

- WHITEPAPER -

# Why Business Texting? Use Cases for Financial Institutions



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# USE CASES FOR FINANCIAL INSTITUTIONS AUTOMATION

As more people adopt digital banking, financial institutions (FIs) need solutions that give customers the convenient and seamless banking experience they now prefer and expect, who want to quickly and easily manage their financial health from any touchpoint or device, at the time of their choosing.

65% and 51% of banking customers already prefer mobile and online channels, respectively, compared to just 42% preferring branch visits. Additional research has found that as many as 85% of customers – including older customers less inclined to technology - prefer to digitally handle everyday banking transactions.

Failure to meet these rising expectations of an improved customer experience will see customers flocking to new fintech disruptors that are already seizing a sizable market share.

Business text messaging represents a unique opportunity to FIs to overcome these challenges and enhance the digital banking experience. By creating seamless banking experiences that meet customer expectations, business texting can be the engine of a responsive, versatile, and comprehensive messaging strategy that increases customer engagement, boosts bottom lines, drives growth,

and builds loyalty throughout individual customer journeys and overall lifecycles.

After a brief roundup of the overall benefits of business texting, we'll examine the most salient use cases where it can be most immediately effective for FIs looking to stay competitive in an increasingly competitive sector and a world going fully digital.



# THE SHEER POWER OF TEXTING AUTOMATION

With texting now fully integrated into our daily lives, SMS marketing continues to be highly effective and prized by customers and businesses alike, more so in an era of personalization, instant communication, and omnipresent devices. In a word, customers want it and respond better to it.



In their everyday dealings with businesses, for example, customers now expect a two-way text conversation, whether to proactively reach out to customer support or be alerted to critical information about purchases and services - all through text.

Already, **91% of consumers receive business text messages**, or are interested in doing so, and **58% say texting is the best way for businesses to reach them**.

And, no matter the metric, texting is far more effective than other forms of digital messaging. With a **98% open rate, a 45% response rate and a 19% click-through rate**, texting outshines email, which, respectively, only clocks rates of 20%, 6% and 4%.

Alongside its high demand and strong performance, texting can also be seamlessly and strategically integrated throughout the customer journey – from prospect outreach to nurturing loyalty, and any point in between – which means there are myriad of opportunities for FIs to improve a wide range of business outcomes.

# 03 SALES AND MARKETING

Compared to traditional mass email and telephone campaigns, texting is more effective at engaging customers, which is why sales and marketing teams are eager to make it a crucial part of their messaging strategies. In fact, 58% of marketers say business texting has significantly or overwhelmingly increased revenue generation.

Texting offers a direct channel to the customer and is easily customizable in real-time. Conversations can be adjusted based on a customer's immediate responses and their unique personal data or history with your FI.

By leveraging customer data, personalized messages can be created that target critical points in the customer journey, making conversations simultaneously more personalized and campaign-focused, rather than just one-size-fits-all campaign message that is so generic as to be ineffective. Not only does this boost overall platform traffic, but targeted marketing throughout the client lifecycle opens up new upsell and cross-sell opportunities. Personalizing messages according to a customer's engagement history, FIs can inform them of new products and services, as well as offers related to their preferences, current life events, or previous purchases.



With direct control over the message and its delivery, texting lets FIs optimize campaign execution for efficiency and conversion. Easy-to-use and with a quick reach to as many customers as you want, texting can quickly scale up campaigns. No matter the size or scope of the campaign, texting consistently delivers the same seamless convenience to prospects and customers so that FIs can hit all the markers that define successful sales and marketing campaigns - customer acquisitions, satisfaction, retention, and repeat business - while keeping costs down and ROI high.

Sharing the right content at the right time in a preferred format and device of choice, business texting perfectly embodies and executes the sales and marketing truism of “meeting customers where they are”.



# CUSTOMER ONBOARDING

Nurturing customers relationships starts from day one, and an exceptional onboarding experience is the first step towards trust and loyalty. Without it, FIs will miss out on substantial opportunities for growth.

Despite its importance to FIs, however, onboarding remains one of the most problematic areas of the customer journey and a frustrating pain point for customers. Too often, onboarding is complex and lengthy, lacks adequate guidance, suffers from insufficient transparency, relies on inefficient paper-based processing methods, forces customers to repeat information, fails to personalize products and services, and lacks omnichannel access across multiple touchpoints. Such a poor communication strategy explains why **63% of prospective banking customers do not complete the onboarding process.**

Given its speed, versatility and convenience, texting offers FIs the ability to seamlessly guide new customers through all the steps of the onboarding process, while consistently checking in with them to provide a better overall experience.

During key onboarding moments, for example, new activation flows can be personalized based on client inputs so they receive tailored messages about specific financial options that meet their individual needs. Whether sending a personalized welcome message to a potential customer, answering common FAQs, or providing further documentation when a client purchases a new product, text messaging creates an effective and scalable onboarding process.



# CUSTOMER SUPPORT

While customer support has evolved from in-person conversations, to calls forcing you to wait on hold for potentially hours at a time, to 'chatting' with a website bot, today's customers expect easy, real-time support that solves their problems quickly, all at the push of a button.

However, traditional customer support mechanisms are not built to meet these shifting expectations, more so as they face mounting pressure from all sides: support calls have surged in volume and complexity, inflation is on the rise, and labor shortages are rampant. FIs - which saw call center volumes increase by 400% to 600% during the pandemic - are not immune from these challenges to a CX pillar that is already expensive, understaffed and inefficient. But with 61% of customers now wanting to be able to text businesses about customer support issues, the next step in this evolution is finally here.

Texting offers a fast and convenient way for customers to reach support teams and be helped in a timely and personalized manner, giving financial institutions a responsive and scalable means to efficiently reach customers on their preferred channel.



