through processing, but human intervention is necessary when things go wrong. We do not view our approach as completely digital, but as digital as possible, with some human assistance available through our contact center or branch network. Some processes can be fully digitized, while others are more complicated and require human interaction. However, the challenge lies in the mix between the digital screen and the complexity of the process, as well as the training of staff to handle these processes effectively. Poorly trained staff can lead to mistakes and lost customers. Therefore, we need to balance digital automation with human interaction to deliver a satisfactory customer experience.”

[Full interview here](#)

TNEX (Vietnam)
**David Jiménez Maireles, Chief
Experience Officer & Deputy CEO**

“We are developing a Customer Data Platform to gather data from different systems and channels to help us identify what every single customer would need at any given point, because our customers’ needs are different on a Monday morning, Thursday evening or Saturday night. Our aim is to develop an auto-pilot banking experience. We provide all the context and insights to customers to suggest the next best action based on their unique needs. But we use avatars to guide customers and to make banking products more ‘human.’”

[Full interview here](#)

Wealth One Bank (Canada)
Barry Ferguson, COO

“Gaining visibility and building trust is a daunting challenge for challenger banks. We operate entirely on a digital platform with no branches or physical retail locations. At the core, banks need to make it easier to do business with them. I don’t buy the argument that new technology delivers on that. Too often, it’s quite the contrary. Wait times on phone calls often exceed expectations and create further frustration and call abandonment. Centralization of services can create internal expertise within a bank, but the flip side is a perpetual hand off of customers from one department to another resulting in a customer having to start over every time they engage with the bank.”

[Full interview here](#)

About Avanade

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 60,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers.

With the most Microsoft certifications (60,000+) and 18 (out of 18) Gold-level Microsoft competencies, we are uniquely positioned to help businesses grow and solve their toughest challenges.

As a responsible business, we are building a sustainable world and helping young people from underrepresented communities fulfill their potential.

Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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About Qorus

We are a catalyst for reinvention for our financial services members by helping them to go further, be faster and work together. Our global ecosystem brings together valuable insights, inspiring events, rich data and active global communities all in one place. Qorus helps you drive reinvention by connecting you with the relevant people, organizations and ideas. Our 50 years of experiences means Qorus has diverse knowledge and best practice as well as global reach. Members can access an innovation library of over 6,000 case studies, reach colleagues and experts at 1,200 financial brands in 120 countries. Qorus helps you drive reinvention by connecting you with the relevant people, organizations and ideas. Headquartered in Paris. Offices in London, Brussels, Andorra, Milan, Stockholm, Bratislava, Warsaw, Moscow, Istanbul, Beirut, Dubai, Tokyo, Singapore, Sydney, and Montreal. Learn more at www.qorusglobal.com

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