

How to build customer trust and loyalty in banking

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Yenny Otero, Head of Customer Experience and Design at Vanquis Bank, graced the CX Circle London stage this year sharing her mission to create positive change in the banking industry.

Vanquis Bank offers affordable financial products and services to the 14 million people who are not well-served by big banks. It's focused on helping people who are typically declined by mainstream banks, like those with no or low credit scores. Vanquis Bank provides them with access to money, so they can go about their daily lives—from buying a vehicle to get to work or to drop their kids off at school, to a personal loan to make home improvements.

Yenny is passionate about building customer trust, long-term relationships and loyalty in the face of a banking world that is becoming more and more digital.



Rethinking NPS: Measure their success, not your success

Banks look at the world from a very bank-centric perspective. They measure their success by their financial results (which is perfectly fine, everyone has the right to have a commercially successful business). But, as Yenny explained, this means you're measuring your success and not the customers' success.

She takes NPS (Net Promoter Score) as an example, which is used within a lot of businesses as a customer satisfaction metric. NPS asks customers if brands are important to them, rather than asking things like, how much the brand is changing their life or making it better.

"The problem with NPS is that it focuses on you, not on the customer," explained Yenny. "You're asking customers: 'how much would you recommend me?' which makes the relationship more about you and not about them."

Yenny showed us her favourite example from Windows 10.

Similarly, banking brands need to understand that their customers aren't having conversations where they randomly recommend their bank to their friends. So, NPS shouldn't be the only metric brands look at. Brands need to find new ways to measure their success in relation to their experience, like whether they ended up in a better place financially, in their understanding or in their emotional needs.

Yenny's favourite example from a Windows 10 survey

How likely are you to recommend Windows 10 to a friend or colleague ?



Please explain why you gave this score.

I need you to understand that people don't have conversations where they randomly recommend operating systems to one another

It's not just about the first date. You need to build long-term loyalty.

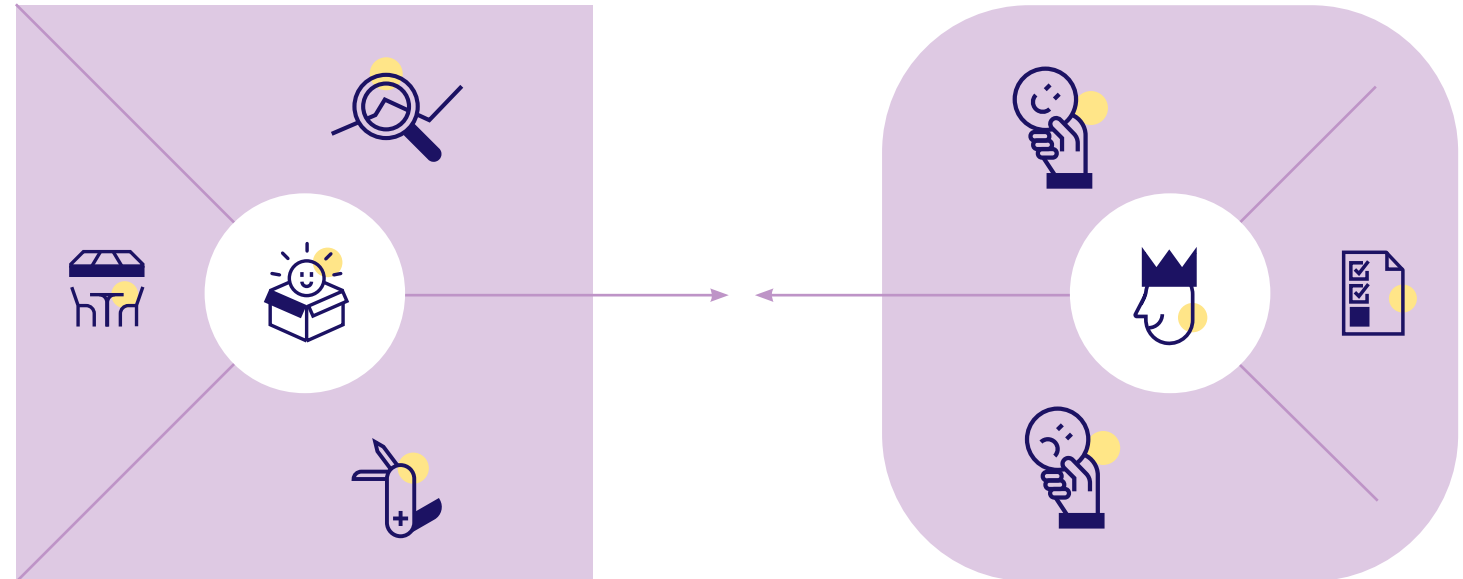
Banks should be trying to build real, long-lasting relationships with their customers. How often do people marry the first person they meet? People need time to build relationships, and brands need time to build loyalty with their customers.

Sometimes brands focus on that first date, and forget that customer loyalty is a long-term game where the customer should continuously see the value of the relationship. Brands should keep giving customers reasons to stay. But in an attempt to do this, many banks throw different tactics at customers like cashback or rewards. For example, a lot of cards now have loyalty programmes where you can get 3% cashback.

Yenny said "Imagine if that was a loyalty programme for a coffee shop. How many coffees would I actually have to buy to get my free coffee? Or if that coffee shop gave me a 3% discount, would I be running to them because they're 3% cheaper? Definitely not."

Is this the best we can do when it comes to driving loyalty and retention? Yenny doesn't think so. She thinks brands need to start with their value proposition.

The Value Proposition Canvas Image source



"You need to understand your customers' needs, their gains and their pains. And you have to do this really thoroughly, asking questions like why they need something, why they're using it, how they're using it, and really bring them into the centre," Yenny shared.

After you do this, you then match the customer to your proposition. Build your services and products toward the customers' needs. Yenny believes that customer-centric design is something that everyone in the business should own. Because everyone's making decisions about customers all the time, everyone needs to be enabled with the right tools and frameworks to put the customer at the centre of their decisions.

Build trust with your superpower: Humans

So we've spoken about the who, we've spoken about the what, now it's time for the why. Why are we doing any of this? Because we're building trust.

A true relationship between a brand and a customer should be equal. Both sides should invest in the relationship and want to see the other succeed. So what's the role of banks in the future? It's to make sure that they enable their customers to succeed, and for customers to trust that their bank has their best interests at heart.

Yenny believes there's a huge opportunity in banking, and we're just at the tip of the iceberg. She said: "Technology is important, but it's not the answer. A lot of people think that innovation means technology, but it's not true. Innovation means bringing new value and understanding new business models around it."

Open banking, blockchain and AI are all great, but they are just enablers. A bank's superpower isn't its tech, it will always be its humans. Yenny believes there shouldn't be anyone in a branch doing things like printing bank statements or doing boring, repetitive administrative tasks. "Give them a reason and meaning to be there. They should be coaching, having an important role in your customer's lives, because they can," she said.

Don't be afraid of change

Yenny's final thought was to encourage banks to evolve with the times, not to be dinosaurs. Not to sit back or be afraid to make the change:

"Imagine if Apple started doing banking. How would they do it differently? Well, maybe we're not too far away from that being a reality."

If banks avoid making these changes to avoid risk, then one day they may, like dinosaurs, simply disappear. There's a huge commercial opportunity to make a change, but most importantly, banks should do it for the right reasons. Because everyone should have the right to those magical moments, like getting married or buying a house, regardless of their gender, age, sexual orientation—or even their credit score.

