

Improving Client Onboarding Experience With One-to-One Messaging



“In the banking sector, onboarding a new client is the most delicate part of building the client relationship. The onboarding experience often decides if it’s going to be a happy, lucrative relationship for a lifetime or a temporary in-and-out thing.”

Rob Assimakopoulos, Principal, Silver Scion Inc. & Former CMO of CIBC

The client onboarding process has become a focal point for banks as it directly impacts profitability. Instead of using streamlining onboarding to demonstrate a frictionless client journey, financial institutions bombard clients with too many asks, lengthy waiting times, and ambiguous information. Inefficient orientation results in missed opportunities for growth and cross-selling.

In this article, we discuss:

- What key growth metrics are impacted by a client’s onboarding experience
- Elements banks need to focus on to simplify the onboarding process
- How texting can help banks improve user experience during onboarding
- Factors to consider while selecting a client texting platform for banks

What key growth metrics are impacted by a client's onboarding experience?

According to **Rob Assimakopoulos**, the onboarding experience in banking impacts the following:

Trust

The banking industry is a complex one. From fee structures to security nuances, there are numerous technicalities sales people need to explain during the client orientation conversations. Banks can often erode trust with confusing language. Therefore, transparency and clarity of messaging is key in earning and retaining clients' trust.

Financial institutions have to help people become gradually accustomed to their products and services by using simple wording. They have to unfold multiple aspects of the product over time, using various forms of media and through multiple channels.

Retention

Client acquisition in the financial sector is a costly and time-consuming affair. According to this [Finnovate Research analysis](#), on average, it costs \$200 for retail banks to acquire a new client making retention even more important. It's proven that clients will remain loyal and increase their investment when they are satisfied with the experience they get during their orientation.

Integrating the front-end experiences and back-end processes right from the beginning of the relationship will help banks provide highly personalized onboarding that reduce churn and improve retention.



Profitability

Studies show that in 2020 alone, the global commercial and business banking sector suffered a revenue loss of **\$3.3 trillion** due to application abandonment during the onboarding process. A bad onboarding experience - whether it's due to lack of the right technology, heavy reliance on manual work, or the overwhelming number of client touch points - significantly impacts financial results.





Elements banks need to focus on to simplify the onboarding process

Despite being a critical part of the client's journey, onboarding efforts in most financial institutions are still fragmented. Onboarding requests in banks come through various channels that leads to a siloed approach. According to a survey by Forrester Consulting, [a client is contacted ten times](#) on average during the entire onboarding process of financial institutions. Furthermore, banks also ask clients to submit anywhere from five to a hundred documents – making the experience increasingly frustrating.

It's abundantly clear that there's a need to optimize the process and get maximum information from minimum touchpoints. Banks that succeed in creating a frictionless experience during the first few weeks of purchase will have a clear competitive edge over their counterparts. To ensure this seamless experience, there's a need to implement a flexible and automated procedure that outlines client touchpoints and next steps.

In highly regulated industries such as banking, complex documentation and compliance will always be part of the business activities. Automating workflows doesn't imply cutting corners with these regulations – it means finding secure alternatives to the traditionally manual parts of the cycle.



