

Dan Michaeli:

The most successful organizations that we work with, think about digital interactions and digital customer service as a core part of their stack. We have digital customer service, we are doing chat, and that is probably the most fundamental issue with the concept of digital customer service. It can encompass so much more.

James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to episode 223 of The Banking on Digital Growth Podcast. Today's episode is part of the Exponential Insight Series, and I'm excited to welcome Dan Michaeli to the show. Dan is the Co-founder and CEO of Glia, as well as the co-author of Digital Customer Service: Transforming Customer Experience for an On-Screen World. And today we are going to be talking about the greatest opportunities for financial brands and fintech to create, capture, and capitalize on so that they can maximize their future digital growth potential by optimizing digital customer service experiences. Welcome to the show, Dan. It's good to share time with you today, buddy.

Dan Michaeli:

James pleasure to be here. Thanks for having me.

James Robert Lay:

Before we get into talking kind of the future of digital customer service, and what that looks like from your perspective and all of the good work that you're doing at Glia. What is good for you right now? Personally or professionally, it is always your pick to get started here on a positive note.

Dan Michaeli:

So many things, James. Really have been a phenomenal start to the year for me, professionally with Glia. We've seen some incredible milestones for the company. We celebrated our 10 year anniversary, which seems to have come very quickly and very slowly all at once, which is pretty remarkable for Glia as a milestone. We also passed our billion dollar valuation, which is really exciting, shows the momentum, and the demand for digital customer service and for our solutions out there. And in addition to that, we also completed an acquisition this year. So we got acquired fin.ai. So a lot of things to be grateful for on the professional front. We continue to see a lot of progress. So great start to the year and about a little bit over halfway through now.

James Robert Lay:

You've got a book out too, Digital Customer Service: Transforming Customer Experience for an On-Screen World. Why write the book? What are we trying to do with this? As a fellow author, I always like to tap into why write a book, because I know the undertaking, it takes to bring that to fruition, but it's an important read that I highly recommend to people.

Dan Michaeli:

That's very kind of. Yeah, it's a very difficult undertaking as you know. We believe that the world needs some of this vocabulary. We need to really provide the frameworks, the paradigms, the thinking behind what does customer service look like in the future? What does it look like 5 years from now, 10 years from now? And really it anchors in digital. So it anchors on the screen. When you think about how it is that we are truly onscreen people today, when we're looking for information, when we're looking to get in touch with somebody, when we're bored, we are going to a screen. And so really the intent of the book was to codify all of this learning that we've done over the last 10 years in watching a variety of

customer service organizations evolve. And what is it that they have done in order to capture this opportunity that exists today for businesses with this onscreen reality. So it's a playbook, it's a collection of vocabulary for this space and that's what it's meant to be, a guidebook, I would say.

James Robert Lay:

I think it's important to note that about speaking a common language because a common language, as well as frameworks help to simplify very complex subject matters into a much more digestible, easier to understand perspective that can be explained throughout the entire organization. I want to roll back into history for just a bit to catch us up to where we're at today. And we can just take a short perspective on this, going back just two years, reflecting on all that we've learned since let's just say early 2020. It's been a lot of learning lessons there. What have you seen, what have you learned when it comes to just engaging with people, with customers of banks, or members of credit unions, really just human beings for that matter digitally back to your point in an onscreen world?

Dan Michaeli:

Everything became accelerated two years ago. All of those trends that we were discussing in the book in terms of having that preference to interact onscreen in some way with our friends, with our family, with our colleagues, all of those things were already moving at great speed before 2020. But when that happened, there was a fundamental shift. When grandparents are only able to communicate with their grandkids over Zoom, there is a change that happens in the world. It's change management at a warp speed level. And so we all became very accustomed to using these technologies to communicate with everybody in our life. And as we did that, what we saw was that there was a rapid acceleration of the desire to bring these technologies to banking relationships. And that's really what digital customer service is empowering. So there's been a very noticeable shift since 2020.

