



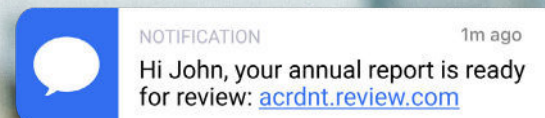
2024

GLOBAL BENCHMARK REPORT

Customer Communications in Financial Services

Benchmark Report Uncovers What Customers
Today Expect and What Organizations Should
Prioritize in Digital Technology Spending

FINANCIAL SERVICES



Introduction

The biggest challenge financial services companies face in the realm of customer communications is a rapidly changing demographic. With that, business leaders are looking for innovative ways to meet shifting expectations and preferences. With younger generations set to inherit a massive amount of wealth and women playing a more prominent role in managing household finances, banks, wealth advisors, and other financial services institutions (FSIs) must take steps to both understand and cater to the nuanced needs of customers around the world, and across age groups and genders.

To find out what drives satisfaction and loyalty for financial services customers—and where banks, wealth managers, and other FSIs should prioritize digital technology spending in 2024— Smart Communications commissioned an independent research firm to survey thousands of financial services consumers around the world. Here’s what we found.



Benchmark Report Key Findings



Key Finding 1
The Importance of Customer Conversations Continues to Escalate



Key Finding 2
Subpar Communications Damage Customer Loyalty



Key Finding 3
Trust and Security are More Critical Than Ever for Financial Services Customers



Key Finding 4
Mobile & Web-friendly Experiences are Now Indispensable for Millennials and Gen-Z



Key Finding 5
Consumers Urge Transparency Around GenAI Use in Financial Services Communications

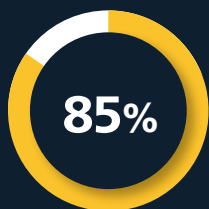




The Importance of Customer Conversations Continues to Escalate

The financial services landscape is changing. Digital banking has opened up the market, with an ever-increasing number of online banks and FinTech apps competing for consumer business. As younger generations make up an increasingly larger share of the market and more women play a prominent role in managing household finances, customer preferences are changing, too.

At the center of it all, customer experience (CX) plays a critical role in success for any bank or FSI. According to our data, the importance of customer communications is on the rise, with both men (84%) and women (86%) saying communications are important to the overall CX. Some variance emerges regionally — for example, 88% of US respondents vs. 79% of German-speakers said they're important. But overall, our findings reveal communications are increasingly important in this sector.



85% of customers feel communications are either very important or somewhat important to the overall customer experience — up from 81% in 2023.



NOTIFICATION

A deposit to retirement has been initiated





However, less than half (47%) of financial services customers rate the communications they receive from businesses as very good or excellent. This leaves a lot of room for improvement. In fact, 9% of customers say those communications are poor or not good. For banks and FSIs, that’s a scary statistic. Imagine the bottom-line impact if 9% of customers left your institution. As FSIs move further and further away from in-person interactions, high-quality customer communications must be a top priority.



Only 47% of financial services customers rate the communications they receive from businesses as very good or excellent, and 9% say they’re not good.

Building Trust Through Communications

Communications also play a clear role in building consumer trust and confidence in banks and FSIs — an area the industry has struggled with in recent years due to factors including global economic uncertainty and ongoing data breaches. The high level of trust you must establish to win or retain banking or wealth management customers necessitates accurate and clear communications, which respondents said were their top two priorities.

The most important factors in financial services customer communications are **clarity and ease of understanding (71%)** and **accuracy (55%)**.

While some variances emerge if we break the data down by generation, these factors are top priorities across age groups — and should be in your customer communications strategy, too.

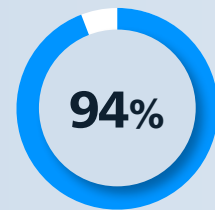
Important factors for customer communications:

	Clear and Easy to Understand	Accurate
Silent Generation	88%	53%
Baby Boomers	79%	64%
Gen X	68%	56%
Millennials	65%	47%
Gen Z	63%	49%

For Data Collection, Start with Security

In an era of seemingly endless data breaches, it's no surprise that security is the most important factor for customers when providing their personal data. When you consider the potential fallout of a breach notice, insecure interactions don't just result in a bad customer experience — the aftermath can cost your customers literally hours of their time. The impact is even worse if their information is used maliciously.

When it comes to gathering information from your customers, put security first. No matter which way you slice the data, it's the most important factor.

