

# **What is the role of customer- centricity in traditional banks?**

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Bachelor Thesis for Obtaining the Degree

Bachelor of Science in

International Management

Submitted to Stefan Bauer

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## **Affidavit**

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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## **Abstract**

Banking is an example of an industry where customers use the services almost on a daily basis. Banks have transformed from cooperatives to fully digital solutions in 150 years. In spite the fact that the industry is being conservative with its product range for many decades (current accounts, personal loans, mortgages) – the way banks operate and propose their services to the customers has been constantly changing. In the past 7 years due to technological development, the ‘challenger’ fully digital banks have been on the rise – they have outplayed the traditional banking institutions in the rapid speed of customer acquisition (base growth) and in all major customer related metric (customer satisfaction, net promoter score).

The study examines the phenomenon of this clash from the customer experience perspective. The aim of the study is to identify the specifics of customer experience for traditional banks and explain how those specifics differ across the industry and outside of it. Another goal of the research is to find the key challenges of implementing customer centric transformations in traditional banks. The formulation of the critical success factors for the customer experience initiatives implementation will be one of the main focuses of the study.

The thesis follows a qualitative approach, analyzing existing data from the literature, as well as via running interviews with experts in traditional banking (focused on customer experience).

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## List of Abbreviations

**CX** – Customer Experience

**KPI** – Key Performance Indicator

**KPMG** – Klynveld Peat Marwick Goerdeler

**NPS** – Net Promoter Score

**The UK** – The United Kingdom

# 1 Introduction

Customer-centricity has become a fundamental strategic goal for numerous companies transforming from a conservative product-centric way of operating. A company is customer-centric if it considers its customers' interests and needs as the core of any actions that it undertakes (Shah et al., 2006). The study by Jan Wieseke and colleagues (2014) has not only shown that people are more likely to become loyal to a customer-centric company but are also ready to pay more if they have a positive customer experience. That is why for decades, companies are implementing strategies oriented toward improving the customer experience.

The importance of customer experience is industry agnostic and is vital for any company, especially the one having a retail business (Shah et al., 2006). However, the specifics of customer experience within each industry are different and even differ from company to company. The banking sector is a strictly state-regulated industry that has reacted to customer orientation challenges somewhat later than other industries (Garg et al., 2014). Since the banking industry exists for centuries and had a stable demand for its products and services globally, it has rarely been subject to change the business model. Recently, it has started to change due to numerous factors, one of which is the appearance of fully digital banks operating without physical branches and providing customers with financial products via mobile and Internet banking. (Lee & Kim, 2020). That is visible by comparing brand and financial performances of digital and traditional banks. For example, a study that has been done by Chiara Cavaglieri (2021) has shown that Starling Bank and Monzo are the best UK banks in terms of customer satisfaction, achieving 88% and 82%, respectively, and both being fully online banks. On the other hand, the same study has depicted Tesco Bank and Citibank as the worst in satisfying their customers, achieving 60% on the proposed scoring model.

Apart from the provided statistics, the relevancy of this topic is also supported by the fact that despite traditional banks having a much more significant customer base than the online competitors, they are struggling with keeping the same rate of customers that are willing to recommend the brand, as well as the respective customer growth (Mbama & Ezepue, 2018). That has triggered

transformation processes in many banks, from product-centric to customer-centric.

The issues connected to the transformations of banks have been studied in great detail. There are numerous reasons for the impossibility of a quick transition to a customer-centric company, for instance, the mindset within the particular organization and the cost and duration of changing the strategy and product line (Shah et al., 2006). Even though numerous researches cover the topics of the customer-centric transformation, there have not been found any studies that have identified the bank-specific customer-centricity challenges, nor the role it currently plays in the strategies of traditional banks.

