

# Banks losing out on new customers must bring innovation to the customer experience

Article

**The surprising stat:** Banks globally say they are losing up to 20% of their customers to competitors because their customer experience is not up to snuff.

That's according to a [report](#) from financial software-as-a-service (SaaS) provider 10x Banking. The report surveyed 150 decision makers and 150 product managers at major banks in the UK, and the EMEA and APAC regions.

**Other key numbers:** The leaders at these banks identified a slow digital transformation as the reason behind customers' flight in search of a better customer experience.

- Almost two-thirds (63%) of the survey sample said their slow digital transformation is why they can't win new customers.
- That's because it's causing banks to miss out on providing customers with what they need in a timely manner. Just 35% of decision makers and 28% of project managers said their banks can roll out new products in an efficient time frame to meet consumers' needs.
- Because banks feel like they're losing out on customers and they face increasing levels of economic uncertainty, more than three-quarters (76%) of them said they are speeding up their digital transformation strategies.

**Transformation vs innovation:** The report delves deeper into banks' strategies, revealing that transformation doesn't always amount to innovation.

- Banks have come a long way in developing their digital and mobile banking platforms. But those capabilities have become table stakes for all financial institutions. Though digital upgrades make tasks easier for consumers, they're no longer differentiators.
- To truly provide a customer with a good experience, banks must offer the correct tools, products, services, and advice customers need, when they need it.
- Zeroing-in on what customers need and staying on top of their financial lives to provide the appropriate solutions at the right time is true innovation, which goes much further than just updating the way a process is completed. Knowing your customers will foster stronger relationships and will build lasting loyalty.

**The bottom line:** Banks' digital transformations are no longer enough to help them stand out from competitors. Most banks have already made significant progress on their digital journeys, and those that are lagging are learning that they can tap into [third-party partnerships to get up to speed quickly and cost efficiently](#).

Customers demand better service in the form of a more personalized experience and customized solutions that fit their current financial state. Most banks already have all of the

data and information on their customers to achieve this. The next step is to learn [how new technology can help banks organize and analyze this data](#), which can then inform the product development process, as well as marketing strategies and other customer acquisition activities.

**Importance of Personalization in Successful Customer Interactions According to Financial Services Executives in North America, Nov 2021**

% of respondents

	Very important	Important	Total
Customer acquisition	31%	37%	68%
Customer service	33%	32%	65%
Customer onboarding	30%	33%	62%
Other	24%	29%	53%

Note: n=324  
Source: Forrester Consulting in collaboration with Blend, "How Banks Can Unlock Quick Wins and Lasting Benefits Through Smart Personalization," March 24, 2022

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