

[00:00:00] Discussing Positive Customer Experiences in Digital Banking with Shep Hyken

[00:00:00] James Robert Lay: What makes for a positive customer experience in today's digital world? An experience that places a positive deposit into the trust fund sitting between the ears of your account holders at your bank, at your credit union, or at your fintech? Well, let's find out together on today's episode of the Banking on Digital Growth podcast. Greetings and hello. I'm James Robert Lay, and welcome to another episode of the Banking on Digital Growth podcast. Today's episode is part of the Exponential Insight series, and I'm excited to welcome Shep Haikin to the show. Shep is the chief amazement officer of Shepard presentation and one of the world's leading authorities on customer service and customer experience. Welcome to the show, Shep. It is great to share time with you today.

[00:00:53] Shep Hyken: It is great to be here, James Robert, thank you very much for having me.

[00:00:56] Customer Experience in Today's Digital World with Shep Hyken

[00:00:56] James Robert Lay: Before we get into talking customer experience in today's digital world, what is good for you right now, either personally or professionally? It is always your pick. To get started on a positive note.

[00:01:07] Shep Hyken: I had a delicious barbecued hamburger for lunch today.

[00:01:11] James Robert Lay: There you go.

[00:01:12] Shep Hyken: That's a pretty positive thing.

[00:01:13] James Robert Lay: Now, where's the barbecue from?

[00:01:14] Shep Hyken: Because I'm from Texas, barbecue came from last night's dinner.

[00:01:17] James Robert Lay: There it is. There it is.

[00:01:20] Shep Hyken: We often do far better than what the local barbecue restaurants do around here, although there's some pretty good ones. I live in St. Louis. We are the number one city in the entire United States who's most passionate about their barbecue, according to a recent survey.

[00:01:36] James Robert Lay: So you're doing barbecue at home now?

[00:01:38] Shep Hyken: Oh, yeah.

[00:01:39] James Robert Lay: Oh, man.

[00:01:41] Shep Hyken: You want to come over?

[00:01:42] James Robert Lay: I'm about to say I'm coming over for dinner the next time I'm up in St. Louis, that's for sure. I'll give you a call. I'll give you a know, because anytime you bring food together and people, it's.

[00:01:54] Shep Hyken: Always a good and we got a nice little balcony. We queue it up and serve out there. It's just a great place, even if as long as it's not extremely cold. We've got a fire pit type of thing, so it keeps us warm. It's nice.

[00:02:11] James Robert Lay: What you're doing is you're already painting a beautiful experience.

[00:02:13] Defining Experience in Today's Digital World

[00:02:13] James Robert Lay: And I know we're talking about customer experience in today's digital world, but I want to go deeper to start, to begin to the root of this conversation, which is experience, for that matter, because you recently wrote about you're seeing the use of experience being used in a couple of different ways, ex HX, DX. We're going to loop back to that in just a bit, but you also noted a few ones that I laughed about, like, Yx, the Yawn experience and one very closely related to that, NX the Nap experience. And so my question is, what exactly is experience in your own words and perspective and dare I say, from your own experience?

[00:02:53] Shep Hyken: Sure. Well, what I was doing is there's so many acronyms that are out there, and my whole idea behind that article is I talk about CX customer experience and ex employee experience. Those are the two X's that I focus on. Although I always wonder, why isn't it ce? Doesn't experience start with an E? But who knows? Somebody said let's be clever and start it with an X. I get it. The Cxova Company is the chief experience officer. The CEO, I guess, would be chief experience or Chief executive. Depends on how you look at it. I think the experience, if you look at so let's jump back and I think I'm going to get to the answer, but I want to go way back in time. When I first started my business, many, many years ago, I talked about customer service. And I was very good at understanding frontline people to people customer service. Back when I started, there was no internet, there weren't websites, there wasn't e commerce. You couldn't go on to Amazon, buy something and get it delivered 2 hours later. So back then, it was strictly customer service. Somebody smart referred to customer service as customer experience, but it was still just a fancier word for customer service. Somebody smarter than that said, hold on. Experience is more than just service. Service is typically the way you're treated in a particular interaction. But experience goes much bigger than that. It's from the moment the customer decides, or the member, if it's a credit union or a client, depending on what you want to call them, the moment they decide that they are thinking about doing business with you. Every interaction, every touch point that they have is part of that experience. And that can include a digital touch point, such as a Google search for the name of the company or