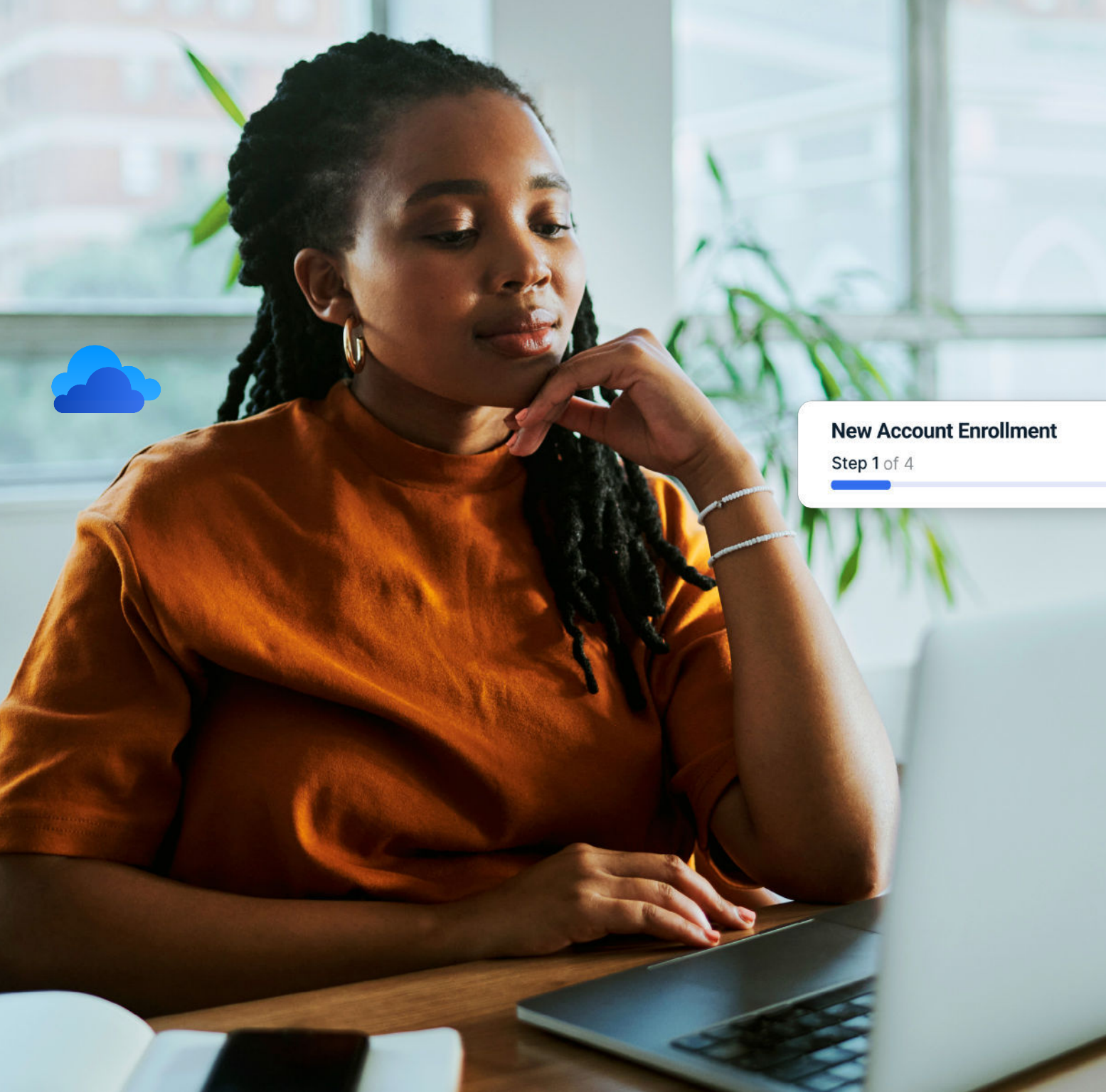


94% of respondents ranked security as the most important factor in the forms /data collection process. This is true across regions (93-94%) and demographics (90-100%).

Other critical factors include data collection processes being fast and easy to complete (91%), only asking for pertinent information (87%), mobile/web-friendly experience (83%), and pre-population with known information (69%).

If we look at what matters to different age groups, mobile/web-friendly experiences are more important to Millennials at 88%, followed somewhat surprisingly by Baby Boomers at 86%. It's also worth noting that the Silent Generation (100%) and Baby Boomers (83%) both highly ranked only asking pertinent information, along with speed and ease (92% and 95% respectively). These numbers suggest you have a real opportunity to build trust with older generations by providing quick and easy forms-based processes that are secure, relevant, and mobile.





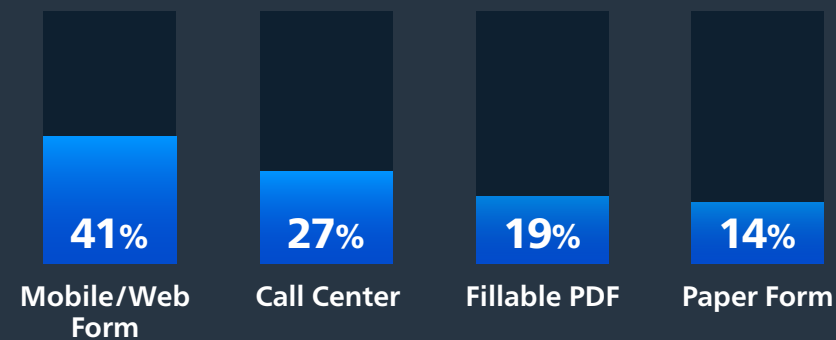
New Account Enrollment

Step 1 of 4



Finally, pay attention to channel preferences for data collection. While mobile is the way of the future, you still need to accommodate those who prefer to provide their private data via traditional channels.

Channel preference for form fills/data collection processes:



Key Takeaway

#1

Invest in Sophisticated Solutions that Plug into Existing Infrastructure

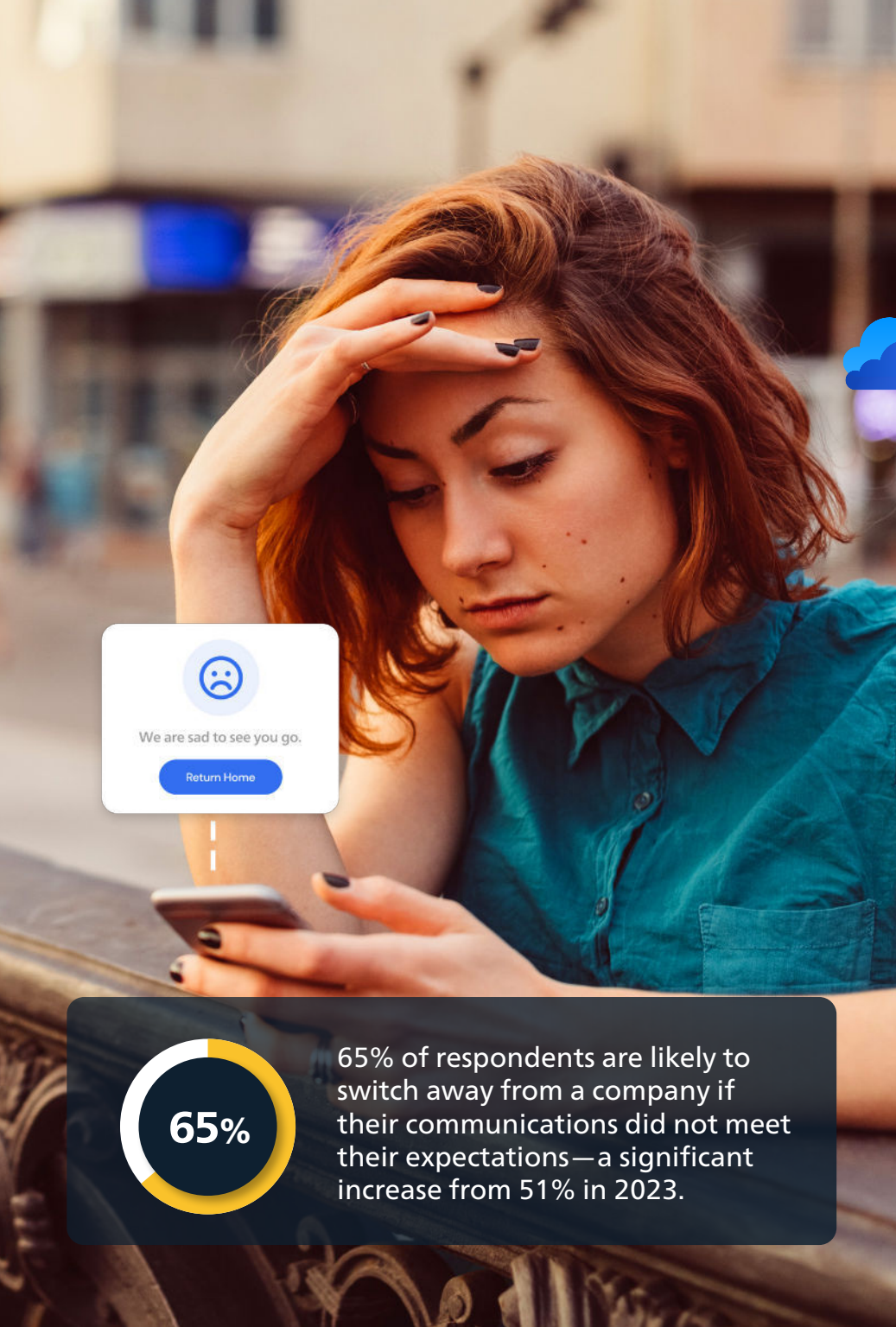
Banking and finance customers today expect digital interactions that are quick, easy, and highly personalized, on their channel of choice. But, the days of a one-size-fits-all customer communications strategy are long gone. To remain competitive, driving retention and growth, you must be able to meet customer expectations both individually and at scale. At the same time, you have to keep up with ever-changing regulations. This is where an integrated, modern customer CCM system can allow you to meet cross-channel preferences amongst different demographics while remaining compliant.

As in other areas of their lives, customers expect data collection, and specifically forms-based processes, to be quick and easy, too. Convenience matters, which means traditional, paper-based forms can be a barrier. Digitization is a start but to truly transform forms-based processes into the kind of dynamic interactions today's consumers expect, invest in a forms automation solution that connects to other core systems, automates workflows and eliminates manual processes for both your employees and your customers. Look for opportunities to integrate and consolidate your tech stack with a focus on data collection technology.

Women On the Rise

According to the Bank Administration Institute, family structures are shifting, and women are exercising “tremendous amounts of financial decision making.”¹ Women are also investing in record numbers, with 67% overall and 71% of Millennial women now investing outside of retirement savings, compared to just 44% in 2018. Plus, they tend to outperform male investors by a 40-point basis (0.4%)²

These factors make women a key demographic for banks, wealth managers, and other FSIs to cater to, as they tend to have different preferences, beliefs, and values than their male counterparts. Meet them and win their trust with an agile and dynamic customer communications strategy.



Key Finding

#2

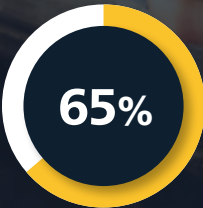
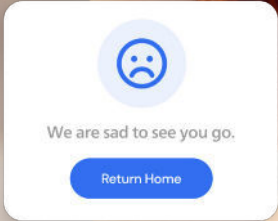
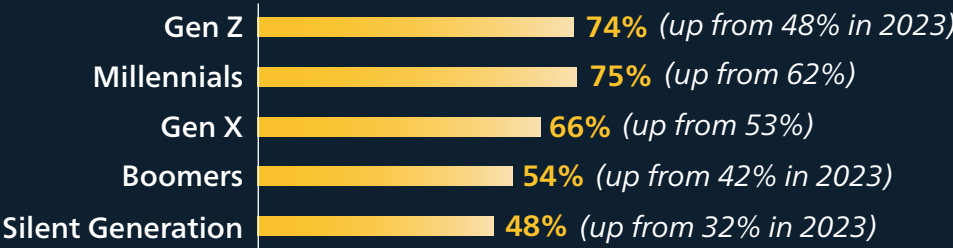


Subpar Communications Damage Customer Loyalty

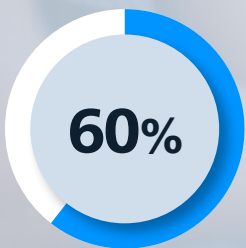
With more and more fintech and digital banking companies flooding the market, competition is fierce. Banks and FSIs must look for ways to prevent costly customer churn by prioritizing loyalty and retention. When it comes to customer communications, failing to meet a customer’s expectations puts you at risk of losing their business. In fact, the likelihood of customers switching because of subpar communications is on the rise, up a staggering 14% from last year.

Regionally, consumers in the US and APAC are most likely to switch at 68% compared to 62% in German-speaking countries and 61% in the UK. Male respondents are slightly more likely to make a change at 69% compared to 64% for females. Generationally, younger age groups have a higher propensity to switch than their older counterparts — and the numbers are increasing year over year. This suggests that the growing emphasis on good communications will likely continue.