In order to close the knowledge gap, this thesis will study the role of customer centricity in traditional banks. Since it has been proven by other studies and the statistics that new challenger banks have disrupted the industry with having, the key factors contributing to the success of traditional banks in customer-centricity have not been yet clearly identified. This research aims to contribute to existing studies in several primary ways:

1. The author will identify the specifics of customer experience for traditional banks and explain how these specifics differ from industry-agnostic ones.
2. The research will find the key challenges of implementing superior customer experience in traditional banking.
3. The thorough study of gained insights and data will identify critical success factors that lead to a customer-centric transformation in banking.

One of the main tasks of this thesis will be to investigate the internal causes of the problems in connection with which many traditional banks lose out to online banks in the rapid growth of customers and their satisfaction. Since an in-depth study of such problems on the example of traditional banks has not been conducted, this study will also clarify the leading role of customer orientation in traditional banking.



## **2 Literature Review**

### **2.1 Customer Experience in Banking**

This thesis defines customer experience as the aggregate cumulative perception of the customer's feelings due to the cycle of interactions between them, the product, or a company (Klaus & Maklan, 2013). These experiences are emotional and rarely rational, and it is how the company addresses the customer, which primarily affects the end customer experience (Pine II & Gilmore, 1999). The created experience may lead to further customer loyalty to the specific company if considered positive and pleasant by the person using the company's services. The willingness of the customer to continue their relationship with the product, service, or company makes the superior customer experience a competitive advantage of organizations (Chalal & Dutta, 2015). The term interactions between the customer and the company refer to every touchpoint of the relationship between those two, which may be via accessing online premises or communicating personally with the staff. The terminology is industry-agnostic, meaning it covers all customer interactions regardless of the channel, type of organisation, or service provided. However, it is crucial to identify the specifics of the experience which customers have with banks. This thesis identifies loyalty, satisfaction, and pricing as the key contributors to the banking customer experience. The reason not to include other numerous definitions is their strict connection to marketing strategies, which are different from what the customer experience strategy creation stands for (Shah et al., 2006). Banking has several main channels to interact with them, which may be branches, internet banking, mobile banking, and call centers. Due to technological development, the digital channels are growing in usage and preference by many customers and will be explained deeper in 2.1.2. part of the chapter. One of the specifics of the banking customer experience is that staying with a particular bank over a long period and continuing using the financial services provided cannot be considered as loyalty since the majority of dissatisfied customers prefer to stay with a bank, rather than switching to another solution (Garg et al., 2014). That makes it challenging for the banks to measure the status of their customer base and whether the customers would

recommend their services to others. The study by Schwager & Meyer (2007) has identified numerous critical factors which have pointed out the prospects of the customer experience in banking for the next decade. For instance, they refer to the service provided as the core element of the whole experience, which has the most critical impact on the customer and being more important than product and even pricing in the whole customer journey. The reason behind a failed attempt to win customer's preference over the competitor was due to a lack of adaptivity by the banks to actual customers' needs.

### **2.1.1 Difference Between Customer Experience, Customer-centricity and Product-centricity**

The issue appointed in the last paragraph leads the author to the necessity of researching the difference between three definitions: customer experience, customer-centricity, and product-centricity, all of which connect with the banking industry closely. If customer experience and its management sum up the whole cumulative set of feelings from the customer's side of interacting with a company, then the customer-centricity is precisely the company's approach to delivering the experience to the customer (Ceesay, 2020). The product-centric approach is the most frequent which can be observed in the banking industry, and that is due to several factors: conservative management to set financial KPIs (key performance indicators) to the product leaders in different segments, the customer-related data is used as a product creation mechanism rather than necessary inputs for getting the insights about the customers' needs (Shah et al., 2006). Assuming the company is customer-centric, indeed, it also has its own goals; however, they are much different from the product-centric ones (Shah et al., 2006). These goals rarely tackle the financial growth aim of the company. However, specify which interactions with the customer the company wants to evolve to increase satisfaction or the willingness to recommend to increase. Considering banks as big cross-divisional corporations, which means that numerous departments are working to fulfill a joint mission, however, not interacting with each other in shared projects, there must be a customer-centric organisational structure (Ceesay, 2020). Customers do not want nor need the information about the company's divisions or how it approaches the business; however, that directly impacts the overall

experience (Schwager & Meyer, 2007). Another point that highlights the difference between product-centricity and customer-centricity is that if the first one has the approach of charging the customer more and having the dominating position from the company's perspective, then in the latter one the focus is on creating value for the customer, proving that the bank gives them the instrument to fulfill their dreams, rather than a loan (KPMG, 2016).

