

Thinking strategically about effective internal communication in retail banking

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In retail banking, similar to traditional brick and mortar retail, the focus is on the individual consumer. More so now, as customer experience becomes a major differentiator for customer loyalty in all areas of retail, effective internal communication in retail banking will be extremely important as this sector continues to grow.

Retail banking aims to be the one-stop shop for as many financial services as possible on behalf of individual retail clients. Consumers expect a range of basic services from retail banks, such as checking accounts, savings accounts, personal loans, lines of credit, mortgages, debit cards and credit cards. Through local branch locations, financial representatives provide customer service, financial advice and are also the lead contact for underwriting applications related to credit-approved products. As these banks expand their offerings, associates who provide these offerings must be well informed and able to answer any customer questions or issues in order to provide an excellent experience for the consumer.

New standards of customer service must be developed and communicated to ensure success in the new world of retail banking. Retail banks have long competed on traditional issues such as distribution, realizing economies of scale, and investments in brand and infrastructure. Therefore, in most retail banking markets, institutions are operating very similarly with regards to efficiency. However, the retail banking business model will have to shift. Most banking institutions have not kept pace with the improvements in customer experience seen in other consumer and service industries.

What's more, few stand out for innovation in consumer interaction models or branch formats and marketing is usually focused on brand building. Today, this is more likely to restrict progress than protect them from competing banks.

Retail banks: Rethink what it will take to compete and win

In short, retail banking must catch up to consumer needs and expectations. Their physical footprints need to change and adapt to enhance the consumer experience and they must create a willingness for customers to travel to specific locations. Giving their current experiences with new retail shopping models, consumers also demand interactions with retail banks to be simple, intuitive and seamlessly connected across physical and digital touchpoints. For this to be successful, bank associates need to be connected and informed on all messaging and programs offered at every level. Good communication with accountability and compliance are key.

For a long time, banks have struggled with legacy IT infrastructure and are laggards when it comes to supporting the customer experience. Simple cloud communication solutions exist and can solve several pain points. As in other sectors, like retail, these centralized communication systems are proven to create a differentiated experience and lead to brand loyalty and satisfaction. Banks now know that consumer experience is not just about the front-end look and feel, but that it requires discipline, focus, and investment in new systems to change the way they engage with consumers.

As banks continue to expand their understanding and depth of customer data and demographics through targeted ads and offers to attract consumers to their locations to get them in the bank, they also need to continue ensure bank associates have the necessary tools that allow them to better communicate and engage with customers once they are in the building. This will empower banks to make sure that their locations are prepared to not only address consumer's needs, but also create a memorable experience and grow the consumer's confidence in their value offering. It will also allow for their associates, along with infield teams, to provide valuable feedback that will help to drive new standards and differentiate them from their competitors, making them a leader in the market.