brand that you're looking for, then getting on the website, then trying to set an appointment, and step by step by step. And when you finally talk to somebody, you're interacting human to human, if that's in fact what you do. And even if you don't, it's still part of the experience. And oftentimes it's also part of the customer service because today we have digital experiences. Some people say customer service is what happens when the experience goes bad. I believe customer service is not a department that you call when there's a problem. That's customer support, customer service, and even customer experience is the philosophy and culture which defines the company and how they want to treat whoever it is they do business with. Again, customers, members, clients, whatever you want to call them.

[00:05:23] James Robert Lay: I appreciate the perspective that this is a philosophy, this is a part of the culture. And one of the ways that I look at experience here at the Digital Growth Institute is experiences. Whether that be digital or customer or member or employee. Experiences are well defined systems and processes that have been strategically thought out, applied, and then optimized over a period of time, hopefully resulting in more positive emotions than negative ones.

[00:05:52] Transformations in Customer Experience through the Lens of Financial Services

[00:05:52] James Robert Lay: And this is where I want to dive even deeper into the subject of customer experience. Because what you're just sharing is it's broad, it goes across different areas of the buying journey. You mentioned the Google search to the website, to the face to face human interaction, to the contact center. What have been the biggest transformations that you have seen, you have observed over the past couple of years when it comes to customer experience? Through the lens of financial services?

[00:06:21] Shep Hyken: Yeah. Well, we can look at the digital experience. I think that's been the biggest opportunity and the biggest boom and it's been happening for longer than just a few years. However, it was always, and even today still is a very basic way of taking care of the most simple questions without creating. I call it a convenience. I can go online, log in and I could check my balance, I could check to see if a deposit was made, I could check to see if a check went out. Maybe if I'm in a loan situation, I could check and see where I am in the process. It's a lot of opportunity to avoid having to make a phone call, be put on hold, authenticate, with multiple questions. And although there is great software out there that will authenticate voice on a voice print, but it's a way to really create a better, more convenient experience for your customer. I'm going to use that customer as a broader way. I've already mentioned the different ways that we refer to our people we do business with. So let's just use the word customer from here on out. But this has been a great way to save our customers time, energy, and it frees up our people to support the customers who have higher level issues, problems, questions they might have. So as chat, GPT and Generative AI become more and more prevalent in what we do, especially in the typical chat, bots and interactive discussions we have on a website that are text based, that are not human to human interactions, but

it's human talking to a computer, computer, giving back the answer. What's going to happen is that experience is going to get better and better. It's going to give us answers again, allowing companies, banks, fintechs, credit unions, whatever, to really focus on taking care of the human to human side at a higher level. Does that make sense?

[00:08:13] James Robert Lay: That makes perfect sense. And I really appreciate that perspective because when I think about experiences, one of the brands, if you will, that has had a great influence on my own thinking around experience is the Four Seasons Hotel. I love them and I know their founder has frequently said over the years and have read a couple of his books, when it comes to experience, the opportunity is to look, to automate the predictable so that we can humanize the exceptional. And that is where AI has a potential opportunity the challenge that I see is AI right now it's almost like 1994 all over again. At the birth of the internet reaching the mass consciousness of humanity. People weren't sure what the internet was, how to even leverage it, use it. Same thing. We're going through the same cycle now with AI and I know you were recently at a conference where someone commented that AI is going to make us stupid. But you question now in hindsight and I appreciate the question you ask well, did Calculators make us dumb? So I want to stay on this point of AI through the context of customer experience.

[00:09:26] The Human to Human Opportunity and Automating Digital Customer Experience

[00:09:26] James Robert Lay: What are the opportunities here either positively that we could create or capture or maybe some roadblocks that we need to be mindful and aware of that could trip us up on this journey.