Likelihood to switch due to poor communications by generation:



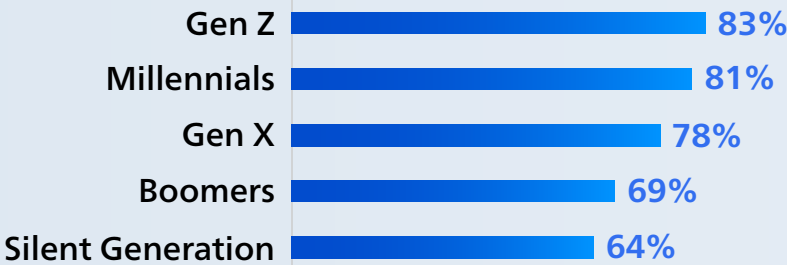
65% of respondents are likely to switch away from a company if their communications did not meet their expectations—a significant increase from 51% in 2023.



60% of respondents say their bank always or almost always communicates on their preferred channel — down from 63% in 2023.

In addition to boosting retention, a strong communications strategy can also drive growth through peer recommendation. A recent Bankrate survey found that younger generations turn to family and friends first for financial advice, while older generations turn to financial advisors³. With younger age groups being even more likely to recommend companies they like, word-of-mouth marketing offers a powerful lever for growth.

77% of respondents are likely to recommend a company to a friend if their communications exceed expectations, with younger generations even more likely to spread the word:



Male customers are slightly more likely to recommend your company to a friend or family member at 79% compared to 75% for women. Regionally, customers in the US are slightly more likely (81%) than those in APAC and German-speaking countries (78%) as well as the UK (71%). Content also matters for retention, with customers emphasizing the importance of personalized, easy-to-understand messages. Personalization in particular is a high-ranking factor in establishing trust with 69% rating it as important.).

Customer tendencies are similar when it comes to forms processes, with 63% saying they're likely to do more business with or buy more products from a financial services company whose data collection processes exceed their expectations. On the other hand, 67% are likely to end an interaction with a company if the way they collect information is too difficult vs. just 53% in 2023. This highlights the growing need to focus on speed and ease.

67%

67% of customers are likely to abandon an interaction with their bank/financial services company if the way they collect information is too difficult.

- Likelihood is higher among men (72%) than women (63%)
- Regionally, the US has the lowest tolerance at 71% followed by APAC (68%), UK (63%), and German-speaking countries (63%)
- Millennials are most likely to end an interaction at 72% followed by Gen Z (68%), Gen X (65%) and Baby Boomers (61%)

Adjust Risk Tolerance

Low — High

Comments:

I'm not sure about the market conditions, let's talk.

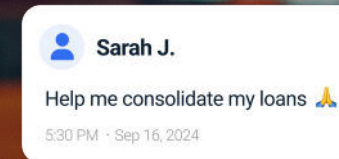


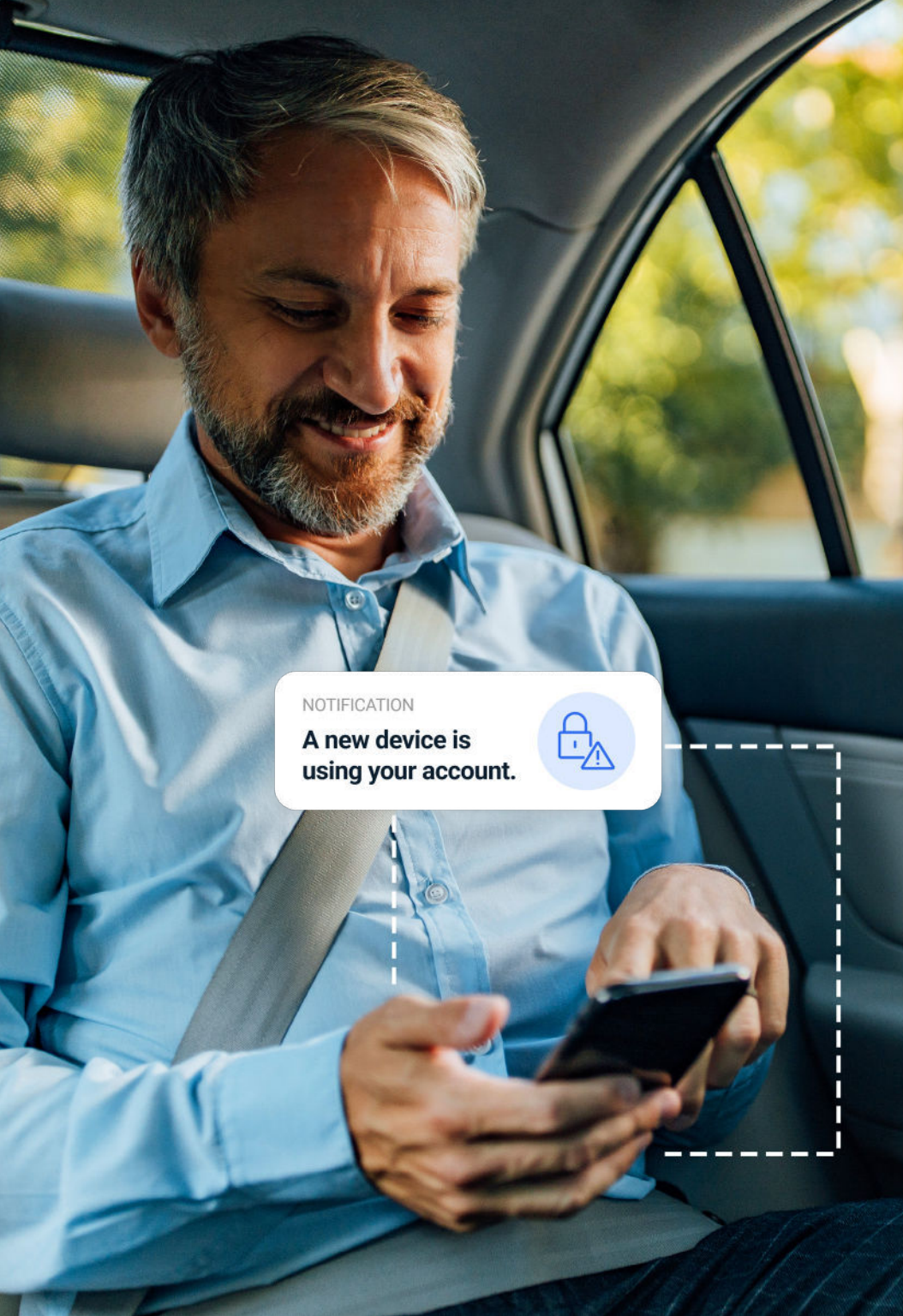
Prioritize Personalization, Clarity, and Ease

To lower costly churn rates and bolster your bottom line, enhance the quality of your customer communications. Consumers today expect messages to be personalized and easy to understand. Fail to meet their expectations and they're likely to walk — but meet them and you'll benefit from word-of-mouth marketing. This also applies to data collection processes, which should be simple and convenient, requiring minimal time and effort. Any friction may cause your customers to abandon the interaction entirely while fast, convenient processes will bring them back.