For example, with easy-to-create personalized text exchanges, FIs can answer FAQs about services, discuss the products that best align with a customer's need, give advice before important financial deadlines (e.g. taxes), support customers during major financial life events (e.g. homebuying), and schedule follow-up calls or in-branch appointments.

Their concerns conveniently and consistently addressed, customers feel supported and looked after, making for an exceptional and satisfying customer experience that shores up loyalty and also drives growth: brand-loyal customers are **400% more likely** than neutral customers to purchase additional financial products.

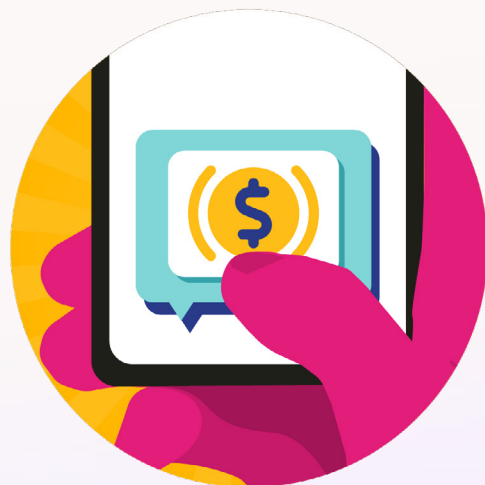
# LENDING

Legacy structures and processes are plaguing the lending process with inefficiencies that alienate prospects and existing customers. Too often, people seeking loans are required to visit branches numerous times, fill out multiple forms, print out supporting documentation, and supply the same information over and over again.

These laborious steps frustrate customers expecting seamless convenience and timely responses. For example, [a recent survey found that 3 in 5 customers](#) last visited a branch because they needed to go there, not because they wanted to. Experiences like this explain the rising popularity of online lending by fintech disruptors, a sector whose worth is expected to rise to [\\$912 billion in 2028](#), more than a twentyfold increase from 2018.

To stem the damage, FIs need digital solutions that provide customers with a convenient and seamless way to follow through on all the steps needed to secure a loan online - many of which can be accelerated by text messaging.

With text messaging, FIs can inform customers of everything they need to know and do during the lending process, all in a convenient, direct and secure channel. Questions can be answered, meetings scheduled, and secure documentation links sent between a customer and their FI. Just as important, messages can also be personalized to a customer's borrowing needs so that they are always being offered the loan of best fit. These benefits help simplify and streamline the loan application process for a faster and better overall customer experience. As interest rates rise and fintechs shake up the lending space, selling loans will become harder, but texting can help FIs get in front of customers with personalized offers that directly meet their borrowing needs.





# 07 COLLECTIONS

Debt is not just stressful for customers, but also for lenders. With the success rate of debt collection efforts a mere 5%, FIs waste precious resources and incur losses every year due to defaulting and delinquent accounts.

Unfortunately, most FIs are currently only using calls and emails for collections, which are often ignored or unanswered.

Text messaging, on the other hand, can help FIs build a more responsive and successful collection process that ensures payments are consistently made on time.

With higher read and response rates, texts are an easier, less intrusive way to remind customers of upcoming payment dates or missed deadlines, while also presenting them with payment options. Faster than emails or phone, texting makes the scaling collection process quicker and more efficient. Instead of time-consuming phone calls or emails that go ignored, banks can send texts to every person on segmented lists that are tailored to individual situations and at designated times.

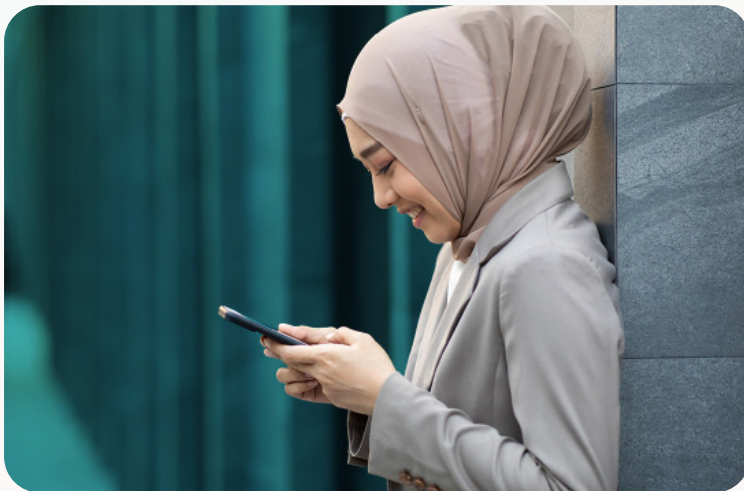


This way, payments are tracked, reminders are scheduled, and important upcoming or late payment messages sent.

And with security measures built directly into business texting platforms, FIs can also create secure payment links to collect installments via text messages, streamlining the entire collection process and helping customers avoid their debt being sold to other companies.

# FUTURE-PROOF, FUTURE-STRONG

Across any number of use cases and performance metrics, texting offers a better way for FIs to serve their customers throughout their entire journey, all in ways that people now expect and prefer - and that also drive better business outcomes across a wide range of metrics.



Statflo's leading business text messaging platform is the only fully compliant and secure enterprise-grade platform specifically designed to overcome the customer-facing outreach and engagement challenges currently faced by FIs.

By seamlessly integrating with existing systems to leverage all the relevant data and provide personalized, convenient, and consistent cross-channel engagements – all done securely – Statflo's user-friendly, data-driven conversation platform enriches customer relationships to their full potential, benefiting both clients and FIs alike.

In an increasingly precarious market, Statflo strategically fortifies critical FI pillars by delivering connected, personalized digital experiences that enrich every step of the customer journey.

To learn more about Statflo  
[Book a Demo](#)