[00:09:40] Shep Hyken: Sure. Well, let's just hit something that's really important is there is no substitute for technology can't substitute the strongest relationship building opportunity we have and that's the human to human opportunity. However, it can create a lot of confidence. There are very few companies that are out there that are able to automate and digitize the experience where you seldom if ever have to talk to a human being. You and I probably on a regular basis do business with one of those companies and that's Amazon. And when's the last time you talked to a customer service rep at Amazon? Very seldom if ever. They've even automated that process. By the way, you can't find the phone number for Amazon but what they do have is the ability for them to call you. Yes, which is really incredible. When I finally get to a point where if I've have an issue and we really need to talk to somebody, I put my number in and I hit the enter button. And about the time I hit the enter button the phone starts ringing and it's Amazon and they go please hold for the next available agent. 30 seconds later I'm talking to somebody that can help me. However, Jeff Bezos said why do we need a customer support department? We should be that good that we don't need it. And here is the problem. Amazon is almost that good. However, what's not that good is unfortunately the third party carriers that are used to deliver. So it could be, I'm not going to mention any names, but you know who they are specifically. I mean you've got FedEx and USPS and Ups and any of the other third party. And what happens if one of the planes don't

take off on time? All of a sudden my Amazon delivery is late. But who do I think about? Is it that third party carrier? No. I call Amazon and say where's my mean actually I type it in and today they figured it out. What do we love about them? They give us incredible amounts of information in simple emails. Your order has been received. The moment you hit enter when you do that shopping cart, it immediately tells you, we've got your order. Now we're going to tell you when the order goes out. Now we're also going to include tracking information so you can track it. And we'll even take a picture of this item leaning against your door after it's been delivered if you're not home. I mean, they give us this information to make us feel comfortable. Their goal is to never be called for a problem. That's their fault. And I think they do a very good job. But again, what happens if one of these third party carriers has a problem? And you never know. I'm going to call Amazon and say, I know. And they're never going to say to me, they're never going to deflect and say, well, as soon as the post office picked it up, it's not our problem anymore. No, they assume Post office made a mistake and they're just going to make good on it regardless of whose fault it is. And I love that about them. Now that's Amazon totally digital, can we do this with a bank? Can we do this with any of the financial institutions? And I think there's a point in time you can do a lot of it. I was doing some work with a company called Evergreen. I'm familiar with them. Totally online banking situation and that's fairly unique. But you know what, if you need to talk to somebody, you can still do that. You just can't go and visit a physical location.

[00:12:58] Generating Increased Digital Leads Through Customer Conversations in Financial Services

[00:12:58] Shep Hyken: So I know I may be going down a rabbit hole and going off on a tangent, so get me back in line.

[00:13:03] James Robert Lay: Well, I'm going to bring you back and provide some practical perspective for the dear listener here, which is around an example of if you type a phone number into Amazon, you get a call back. And I think about some of the testing that we have done. We run digital secret shopping studies for financial brands and one of the greatest insights that we have gained is when a financial brand puts a secondary CTA next to a primary CTA, primary being click to apply or click to open the account. When they put a secondary CTA, request a callback, have a question, request a callback. While a lot of them are not getting the instant callback, like an Amazon or an Apple Care, a person is able to go in, put their phone number, their name, their email address, request a time for a callback that has increased their digital leads anywhere between 20% to 40%.

[00:14:00] Shep Hyken: Yeah, isn't that amazing?

[00:14:01] James Robert Lay: Because it makes logical sense. People have questions before they apply. People need to have that conversation and many times. And I think that's the other thing that we need to remember too with financial Services, we're not selling a transaction and I know that's. Yeah, we are. We're transaction dollars and cents and well, if that's the way that you want to play. I think it's going to be a very tough

road ahead. I think there's an opportunity to put the transformation of people over the commoditized transactions of dollars and cents.

[00:14:31] Insights on Customer Experience in Financial Industries

[00:14:31] James Robert Lay: And that's the human to human that you're talking about right here, which is where I'm curious to get your take. When you look at experience and we think about leaders today, yeah, experience is important, but what's a common misconception or a belief that they might have right now about customer experience in the present moment that in fact could be preventing them from maximizing their future growth potential?

[00:15:01] Shep Hyken: Are you referring to the company side?

[00:15:03] James Robert Lay: Yes. From a leadership customer experience.