A sophisticated, cloud-based CCM solution that connects to core systems enables you to tailor and automate customer communications and streamline related tasks. For data collection processes such as loan applications and client onboarding, a modern forms automation solution makes life easier for customers by pre-filling known personal data, eliminating irrelevant requests, and delivering the experience on their preferred channel. You can even connect to third-party data sources to further enhance and extend personalization. Anything you can do to make life easier for your customers will help reduce churn in a highly-competitive landscape.

Legacy processes and technology won't win the trust of younger financial services customers. Millennials and Gen-Z overwhelmingly prefer timely, personalized, and clear communications, consistently delivered on their preferred channel.





Key Finding

#3

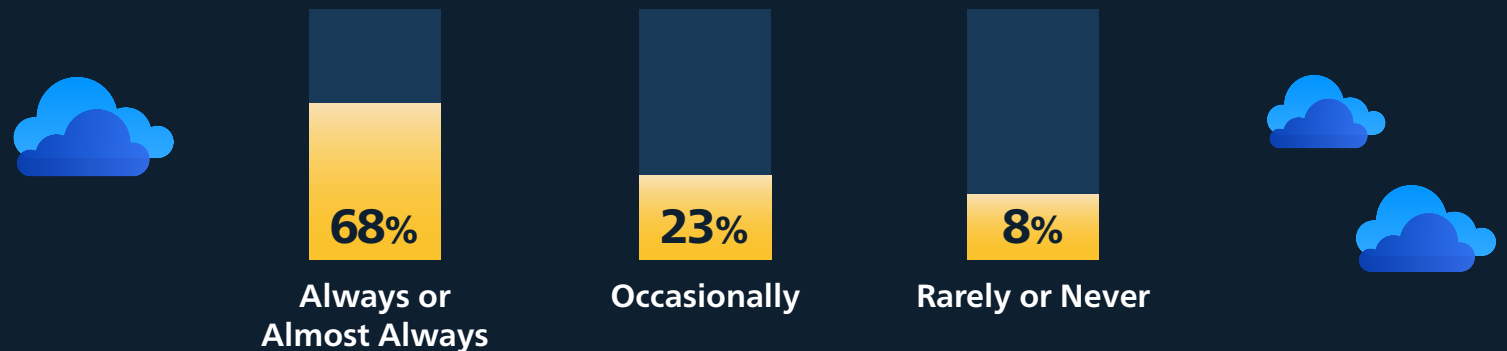


Trust and Security are More Critical Than Ever for Financial Services Customers

While trust is an important factor in all customer relationships, it's foundational in financial services. Trust brings in customers, deposits, and growth. However, industry statistics show financial services to be one of the least-trusted sectors in business.⁴ Ongoing global economic challenges are likely a contributing factor, with demographics also playing a role. According to a recent study by the American College of Financial Services, "Those with low trust in financial services tend toward the older and younger ends of the age spectrum, including more women than men."⁴

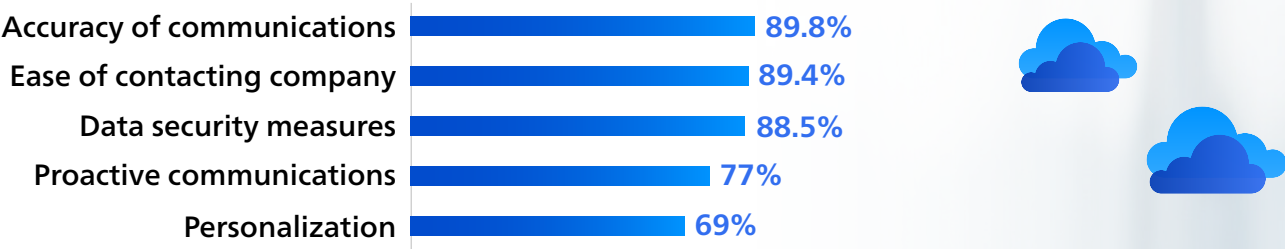
Our research indicates that there remains ample opportunity for enhancing consumer trust in Financial Services, with minimal deviation from the previous year. In 2024, 66% of customers reported they could always or almost always trust their bank or financial services company.

Can you trust your bank or financial services company?



The good news is that financial services organizations that take the time to understand what’s behind customer trust issues have an opportunity to drive real change. According to our survey, accuracy, ease, and security are the most important factors for establishing trust in the financial services sector, followed by proactiveness and personalization. If we compare these results to last year’s survey, it’s clear that banks and FSIs have their work cut out for them when it comes to building up consumer trust.

Most important factors in establishing trust: 2024



Considering the growing cybersecurity risks, data security measures should be a top priority. It’s a concern across regions, generations, and genders, with 90% of women and 87% of men saying it’s important. Consumers in the US (71%) and APAC (70%) ranked it highest on their list of priorities.

Trust is also a key factor for high-quality digital communications, with 40% of respondents rating it as important, along with speedy resolution (47%) and timeliness (16%). And when it comes to forms, security ranks number one across the board in all regions at 93-94%. Older generations are most worried about security, with 100% of the Silent Generation saying it’s important to them, followed by 98% of Baby Boomers, 95% of Gen X, and 90% of Millennials and Gen Z.