James Robert Lay:

It's interesting when I go back and it's how quickly we've moved forward beyond that moment in time. But I would say kind of early 2020, I was starting to do some reading and research as a digital anthropologist, studying the intersection of marketing sales technology and human behavior of what we were experiencing in that 2020, 2021 period, was video communication was to COVID as what the exponential of adoption was to the telephone back in 1918, 1919, 1920. It's kind of a similar example. And when you think about communication, it's at the heart of all of this. It's just the way that we communicate. That's been probably the biggest transformation, the channels in which we communicate. Even before we hit record, we were talking about communicating through telepathy and that's a whole 2300 perspective. So we'll roll it back to 2023 with that. But when you think about, and I think it's important to maybe make some context here, communication digitally, service wise has been through "live chat." What's a common misconception around this idea of just chat that maybe a lot of financial brands have that you would disagree with?

Dan Michaeli:

I think that chat equals digital in a lot of people's minds. And the extent of digital customer service or the extent of interaction through the digital channel is, oh, we're doing chat. That means we're digital. We have digital customer service, we are doing chat. And that is probably the most fundamental issue with the concept of digital customer service. It can encompass so much more, and it should encompass so much more. I mean, all of us have been on so many zooms of the past two years. Where you can start a digital interaction with a text based chat focused conversation, you can then layer in on screen voice. So imagine the ability to have a voice conversation when you shut off your camera on Zoom. You're still

having a voice conversation, but it's being done through the screen, not through infrastructure from the 1800s, a copper wire that you're calling somebody with 10 digits.

So you're basically having that same voice conversation on the phone and then up to video as you described. So I think that when people say, oh, live chat, it is a foundational mode of communication for FIs to enable. I definitely think that is true. I do believe that there's a big misconception that that is digital and digital should extend far beyond that. Digital is the stage where all sorts of interactions can happen. Anything from messaging, voice or video.

James Robert Lay:

There's a great point. And I like that. Messaging, voice, video, there are three different communication patterns that really require three different communication skillsets. One of the other things that I want to talk into, and this is a roadblock that I see, it's a challenge and I have to go all the way back to 1999 for this one. I was one of the very first hires at Old Navy, I was a senior in high school, freshman in college. And they had just come into the Houston market and we became the number one selling Old Navy in the entire country. We were so good that whenever other stores opened up my team, we would go out and we would do training. And it was so simple.

You had your little blue bag, somebody would walk into the store, you'd greet them, you'd walk around the store with them and help them. Now, Old Navy experience is not like that. And we understand the troubles that Gap is going through right now. But I took those lessons with me and it was so simple. To create a positive experience with someone just simply be proactive. But when it comes to digital customer service or chat, historically speaking, it's been a very reactive passive channel. Where are there opportunities to go beyond being passive and reactive, to maybe being more proactive and dare I even say prescriptive, in some of these interactions that we have with, whether they're customers, or members, or prospective account holders? What's the mindset shift here?

Dan Michaeli:

That's a really great observation, James. So let me take a step back and explain how we think about digital customer service because I think that provides a pretty useful framework to think about your question. So when you take a step back, digital customer service is all about putting screens at the center. So you're putting either a mobile device, or a tablet, or your computer at the center, and then there are three core components to digital customer service. It's onscreen communication, which we talked about, which includes the messaging, the voice, the video. So onscreen communication. On onscreen collaboration, which means the ability to meet the customer or the member in that channel to see what they're seeing to guide them, to start teaching them how to use those onscreen experiences. And then onscreen automation. And onscreen automation includes things like virtual assistance or visitor detection, understanding what we call the digital body language. So how am I browsing? Where am I clicking? Where am I struggling? All of that is automatic with digital customer service. You can detect those behaviors and respond to them.