[00:15:05] Shep Hyken: Okay, so here's where we are. Great question, and I'm going to go with this answer, and that is the leadership of these financial brands are comparing themselves to others in their industry as opposed to understanding that the customer does not do that. They don't compare this bank to that bank. They compare the experience they're having with the best experience they've had from any company in or outside of the industry. And that could be Amazon. It could be the shoe repair shop down the street that always is so nice. And they call whenever, they always exceed my expectations. They tell me my shoes will be ready Friday and they're always ready Thursday. That's what I'm going to be comparing my experiences to. And I don't care what type of company in any industry. So recognize customers are smarter than ever before. They know what great service is. Companies are advertising how good they are and then they're delivering. And now the customer knows what great service looks like and they're going to expect the same from you. So if all you do is compare yourself to another financial brand, you're making the mistake. If you want, I'll share with you a quick little six step or six question process that we use with our clients at a leadership level that might be helpful to the people listening.

[00:16:26] James Robert Lay: Absolutely. I want to interject here real fast before we get into your six question process. When you're talking about comparison, I know a lot of financial brands, they spend a lot of time doing R and D within the vertical. And R and D is not research and development. R and D is rip off and duplicate. They're looking at other financial brands experience.

[00:16:48] Shep Hyken: You're going to love my questions.

[00:16:49] Discussing Differentiation and Competitive Advantage in Business

[00:16:49] James Robert Lay: Well, then let's get into the questions because I want to help the dear listener go beyond just research and develop, or go beyond ripping off and duplicating what everyone else is doing. What are these questions, Chef?

[00:17:01] Shep Hyken: And we do this in a workshop mode. We have one of our trainers go in and sit down with a group of executives that we could do with any group. But here it is. Number one, why does a customer choose to do business with us? And I want to know what really makes us different. You can't say, well, we have great service because everybody else can say that. But is there something you do, some financial product, you have some new way of calculating a better interest rate for a mortgage? I don't know. I'm making things up here. But what is it that you do that's different? That's number one. Question two, what is the competitor doing that makes your customers or actually they aren't your customers, but gets them customers that you're not getting? So what do they do that you don't do? Third question, what are they doing that you don't do, that you could be doing? And to your point, if you want to do it, do not copy it. And I use this example. I call it the amenity wars. Hotels have amenities, the mint on the pillow. And I remember that. I can only imagine. I don't know if this is really the way it happened, but this is what I envision. It happening. Some smart hotel said, let's give our business travelers a free newspaper. And so when they checked in, they said, hey, tomorrow morning when you wake up and you come down for your cup of coffee, stop by the front desk. We've got a free newspaper for you. And the hotel across the street said, oh, I hear they're giving away free newspapers over there. Why don't we do the same thing, but let's do it differently? AHA, there is the difference. What are we going to do different? Instead of having them come down, let's put the newspaper right outside their door. And then the third hotel said, do you know what they're doing down the street? Let's not only give them the newspaper outside their door, let's give them a choice of newspapers they like outside their door. You see what's happening? It's like an amenity war. I remember going to a hotel and I go to check in, and they go, by the way, we love the idea of the little mint on the pillow, but we want to be better than everyone else. And they pull out this basket of these jumbo sized candy bars and they go, Here, choose one. I'm going, Are you kidding me? That's wonderful. How many of these can I have? Come back tomorrow, the next day, we don't care. Have as many as you want.

[00:19:16] James Robert Lay: That's a really good point to just pause on just a bit, because that's where we see this all the time in the digital space. We're looking at what other financial brands are doing and then trying to replicate that. I've been one to like, let's look outside of the industry.

[00:19:32] Shep Hyken: Let's look at other experiences. Let's go to question four, and that is simply this.

[00:19:36] Shep Hyken discusses six-step process for successful customer business relationships

[00:19:36] Shep Hyken: What are the companies outside of your industry that you love to do business with and why? And it doesn't matter what the company what the industry is, but most important, we need to know what it is specifically that you like about them. And let's really dig deep and come up with bullet points of why you love them. The question after that is, what are these things that you love from these companies? What

of those can we incorporate into our strategy here at our financial brand? And then we start to become not just competitively better from the standpoint of direct competition, but what we become is world class better. We're looking at all companies across the world, whatever it is. And then the final question, number six is similar to the first question. Now that we've looked at our competition, we may have implemented some ideas, made them different so we didn't rip off and duplicate. And then we do the same thing with and by the way, you can rip off and duplicate outside of your industry because that's just pulling the best of the best ideas and best practices in. And now that you've implemented maybe one or two of those, you ask the same question now, why would that customer want to do business with us? And ideally, over a period of time, you're going to start to see something you're doing that's giving you a competitive advantage. And so that's the 6th question, I'll be back. I call that the I'll be back question process because it comes right out of my book, similar to what Arnold Schwarzenegger said, I'll be back. But in this case, it's how to Get Your Customers to come Back again. And again.