Security is mission critical to establishing the high levels of trust required in a financial services or banking customer relationship. If you can’t secure customer interactions, you won’t secure their business.

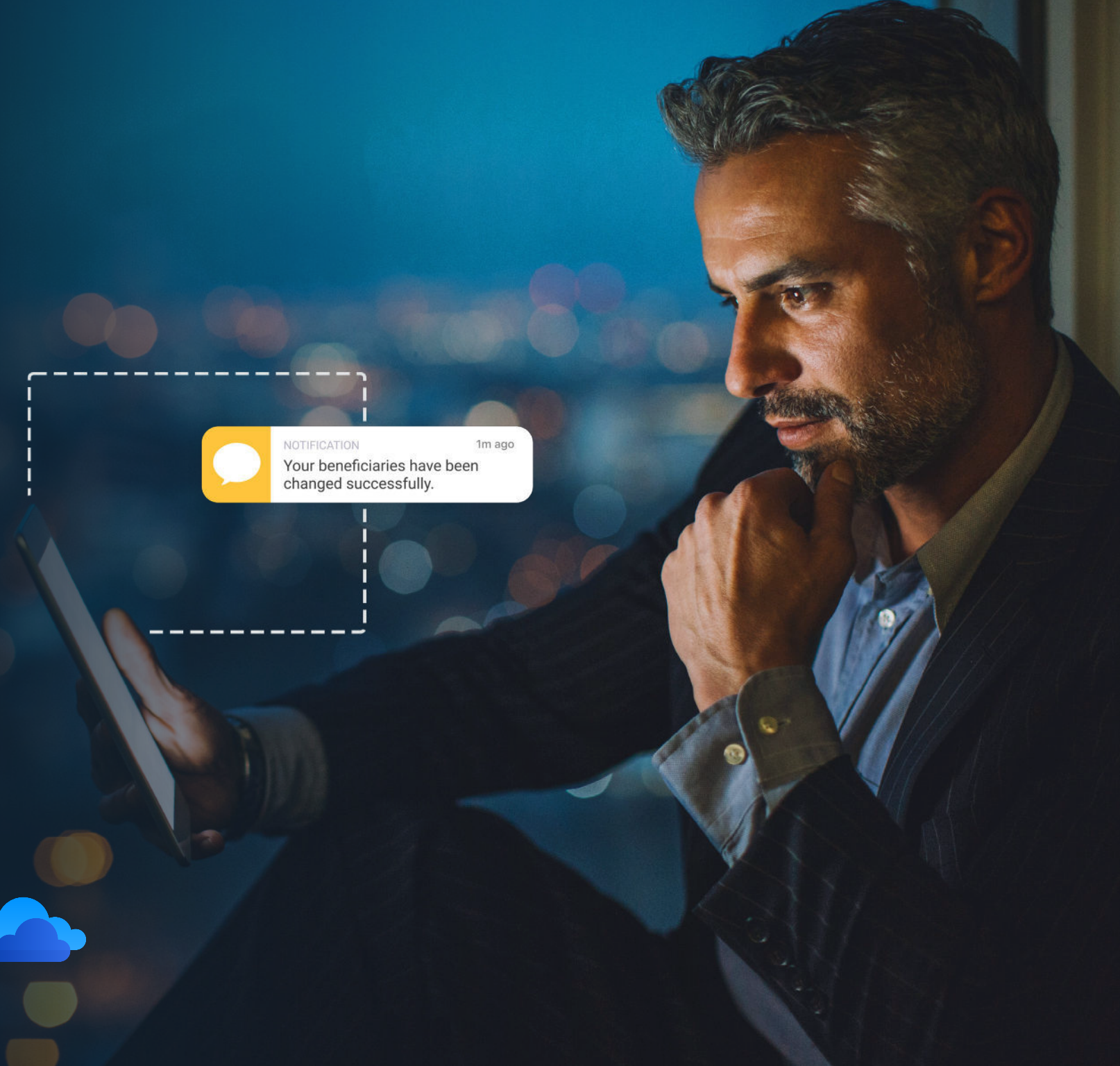


Invest in Communication Quality and Secure Data Collection

In 2024, banks and other financial services companies should look to build trust with their customers by providing accurate, clear, personalized communications. This can be achieved with a modern, cloud-based CCM solution that makes it easy to ensure accuracy and clarity, and quickly make any necessary changes — then cascade those changes down through all your communications.

Prioritize data security measures in your data collection processes, too. To safeguard personal client information, use a data collection solution that provides the highest level of security standards. Be sure your tech stack is up to date with key security certifications, including PCI DSS, SOC1 and SOC2, ISO/IEC 27001:2022, FSQS, VERCODE, and CyberGRX. When data is captured in a standardized format and automatically feeds into your existing core systems, there is no chance of rekeying errors or associated security risks.

Taking steps to meet customer expectations around communications and ensuring that your systems and solutions have built-in security to uphold data confidentiality and integrity will help your customers feel confident in trusting your organization with their money.





Key Finding

#4



Mobile & Web-friendly Experiences are Now Indispensable for Millennials and Gen-Z

As younger generations start to make up the lion's share of the financial services market, it's important to focus on shifting preferences. This is particularly pertinent for financial advisors and wealth management firms who are looking to capitalize on what experts are calling "the greatest transfer of wealth in history." This refers to the unprecedented amount of assets being passed down from Baby Boomers and the Silent Generation to their heirs, most of whom are GenXers or Millennials.