### **2.1.2 Traditional and Digital Banking**

Before considering the studied concrete impacts of developed customer-centricity on banking, the author will reflect the two types of banking organisations that have been mentioned numerously. The types are traditional banks and the digital banks. Traditional banking exists for centuries, however, the digital banks have only disrupted the banking industry several years ago with implementing the newest technologies making it possible to serve customers without the need of physical channels (Geschke & Fritschi, 2019). The new type of banks are targeting their customers with mobile banking being the most preferred channel of interaction (Geschke & Fritschi, 2019). They also propose that the first reasons for the potential creation of such disruptive banks were coming from the world crisis of 2008, when the US and global financial sector has collapsed. Moreover, digital banks are having several main competitive advantages over traditional ones, both from the business perspective, and customer-centric perspective. Firstly, fully digital banks do not require to have costs on physical branches, relationship managers, and even call-centres, since they have AI-driven bots which can forward the customer to the necessary page within several clicks (Geschke & Fritschi, 2019). Secondly, digital banks have a different pricing offering model, for instance, Revolut and N26 offer specific tariffs for having a current account, with transparent pricing (Corander, 2021). Digital banks have outstanding user and customer experience, and that is shown by different statistics, for example, according to Cavaglieri (2021), two best banks in the UK in terms of current account satisfaction are fully digital. That is impressive, since the first digital bank was launched in 2014. Traditional banks have been following the same business model for decades, focusing on products, rather than experience, as explained in the previous chapter. Traditional banks are highly regulated, and the interest

rates that are set by central banks have been consistently low throughout last decade, which had a harmful impact on the average gross income (Chen, 2020). However, regardless of the regulations and other challenges that the traditional banks may face, there are few studies on the exact reasons for them not to keep up with the digital ones, given the bigger customer base and assets. According to Mosley (2017) that is mostly due to organisational issues, the mindset of the employees within the company that has not been focused on their trainings and customer-centric strategy developments.

## **2.2 Other CX Aspects in Banking**

Having researched the difference between the two existing types of banks, it is vital to outline the impact that customer experience has on the bank's performance. One of the potential arguments supporting traditional banks being consistently product-centric without focusing on the customers' needs was a conservative mindset and organisational behavior. Product-centric companies are highly dependent on performance metrics frequently related to financial metrics, such as profitability (Shah et al., 2006). Logically, one would need to see why traditional banks are less customer-centric and strategic in this matter. The customer experience report by KPMG (2016) proposes that such financial measures as revenue, stock performance, and profit of a company have a special relationship to customer experience, however, which is still hard to measure. The banking sector overview by KPMG (2016) supports the claim of the existing correlation between achieving excellent (superior) customer experience and a more rapid financial growth. Furthermore, the same report identifies the role of customer-centric transformation vital for the companies that have failed to do so by 2020, since millennials are a much more digitally-advanced customer segment that is more demanding and is subject to change the brand if it does not satisfy their needs. That does support not only the idea of customer-centricity importance but also underlines its financial growth potential. Moreover, if the company is setting customer-centric KPIs, which are measured by the increase in customer satisfaction or willingness to recommend, then it makes focusing on customer experience inevitable, thus, steering the role of the customer-centric strategy (Reichheld et al., 2000; Shah et al., 2006). The study by Chi and Gursoy (2009) shows a strong correlation