So in thinking about your question, how do we make digital customer service or customer service in general for today's world and going into the future, how do we make that more proactive? It's about bringing those elements together. Because when you have automation, for example, if I'm struggling on a certain form or if I'm clearly having a problem with my online account, the system should be able to detect that, present me with a proactive offer and then also change who I speak to based on that behavior and how I speak to them. Maybe the best interaction that I can have in that moment is with a

virtual assistant. But if I go deeper and it's clear that I'm struggling with something else, maybe it makes more sense to talk to a human in the servicing team over video. Who knows?

The point is we can glean so much information from what the customer's doing in real time and that's how you become proactive. It's really having an awareness and understanding of what is happening in the journey and being able to react in real time. And that's why it's the combination of communication, collaboration, and automation that really makes that possible.

James Robert Lay:

I really like that framework, that is so helpful. Once again, when you bring frameworks in, it simplifies a lot of complex subjects. And so here we go, communication, collaboration, automation. So that's our framework. What holds financial brands, fintechs, banks, credit unions, back from bringing this to bear to, I would even say exponentially optimize their digital customer service. That I think a lot of people, when it comes to finances back to your point of tracking behavior, they're coming in, they might feel a little confused, they might feel a little frustrated, they might feel a little overwhelmed. But we can use the automation. And one of the great lessons from Issy Sharp, founder of Four Seasons, we're talking about experience here, systematize the predictable to humanize the exceptional. And what holds brands back though from making this transformation, so that at least the dear listener, back to your point of awareness, they can be aware of their own unique situation at their organization.

Dan Michaeli:

Well, I can tell you that from our experience, especially in the last two years, there are so many FIs that are making these changes. So a lot of them aren't letting this hold ... They're not allowing themselves to be held back anymore. They're making these changes, they see the pressing need. Those organizations that I see that are, and I can tell you that pretty universally, the companies that we talk to agree that this change has to happen for them, that they have to move from a phone centric, customer service model, to a digital centric customer service model that incorporates not only chat, but voice, and video, and all of these things around it in a very seamless way. So there's no dispute on that.

I think what holds them back is typically more around the organizational challenges that they themselves face with either other projects or initiatives that they are in the middle of. And they say, okay, I want to finish this before I take on working on my customer service experience. Or it's previous investments where they'll have components, bits and pieces that are disconnected, and they have to find the right starting point. So I think that in order to create that wedge to then bring the holistic change to the organization.

So I think ultimately it's really more on the organizational front where there are struggles, but I'll tell you something. I mean, the most successful organizations that we work with think about digital interactions and digital customer service as a core part of their stack. So if you look at it, you have three layers. You have the core, sort of the underlying database where the ones and zeros about the customers are stored. That core system. Then you have the digital experiences that are self served. So you have online banking, you have loan origination, you have the public website, you have the mobile app. All of these are self serve, on screen digital experiences. On top of that, you need the digital interaction layer. So when self serve, that middle layer, isn't enough, you need to be able to transform those into interactions right inside of the digital journey. So that kind of completes that digital transformation that FIs are going through. And more and more organizations realize that.

James Robert Lay:

I remember years ago, and this was probably 2013, 2014, I used to show a video as part of the training that we were doing with financial brands. That's a decade. Wow, that's a decade. And it was a video from Umpqua Bank that showed their perception of what the future of banking would look like. And I'll never forget. There was an interaction, back to your point of chat, video, voice, of someone on a mobile device or a tablet. And you've got to think how far we've come in just a decade.

And it was the video piece that I was really honing in on because I think that's that idea of, I can see you, you can see me, there's a lot of communication that goes through body language, et cetera. Just like there's digital body language, we also have our human body language, which is why even doing these conversations on Zoom, I can see you, you can see me. When you think about video as a component here, back to the organizational structures and maybe the challenges, opportunities in your mind that you see to continue to humanize these experiences through video interaction. What's your take on that?