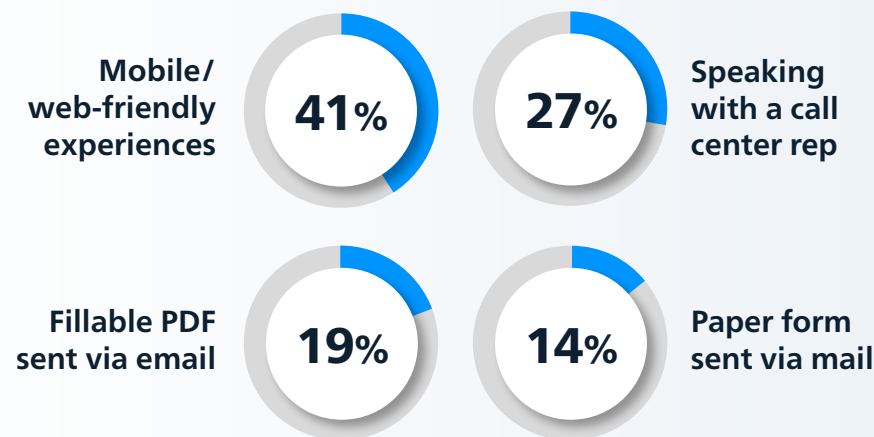
As wealth changes hands, so do the values and expectations of those holding it — and the trust you've worked so hard to earn with older clients won't necessarily transfer over with their assets. To cater to younger financial services clientele, you need to understand their expectations and preferences. Increasingly, customers opt for mobile and web-friendly experiences with their FSIs, especially for basic processes such as updating account information or providing personal data.

Web/mobile-friendly experiences are the most preferred method of providing personal information (43%).



While most customers prefer to make account changes via mobile and web channels, some traditional options are still popular, such as speaking with a call center agent. Not surprisingly, older customers often prefer paper-based forms and call centers.

Preferred method for making account changes:



The preference for mobile/web is highest among Gen Z and Millennials (47%) followed by Gen X (43%). Baby Boomers are split evenly between mobile/web (33%) and call centers (31%), while the Silent Generation still shows a strong preference for call centers (46%). Again, these numbers speak to the need for FSIs to re-evaluate their customer relationship strategies in the face of change and adopt a flexible, omnichannel approach.

If we break the data down regionally, some interesting trends emerge. For example, customers in APAC show the strongest preference for mobile/web experiences (47%) followed by UK customers (42%), while those in the US rate mobile experiences only slightly higher (38%) than call centers (36%).

Generational preferences for making account changes with their financial services institution:

	Mobile/web	Call center	Fillable PDF	Paper form
Gen Z	47%	23%	18%	12%
Millennials	47%	23%	19%	11%
Gen X	43%	25%	20%	13%
Baby Boomers	33%	31%	18%	18%
Silent Generation	46%	20%	20%	15%

Your account settings have been updated.

View Now



Overall, mobile/web-friendly experiences rate the highest across all regions. Going forward, the focus should be on providing fast, secure digital communications channels for making account changes.

Preferred method for making account changes:



	Mobile/web	Call center	Fillable PDF	Paper form
UK	42%	31%	14%	13%
US	38%	36%	14%	13%
APAC	47%	23%	18%	12%
German-speaking countries	35%	31%	22%	11%

For wealth managers and financial advisors, charting capabilities offer an excellent opportunity to meet the growing customer preference for mobile and web-friendly experiences. Smart Communications, enables you to give customers the ability to interact with their account information quickly and easily — for example, changing, updating, or re-ordering data or using sliders to adjust investments and returns with different amounts and rates.

Adding these new capabilities to online banking or mobile apps puts critical account data at your customers’ fingertips and brings it to life.

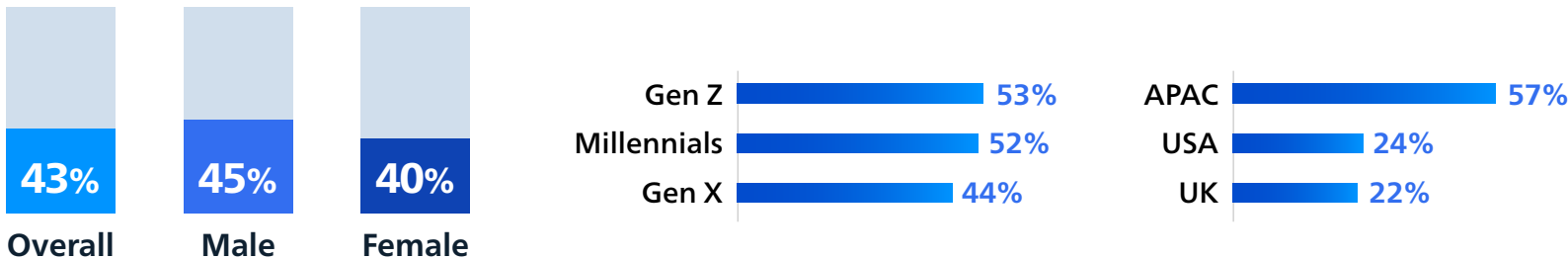


The Importance of an Omnichannel Strategy

Catering to channel preferences is key in financial services, and serving multigenerational customers requires a multichannel strategy. Just over half (60%) of financial services customers say their bank or FSI always or almost always communicates with them on their preferred channel. However, around a third (28%) say it's only occasional and 11% say they rarely or never do.

For providing personal information, mobile or web forms are the top choice overall at 43%. They're preferred by both men and women, as well as younger generations. Only 30% of Baby Boomers prefer web/mobile forms, while the Silent Generation prefers paper forms delivered via mail (38%) or fillable PDFs delivered via email (36%). Just as with account changes, German-speaking countries strongly prefer fillable PDFs sent via email (47%), while this option is less attractive for customers in APAC (25%), the US (24%), and the UK (22%). In these regions, mobile and web forms rank highest.

Preference for mobile/web forms when providing personal information:



While these numbers suggest that mobile and web are the channels of the future, it's important to support personal choices. If you have one or two great channel strategies but you're short on others, you risk losing accounts by not catering to the full spectrum of customers. You also need to keep your finger on the pulse and be ready to add new channels as they come into play.

How can you cater communications to multigenerational wealth management clients? [Learn More](#)

Key Takeaway

#4

Prioritize Digital, Support Omnichannel

To meet growing consumer preferences for mobile-friendly interfaces, optimize digital channels and prioritize visually dynamic, interactive communications. Streamlining data collection processes with dynamic forms automation that removes the need to fill out a stack of paper forms, or PDFs, will win the loyalty of most clients. However, don't do away with traditional channels altogether. Aim to cater to personal customer choices with an omnichannel communications strategy powered by a smart CCM solution.