between customer satisfaction and a company's financial performance. In addition to that, they have identified that even employee experience impacts the overall score, which opens a logical need for further investigation of the employee experience as a part of the whole customer-centricity framework. Some may argue that the study depicts the two variables as being relevant for service-only companies (Gao et al., 2020). However, the thesis considers financial services that banks provide to the customer as the central aspect of creating customer experience. Although employee satisfaction has only an indirect correlation to financial performance, it is strongly connected to overall customer satisfaction (Chi & Gursoy, 2009). The extant literature on the connection between employee experience and customer satisfaction is extensive, however, not industry-specific. The research findings by Jeon & Choi (2012) identified a strong relationship between employee satisfaction and customer satisfaction; however, it is unilateral, and the latter does not affect employee satisfaction. This is useful for understanding the overall topic of customer-centricity since both terms are part of it. Furthermore, top management of a customer-centric company should put both satisfaction metrics in the scope of their focus due to the positive impact on the company's performance (Jeon & Choi, 2012).

### **2.3 Current Issues of Traditional Banks with Customer-centricity**

The thesis aims to identify the role of customer-centricity in traditional banks and the reasons for these banks not keeping up with customer-related metrics of results with their digital competitors. As stated before, traditional banking exists for decades and has much more possibilities to transform from a product-centric to a customer-centric business style (Nguyen et al., 2021). Lamberti (2013) suggests that there are possible reasons for the impossibility of such a transformation for a company, for instance, due to supply-chain issues or lack of service or retail focus of the company. Moreover, customer-centricity implementation has a substantial cost which takes time, financial resources and a complete mindset change that cannot be achieved through simple employee training or internal communication campaigns (Lamberti, 2013). Another threat to the company when performing a transition to a customer-centricity is that

cross-divisional conflicts may occur since certain heads of departments will lose power and relevant knowledge with a new form of approaching this issue (Lamberti, 2013). The support of top management is required to achieve a successful implementation of customer experience initiatives and the understanding and readiness of other employees, both customer-facing and back office (Ceesay, 2020). As mentioned before, Shah et al. (2006) have extensively researched the potential challenges that product-centric companies face during the transformation process, for instance, mindset and complexity of processes connected to such shift. However, the limitation of their extensive research is that they are considering customer-centric shift mainly as a marketing-related topic, not fully organisational. That has also been argued by Lamberti (2013) when applying that customer-centricity is not beneficial for all firm types.

In conclusion, the extant literature has shown and proved the importance of focusing on customer experience, especially in the retail sector, to which banking partially applies. Secondly, the difference between customer experience, customer-centricity, product-centricity, and employee experience has been identified. The author has also underlined the difference between the two existing banks and why digital outperform the traditional in customer-related metrics. However, several focus areas have to be researched in this thesis since the extant literature has not provided sufficient banking-specific answers. The author will focus on identifying challenges that prevent traditional banks from performing a customer-centric transformation and the success factors to perform this transformation if there are any known.

Some preliminary analysis understanding of the both types of banking features are presented below. Both banking types are targeting similar areas which are important for the customers (applications, products, current accounts, daily banking), and both impact customer experience greatly. However, the aspects of each example are being very different, for instance, while traditional banks have a higher pricing categories on the usual products, digital ones acquire more customers with a free current account proposition as a hygiene factor of the industry.