[00:21:08] James Robert Lay: I appreciate this framework because it's one that provides clarity over an extended period of time, and it's also one that it's very hard to get the answers from the inside unless there's someone who is objectively facilitating this from the outside. Because a lot of times when it comes to experience, we are stuck in the bottle and we can't see the label from outside of the bottle. And that's where I think about, okay, so there are opportunities. We see these opportunities.

[00:21:39] The Importance of Employee Experience in Driving Customer Experience for Future Growth

[00:21:39] James Robert Lay: But to bring this back to how you defined experience before you touched on culture, mindset shifts. When we're talking culture, what are the mindset shifts or the mindset transformations that are needed for customer experience to be what you call a driving force for future growth? And the reason I want to touch on mindsets here, because when I think about the work that we're doing here at the Digital Growth Institute, we teach a framework wrapped around three different experiences. And Banking on digital Growth really looked at the digital experience when combined with the human experience that leads to growth. I very quickly realized that I left out an important player in this architecture, which was the employee experience, because that's where a lot of the change has to happen for the digital experience to even become a reality. So we rewrote this in the book Banking on Change, where a positive employee experience can lead to a positive human experience that can then be multiplied by a positive digital experience. But there's a lot of mindset shifts that are needed and required to actually execute and implement against a framework like that. So let's just come back to customer experience. Where does mind shift play into this? And what are the transformations in mindset needed to make customer experience a driving force for future growth?

[00:23:05] Shep Hyken: All right, I'm going to give you another six step process.

[00:23:08] **James Robert Lay:** I like your thinking.

[00:23:10] **Shep Hyken:** Here it is, six steps. Number one is we must define what that experience needs to be, and it needs to be so simply defined that anybody can remember it. I'll use the Ritz Carlton as an example. One of my favorites is nine words long. We're ladies and gentlemen serving ladies and gentlemen. That's the experience we want to create for our guests. So the first thing that happens when you are hired by the Ritz is you learn this statement, and it is so simple and short that it's easily memorized. Now, the Ritz then backs it up with a bunch of gold standards, which are their non negotiable behaviors. But let's talk about in sequential order. Number one is to define it. Number two is you must communicate it properly. And we do this, by the way, the defining there's a whole process. We sit down with our clients, we do lots of interviews, and we also make sure, and this is really important we don't just talk to leadership about this. We have to go to the front line. We've got to go to people in the call center, we've got to go to the tellers. We've got to go to somebody in different branches of banking, whatever. We want to hear their perspectives as well as we start to define this, because when you communicate that you're doing it, you want to tell them how it happened and why it happened and what you hope the result will be. So communication also includes nonstop reinforcement of what this is as people walk in and to the employee entrance, if you want to call it that, there might be a huge sign that reminds everybody of the mantra. A friend of mine created something for Starbucks, and I'm calling it a mantra again, one sentence phrase or less that defines what your vision for customer experience is. He had it placed on the inside of the apron that the Starbucks baristas wear. And that way, when they go to put the apron on over their head, it passes their eyes, whether they see it or not. And it touches their heart when they put it on because it's in the middle of the apron. Does that make sense? So it's just a way to communicate it. Number three is you train everybody to it. And I mean everybody, even people who never talk to the customer, need to understand where they fit in, the result of what they do, how it impacts the customer. Number four, and here we get into the employee experience more than anything is management, leadership, supervisors, whatever you want to call them. Anybody that is the boss of someone must demonstrate the behaviors. And the best way to describe this is what I call the employee golden rule the due unto others as we went done unto ourselves. But as you twist it and make it the employee golden rule it's due unto our employees as we went done unto our customers. So treat the people you work with model the behaviors that are right to the people internally and they will in turn emulate and copy those behaviors on your outside customers. And number five is to defend the culture, leadership, management bosses, if you will need to make sure if somebody's out of alignment, we get them into alignment and we mentor them, coach them, or find another place. And then finally, number six is we celebrate it and let them know when they're doing a great job. And by the way, so much of this is really important to understand. And in the training process we have clients in the banking industry where they get their NPS scores every single day from what happened. So when the manager shows up the next morning not only do they get NPS scores they get verbatim comments from customers and they sit down with the team before the doors ever open for a 15 minutes meeting to go over that. And what we teach them to do is to when we talk about the mantra, they start off