With a modern CCM solution and integrated forms technology, you can deliver a variety of tailored customer communications on various channels — all while maintaining compliance and consistency, and without creating a Frankenstein-like tech stack. Investing in flexible technology allows you to deliver all kinds of critical documents and cater to varied, and changing, preferences with speed and ease.



Customer Account Setup

Step 1 of 4

First Name
Jane

Address
555 Main St.

Last Name
Smith

Account Type
Corporate



Key Finding

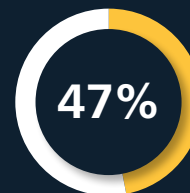
#5



Consumers Urge Transparency Around GenAI Use in Financial Services Communications

In a landscape of accelerated innovation and rapidly changing technology, generative artificial intelligence (GenAI) offers financial services companies a rare opportunity to enhance communications quality by integrating this game-changing technology into your customer communications applications. Unlike previous AI models, which relied on predefined rules and algorithms, GenAI uses large language models (LLMs) to generate new content in response to user prompts.

Applying GenAI to customer communications in the financial services sector will allow you to improve readability, increase formality, and easily translate content into other languages. Because LLMs are continually learning, FSIs can use them to generate the building blocks of customer communications. Exposing the LLM to industry-specific content as well as internal knowledge bases allows you to ensure content is relevant and accurate without losing your brand voice.



47% of financial services customers agree that GenAI has the potential to improve the communications they receive.



52%

of Males

42%

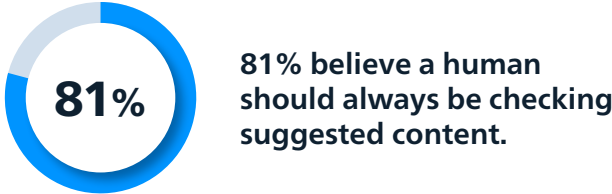
of Females

While many in the financial services industry are eager to integrate GenAI into their tech stacks, consumers are more hesitant. Only 30% believe GenAI is better than humans at creating content for customer communications, and 36% feel the opposite. Although many consumers (47%) agree that GenAI has the potential to improve the communications they receive, even more (66%) are concerned about its security or have expressed ethical concerns (63%).



With women playing a bigger role in managing household finances, it's worth noting that they feel less favorably towards GenAI in customer communications than men. 66% of women are concerned about the ethical use of AI compared to 59% of males, and 69% of women have security concerns vs. 62% of males. Conversely, 35% of men believe GenAI is better than humans at creating communications content compared to just 26% of women.

The two strongest points that emerged from our research: consumers believe companies should be open and honest about when and where they're using AI, and humans should be involved in the process. To address these concerns, transparency is vital. People want to know when they're interacting with AI-based technology, just like they did when chatbots first became common.





Be sure to explicitly call out the use of GenAI in your customer communications so there's no ambiguity. It's also critical to deploy human oversight for any GenAI application. Not only will this prevent errors and unexpected outputs, it'll also help safeguard sensitive data and provide peace of mind — for you and your customers.

Whether you've already deployed AI and are ready to move to the next level or you're brand new to this transformative tech, the bottom line is that AI is here to stay. Now is the perfect time to re-evaluate your customer communications tech stack and consider how and where GenAI can benefit your customers as well as your business through enhanced communications quality and efficiency.

Curious about how to use GenAI in your customer communications strategy? Read, '[The Impact of AI in Customer Communications](#)' to learn more.



Key Takeaway

#5

Focus on Transparency, Security, and Oversight with GenAI Application

While consumers believe AI can help improve the communications they receive from their banks and FSIs, they're not completely confident about its application. Address customer concerns surrounding security and ethics by being transparent and ensuring continuous human oversight of any GenAI applications. With an approach that's both thoughtful and careful, GenAI has the potential to enhance your customer communications quality, boosting readability and satisfaction, as well as your ability to communicate with customers in multiple languages.





Next Steps for Financial Services Institutions

The biggest takeaway from our survey is to focus on enhancing the quality of customer communications to maximize trust and minimize churn. Overall, banking and wealth management customers are gravitating towards digital interactions with an emphasis on security, ease, and speed. They also raise concerns about the integration of GenAI into financial services communications, which you must address so you don't risk alienating your clients.

Prioritize investments in CCM solutions and data collection software to address the growing significance of personalized, secure customer conversations. By enhancing security and quality, building trust through transparent practices, and embracing digital innovation responsibly, you can fortify customer relationships and thrive in an evolving landscape of consumer expectations and needs.

Smart Communications enables financial institutions to transform the way they engage with customers, advisors and intermediaries, gaining wallet share while driving efficiencies and reducing compliance risks. With our SaaS-based Conversation Cloud™ platform, integrated with core systems, enterprises can more easily deliver a personalized, frictionless experience from new account opening and onboarding to client servicing and beyond.

Ready to transform faster and succeed sooner?

[Request a demo now](#), and experience the power of Smart Communications.



Research Methodology

Smart Communications commissioned Harris Interactive, a Toluna company, to conduct consumer research online in the UK, US, APAC (Australia, New Zealand, China, Hong Kong, Taiwan, Japan, Singapore) and German-speaking markets (Austria, Switzerland, Germany). Across all markets, a nationally representative audience (on age and gender) was targeted. To qualify, all respondents must be a customer of banks and other financial companies.

Fieldwork took place in February and March of 2024.

About Smart Communications

Smart Communications provides the platform that leading organizations trust to deliver personalized, consistent and compliant conversations across all touchpoints and channels. The Conversation Cloud™ consists of SmartCOMM™ for enterprise-scale customer communications, SmartIQ™ for digital forms transformation, and SmartDX™ for trade documentation. Over 650 enterprise organizations across the globe rely on Smart Communications to simplify and automate complex processes and deliver highly secure, frictionless experiences across the customer lifecycle.

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- 4 The American College of Financial Services, "[The State of Trust in Financial Services](#)," June 1, 2022.