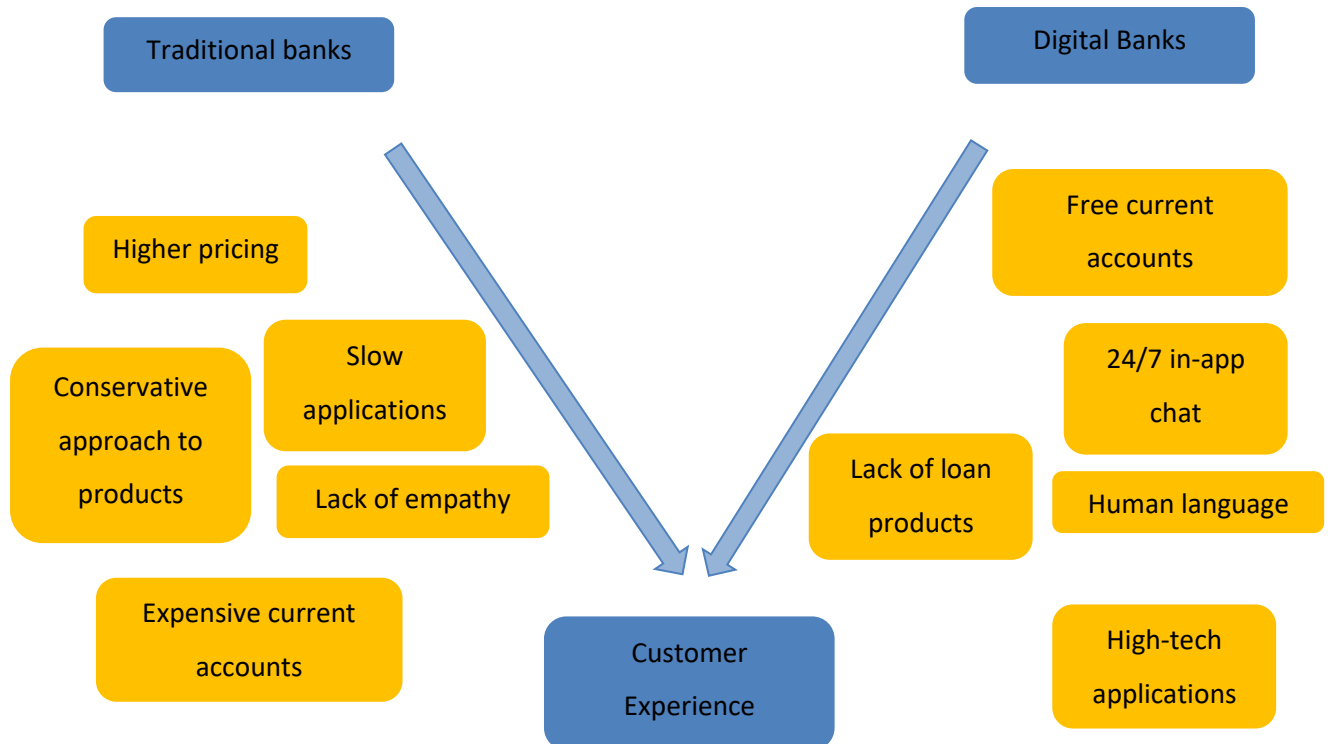


Figure 2. Preliminary aspects of traditional and digital banking impacting customer experience.

### 3 Methodology

#### 3.1 Research Design

According to Creswell (2014), three primary forms of research are quantitative, qualitative, and mixed methods. Each research method has its advantages and limitations. However, the author has chosen a qualitative study for this thesis. The thesis aims to determine the role of customer-centricity in traditional banks by identifying the main gaps in customer experience strategy implementation in these banks and the success factors. In order to better understand the factors that stand behind the raised research questions, the qualitative study is chosen as the most appropriate for this kind of research.

There are several main factors why the qualitative research design has been chosen over the other existing listed ones. According to Creswell (2014), the

researcher plays a vital role in this type of research by being the facilitator of documents collection and further analysing, gathering other existing data, expressing preliminary results, and the thoughts about the ongoing study. Moreover, such researches and theses accept a certain percentage of subjectivity, not only due to the researcher having a critical role but also due to the nature of the data, which is expected to come from various sources and channels and be analysed accordingly (Creswell, 2014).

Several proposed options of a research methodology are suitable for a qualitative study; however, the author has chosen expert interviews as the primary source of future analysis and findings evaluation. Several main reasons lead to the decision. Firstly, to answer the proposed research questions, it would be precious to gather insights that come directly from the industry, in this case, banking. Secondly, interviews are a great source of information from experts who have experience and understanding of the topic. Thirdly, as outlined by Creswell (2014), the advantage of the interviews is that the researcher has control of the process and can gather information, analyse it during interviews, and come up with follow-up questions. This opportunity is missing when limiting the research to observation and literature review.