with the mantra and on that particular day they take one of the non negotiable behaviors that they think drives that mantra, drives that statement. If we're ladies and gentlemen serving ladies and gentlemen the Ritz Carlton has 24. Every day they do one of those. And it doesn't matter if I'm in Abu Dhabi or I'm in St. Louis, Missouri. If I'm at a Ritz Carlton, whatever I'm learning that day or being reminded of is the same one that's happening on the other side of the world. At the end of 24 days in a row of sharing this, they start again with number one. And Horse Schultz, who came up with this whole concept the first president and co founder of the Ritz said that by the end of the year the average employee who works five, maybe six days a week if they want to do that will hear the same message probably about seven times or so. So if somebody works five days a week they're going to miss number six and seven if they started a number one. But the next month they're probably going to hear it. So it's a great way to reinforce it. And they're constantly every day doing that. The bank that we work with over in the Middle East that's one of the things they're doing work with a major credit card company and they are doing a once a week version of this exercise. And. Talking about it and talking about their non negotiable behaviors. So it's constant reinforcement you have to do with them.

[00:28:03] James Robert Lay: And I think that's the key. Takeaway it's constant reinforcement. It's constant communication. It's continuously in front of you so that you're creating a level of awareness. And when you have awareness, then you're able to see where we're doing great, where the gaps are, and how we can bridge those gaps to move forward as we start to wrap up.

[00:28:24] Enhancing Customer Experience in the Financial Sector

[00:28:24] James Robert Lay: Chef, I always like to end on a very practical note, and you've given two very powerful step by step frameworks that someone can go and apply. But let's make it even more simple for them. And just look at one small thing a financial brand leader who is listening today can do to continue to optimize their customer experience going forward into the future. Because all future growth begins with a very small, simple step, a very small commitment today. What would be the one thing that you would recommend that they do next?

[00:28:55] Shep Hyken: Well, I'm going to give you two things, because I always exceed the value of what's expected, right? And number one is something that we've been talking about, and that is you got to focus on that culture. So make a clearly defined statement that everybody can remember. And that's your North Star, that's number one. Number two is recognize customer service, whatever you want to call it. It's not a department, it's a philosophy. And so back to that whole culture piece. You've got to be customer focused, customer obsessed, if you will, on making your brand, whatever it is in that financial services world, making your brand stand out because of the experience. Because you know what? We all sell the same thing. If I want to open a savings account, checking account, get a mortgage, get a loan, whatever it is, it's the same pretty much everywhere. Why should I do business with you instead of them? Give me the compelling reason. And by the way, you may charge a little bit for this, but

within the absence of value, if you can't create and demonstrate that value to me, I will become price sensitive. I'll become less price sensitive when the value seems so strong and the experience is so great that I can't think of doing business anywhere else. That only comes from the company. That's customer focused, customer obsessed, and it's in the culture, not just on the front line.

[00:30:16] James Robert Lay: Absolutely. And that comes back to when you're talking culture, why education is so important, why the work that you are doing, Chef, is so important. Because it's helping people see what they cannot see, first and foremost, internally, so that we can continue to guide people beyond financial stress and the communities that we're serving to help them get to a bigger, better, and brighter future. This has been a great conversation, Chef. Thank you for your knowledge and wisdom. What is the best way for someone to reach out, connect with you, and continue the discussion that we've started here today.

[00:30:45] Shep Hyken: Just go to hiken.com. Hyken.com and everything you want is there articles, videos, podcasts. My research is available to download at no charge. So happy to give that to you. So please visit us and visit us often.

[00:31:01] James Robert Lay: Yes. Connect with Shep. Learn with Shep grow with Shep shep, thank you so much for joining me for another episode of the Banking on Digital Growth podcast. This has been a lot of fun today.

[00:31:10] Shep Hyken: Thank you for having me, as always.

[00:31:12] James Robert Lay: And until next time, be well, do good and be the lighter.