Dan Michaeli:

My take is that it's a very powerful mode of communication. Notice that I avoid saying the word channel. I don't believe in the word channel. I believe that it's channel-less. Every channel is one to me. So it doesn't matter where the customer starts. They should be able to move between those modes of communications and perceive it to be one channel. So I believe in this channel-less architecture, which is something that we've pioneered, but I would say that when I look at video, it is very compelling for specific instances for specific use cases. And it's about identifying the customer journey where the video interaction would be the most successful based on KPIs that the organization is looking to impact. So I believe that there's a lot of potential in video. I will say that the most potential though is in the ability to meet the customer in their journey.

So if I'm in online banking, I can launch anything there. I can launch a messaging or chat interaction. I can launch a voice interaction. I don't have to leave and dial 10 digits. Or I can launch video banking. And the ability to do that, as you said, proactively, depending on the use case, depending on the type of journey that that customer is on is really where the value is for video. It's identifying those core use cases. It's not relevant for every single interaction. It's relevant for specific ones. And so we recommend dialing that in to those specific interactions.

James Robert Lay:

When you look at the larger context and I like the layer, and looking at this as just communication and being channel-less, because I think the channels, that's where the mind goes into, probably a subconscious level building silos here. But when you look at the channel-less nature of communication, big opportunities that we might be missing right now, that we might not be aware of, that we might not be thinking about, because you're looking at this at a very macro level, even across multiple verticals, where should we be thinking about the future?

Dan Michaeli:

Again, the way to think about how communication will ... The more that you can make as an [inaudible 00:21:33], the experience for the customer or the member feel like it is a single interaction because they don't care ultimately if they're texting with you, if they're using live chat, if they call the phone, if they start a video banking by pressing a button on your public site. But they don't care what, in terms of what "channel" they're choosing. I mean, I call those modes. They don't care about the mode. They're talking to you ultimately.

And so the real value in these types of interactions comes when you can create a unified experience where regardless of the channel, it feels like one channel. So it's channel-less. And I think that one of the most important aspects of this lies in the transition between those different modes. So when I move from one to the next, does it break? Is it even possible? Or can I seamlessly introduce, I don't know, co-browsing, or screensharing, or video, even if I started with a totally different mode? And so that ability to really move between these options, that's how we are as customers. That's how we are as consumers in our day to day lives. We don't expect that to start over if we want to change something a midway through the interaction. So it should be exactly the same approach for customer service.

James Robert Lay:

It's interesting. And this is almost kind of a real time example personally, but I think about one of my team members over here, we literally have had a conversation on three different ... I don't want to say channel because now you've created this ...

Dan Michaeli:

Mode.

James Robert Lay:

Mode.

Dan Michaeli:

You can say mode.

James Robert Lay:

Well, you've created this awareness for me here, and I'm a pretty quick learner, but these three communication modes. It started on Zoom. Then it went into SMS. And then it's also being picked up in LinkedIn DMs. And so it's just interesting how we're picking and starting and stopping, but we're not even starting and stopping. I think that's the key, back to your point. We're just continuing on to where we left off on one mode and we're picking it up on the next mode. And I like the idea of really being mindful of how to map all of this out from an experience standpoint.

Because the way that I think about experience, well defined systems and processes that have been strategically thought out, applied and then optimized over a period of time, resulting in either a positive or a negative emotion. Hopefully we're more positive and then learn from the negative and be able to apply those learnings to the optimization process here. When we look out towards the future of digital customer service for financial brands, what are you feeling most hopeful about? What are you feeling most excited? What are you feeling most energetic about from what you're seeing here?