### **3.2 Data Collection**

Before describing the development of the questions themselves for the interviews, the author will describe the method of preparing the collection of information. This thesis mainly examines the problems of implementation of customer-centricity in traditional banks. Specifically, the author has chosen the experts from this area of the banking industry to be the interviewees. Since the author is located and studying in Austria, the most realistic option for conducting such interviews was the choice of several experts from one of the traditional banks in Austria. In this case, Raiffeisen Bank International was chosen. According to the Global Customer Experience report by KPMG (2020), Raiffeisen Bank is ranked the seventh out of ten most customer-centric companies in Austria. The author draws attention to this factor as one of the critical factors when choosing a bank since interviews will allow the author to find the reason for such a high rating and how does it reflect the studied



literature. In addition, Raiffeisen Bank International is one of the oldest Austrian bank holdings, with 13 subsidiary banks in central and eastern Europe.

To carry out the interview, the author found contacts of Retail banking employees of Raiffeisen Bank International via LinkedIn since it is in this department that the teams are responsible for customer experience and the product creation (such experts are usually called product owners in banking) are located. Due to many uncertain reasons, starting from workload and their limited resources, ending with interaction with confidential undisclosed information, not all experts contacted by the author were able to agree to an interview. However, the author has gotten 12 approvals, which is enough to collect enough information for further research.

In order to secure diverse and valuable answers for further analysis, the author chose the maximum possible diverse set of interviewees. Women and men were observed in almost equal proportion, namely seven women and five men. The average age of all participants is 33.5 years. The youngest respondent is 24 years old, and the most experienced is 48 years old. Thus, it can be considered that the opinions of various ranks and ages were taken into account in analysing the data obtained.

The questionnaire will consist of several questions divided into three topics: customer experience's value and tangibility for traditional banking, customer-centric transformation, and critical challenges with success factors of the transformation. The interviewees are expected to share the challenges in the bank's customer-centric transformation, the best practices, what success factors may exist, and how they perceive the overall customer experience strategy creation. The process and the reason behind the questions will be explained in the next section.

Interviews were conducted online using Microsoft Teams as the main negotiation platform. Before the interview, both participants (the author and the interviewee) agreed on a time limit and the non-disclosure of the interviewee's names. The author received consent from all participants to disclose their ages and positions in the corporate hierarchy, as the author is convinced that this

information can be helpful for further analysis, unlike the names and nationalities of the interview participants. The author agreed with the participants to record the conversation on a recorder; however, with the further deletion of the recordings after transcription of the interviewees' answers into the protocol. This move will not affect the validity of the study, as it concerns only organizational issues and shows respect for the bank's employees since most of them have access to confidential corporate information. The language in which the interviews were conducted was agreed to be English. In addition, it is worth noting that the opportunity to get the opinions of people working in such a field about customer experience issues is infrequent. Other questions that may challenge the validity or significance of the interview results will be described in the limitations section.

### **3.3 Interview Development**

Developing the interview questions is one of the most challenging parts of any research. On the one hand, it is necessary to take into account the enormous volume of problems accumulated in the banking industry, which is impossible not to mention; on the other hand, the availability of interviews is strictly limited, so the author needed to put all the necessary topics into several fundamental questions, with the ability to maximize and describe the idea of traditional bank employees about customer experience.

When developing questions for further interviews, the author considered the main tasks set at the beginning of this study. Firstly, by conducting interviews, the author will try to determine the specifics of studying customer experience in traditional banks. A comparison of the received considerations and an analysis of the literature studied will help the author identify specific differences between the study of customer experience in the banking industry and other industries. It is worth noting that half the expected result is to identify these differences, but how specifically they will be expressed will be shown by the interview results. Secondly, the author will ask questions related to the previously identified misunderstanding of why traditional banks, having all the financial capabilities, do not focus on meeting the specific needs of their customers. In conclusion, the author expects the possibility of determining the

success factors of the transformation in order to establish a customer-oriented strategy in banks. Considering the questions specifically, the first two questions will serve as the beginning of the interview, which will also help determine the respondent's mood.