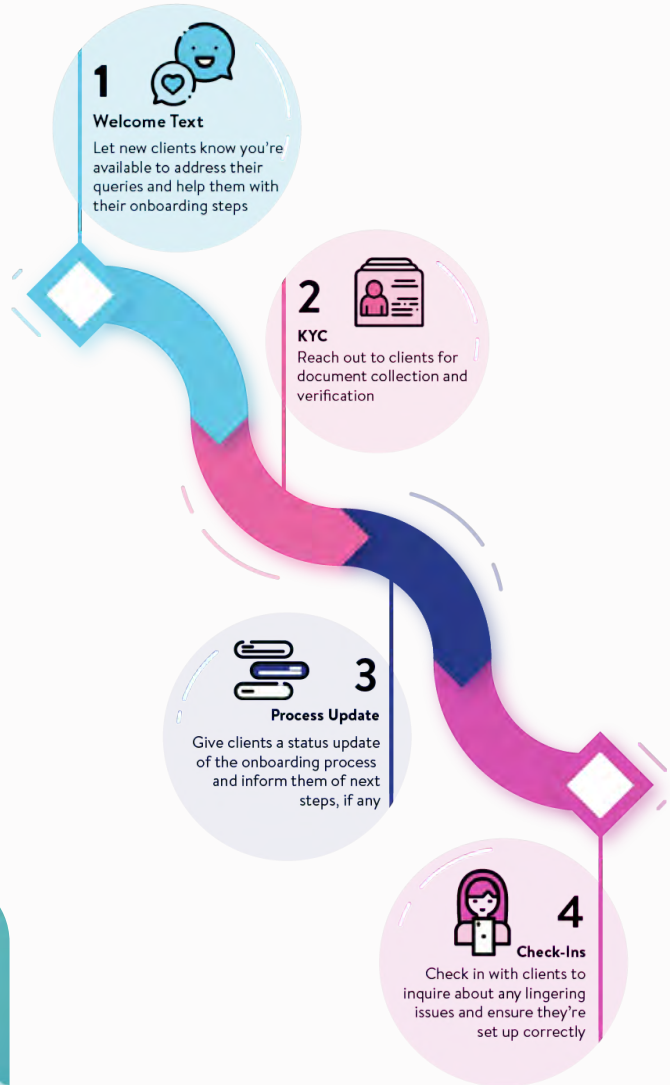


How texting can help retail banks improve user experience during client onboarding

Clients don't care about how sophisticated the bank's back-end set-up is. They care about the user experience and the ability to transact securely and instantly using the channel of their choice. **Mobile banking** is rapidly becoming the client's preferred channel for day-to-day dealings. That's where the onboarding service experience needs to migrate quickly.

Unfortunately, most banking systems still consider mobile banking a channel to transact as opposed to a channel to communicate. In fact, according to this **Forrester Study**, banks are missing key opportunities to turn mobile banking into an engagement platform. The mobile channel is responsive and intimate. In matters of finance, clients want the communication to land on their phones immediately; there's no quicker way to get in touch with today's clients than by text.

In the new normal of remote banking, client onboarding systems need to incorporate channels such as texting. According to a study, clients are **134%** more likely to respond to texts than emails and 74% of smartphone users leave zero text messages unread. This shows how texting has a huge potential to speed up the onboarding timeline and make it hassle-free for retail banks.





Factors to consider while selecting a client texting platform for banks

Evaluation of a one-to-one text messaging platform for banks should include the review of important aspects like flexibility, compliance, security, and ease of integrations. A texting solution for banking has to check the following boxes:

Simplify follow-ups and document collection tasks

Client Lifecycle Management solution Fenergo's research shows that **18% of the banks** they surveyed still rely on manual procedures for the Know Your Client (KYC) compliance - including telephone, email, letter, or in-person meetings. This is a big gap in the onboarding process and spotlights the need to utilize a texting solution that helps in collecting documents instantly.

Seamlessly integrates with existing systems

Banking is a multifarious industry with a diverse tech stack. So, any messaging platform to be used in the onboarding of banking clients needs to work seamlessly with the bank's existing systems. It should easily integrate, preferably using open APIs, with their CRMs to ensure a smooth flow of client data across all systems.

The experience that new clients have from financial institutions during the first few weeks of their purchase influences their loyalty to and advocacy of the bank. Financial institutions that don't step up their onboarding efforts find themselves on the losing side of the table.

Make onboarding compliant and secure

Compliance and data security are non-negotiable requirements when it comes to any platform or software to be used in the banking industry. The texting platform has to be equipped with compliance filters to ensure that the messages sent do not break any laws like TCPA and CASL. Ideally, any texting solution for banks should also have the provision of intelligent filtering that prevents their staff from sending and receiving texts that can be construed as harassment. Lastly, the platform must have stringent guidelines around [data security and storage of client information](#).

Remove redundancy

On an average, it takes **26 days** for financial institutions to onboard new clients. This period would reduce drastically if the need to ask the same questions and fill out the same information could be eliminated. In short, banks need a texting solution that provides teams with full context and necessary data while reaching out to clients during the onboarding process.



To learn more about using texting to communicate with clients, check out our [texting for retail banking page](#).

Find out more

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