Dan Michaeli:

What I feel most excited about is what I call shifting the mix. So when you look at the mix of interactions that happen today, most businesses, and I mean, definitely most banks have an interaction pie that looks like 80% phone calls and 20% chat. Okay, 20% is live chat or maybe it's secure messaging or whatever, some small sliver of digital "interactions." But 80% of that volume is still telephony. And that is most exciting to me because those are just so prime to transform that part of the pie into digital interactions. And the ability to start shifting that mix to a more digitally centric mix so that you end up with something like 20% phone calls and then 80% a beautiful mix of video, and onscreen voice, and messaging and all these rich interactions that don't imply, hey, I don't want to talk to my customer anymore. It's just now

I'm talking to them just like I do on Zoom instead of dialing ... Whose number are you dialing anymore in your daily life, in your friends and family and colleagues? Whose number are you dialing? Why are you dialing businesses still?

So it's the same kind of idea that despite all those changes, societal changes that are happening, we still have this really lopsided interaction pie. And I'm most excited by the fact that is rapidly, what I'm seeing with our clients is that's rapidly changing and it provides a much more efficient experience for the bank because they are able to really meet their customer where they are, and serve them right there, and shave a lot of time off of interactions while still increasing the quality of the experience, which is just mind blowing. Because normally those two things are completely at odds with each other. Normally if you want to make something more efficient, you're going to have to compromise the quality. But in this case, it's not the case because that's where everybody is already. Everybody's digital already. So that's what's most exciting to me.

James Robert Lay:

I like the idea of the pie or what I would say is the portfolio. And it's a diversification of the portfolio to give people choice, to give people option, to use your words, meet them where they're at. And I can think about my own experiences. Sometimes I want to message. Sometimes I want to just have a voice. Sometimes I prefer video because it's a deeper conversation, but it all comes down to, and I'm going to reference the books of the 1980s, choose your own adventure. Just choose your own adventure of how you want to communicate. This is like you said, there's a lot of opportunity here and I'm so grateful that there is a book, digital customer service. There's a framework around this that provides a common language, a vocabulary and some tools to guide people's thinking forward to overcome roadblocks, to capture opportunities. As we start to wrap up here, let's just get really, really small.

What's the next best step for the dear listener, coming from a financial brand or a fintech to establish a future growth habit through a simple action that they can take today so that they can make progress when it comes to optimizing digital customer service experiences? One small thing.

Dan Michaeli:

I think that really digging into what are the interactions that you're getting today, and learning from what's happening today is fundamental. So starting to look at that pie and really thinking about what does that pie look like in the future? Every conversation with a customer is an opportunity. A lot of businesses will think that if you can't create a self serve experience to negate the need for that conversation, then something is wrong. There are many businesses that feel like a conversation is a failure because the customer should be able to self serve and figure it out on their own. Why are they calling me? That's a failure on my self serve journey. That's a failure on online banking because it wasn't able to contain that conversation. Every conversation is an opportunity. So take that opportunity to learn how your customers are thinking, what they're calling about and how can you make that a better experience for them. That's what I would say is a great first step.

James Robert Lay:

I like that because that's pattern matching. And if we can pattern match common people problems causing common people pain, those are often some of the greatest opportunities, the low hanging fruit. Speaking of conversations, Dan, this has been an excellent conversation. I thank you for the knowledge. I thank you for the wisdom that you have shared so kindly with everyone today. What is the best way for

someone to connect with you, continue that conversation, get the book, expand their knowledge? What's the next best step there?

Dan Michaeli:

Well, I encourage everybody to visit glia.com and poke around the site. Learn more about our solution and how we think about digital customer service. The book is available on Amazon, in every single format that you can possibly want it. Physical, electronic and audiobook. It's all there. So yeah, you can just search digital customer service book on Amazon and you should see it right there. And yeah, I really appreciate the time, James. These were excellent questions. Thank you so much for having me on.

James Robert Lay:

Absolutely. Connect with Dan, learn from Dan, grow with Dan, get the book too. Highly recommend the book. And thanks again, Dan, for joining me for another episode of Banking on Digital Growth.

Dan Michaeli:

Pleasure. Thank you so much.

James Robert Lay:

As always, and until next time, be well, do good, and make your bed.