1. What is customer experience in your view?

2. Why is it important?

The author expects that customer experience may not be an essential aspect of their work, although they may work in the departments that tackle it. However, due to the client-oriented reputation of this bank, the author considers this unlikely. In the opposite case, it is necessary to develop the given topic and find out why this employee is convinced of the importance of customer experience.

3. Why is product-centric approach to business dying out?

4. Are there any CX aspects related to bank industry specifically?

In an interview scenario, one should either confirm the lack of faith in the importance of customer experience, or vice versa, the development of this topic in a conversation with the interviewee. Due to the high competence on the issue of working with clients, it is expected that employees will be able to formulate the reasons for the general trend of the banking industry, directed towards increasing focus and investment in the customer experience.

5. What is the business value in CX for banks?

Taking into account the existing opinion that customer experience is often part of marketing or customer relationship management, it is necessary to clarify what impact this area has on the financial or overall business performance of the company.

6. Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.

This question will make it possible to compile an interesting numerical table, which will also help to interpret other interview results, regardless of previous and subsequent answers.

7. How to define a CX strategy?

8. Why do CX transformations fail?

At the end of the interview, the author will ask the most critical questions. The author allows the respondents to reveal their points of view on this problem throughout the interview. The author is also convinced that by starting 'simple' to more complex questions, the more interesting data will be most likely to be obtained, unlike in cases when the research questions are attempted to be answered directly by stating the same questions to the interviewee.

## **4 Interview data analysis**

### **4.1 Preliminary analysis**

The analysis of the data obtained during the interview, namely the method of conducting this analysis, will directly affect the result obtained by the author at the end of the study. Therefore, a separate important role in this work is on the design of the analytics methodology.

There are several reasons why adherence to a particular methodology can damage the validity of a study. For example, the author prefers an approach to data analytics depending on the data quality rather than the strategy of the methodology itself. Since this research will be based mainly on the discoveries obtained from interviews with professionals and experts in this field, the author will isolate from all the transcripts of interviews similar general topics that can either be combined into arguments or compared with each other as different points of view.

The analysis of the received data can be divided into several stages. The first is directly obtaining information, namely by conducting an interview. The specific features of this phase are described in more detail in the previous

section. The second stage is to record all the answers in one document and analyse all the answers to each question in turn to prepare the first part of the analysis. The third stage is precisely finding common thoughts, ideas, and common answers to questions among the interviewees. Further, similar answers and thoughts will be opposed by differing opinions. Initially, the author will try to find the reasons for the differences of opinion independently, and then based on known and possible factors for disclosure, for example, work experience or the department of the interviewee, and possibly the focus of the work, for example, the creation of banking products or direct interaction with customers.

## **4.2 Results Analysis**

In this section the author will analyse the particular answers from the interviews, starting the preliminary ideas compilation, as outlined previously. To draw the interview structure like a map with different answers, the author asks an initial question about what respondents mean by the term "customer experience". In this question, there is practically an almost identical understanding of the term by all interview participants. Most disclose the customer experience as everything that happens during a customer journey with a particular company/brand or its service. This is a set of specific emotions and feelings that a person (client) experiences in interacting with the company. One of the respondents considered the term from the company's side that creates the business. This is one of the least popular opinion since most of the employees involved in this topic are trying to find an answer to any question by putting the client in the center. However, in this case, the answer is considered from the value that the development of customer experience brings to the company and not to the client.

*«Customer experience is the most valued aspect in creating a business, and maybe you will ask me why? Simply because how you can improve or develop your company if you don't have good customer experience with it. It serves as a valuable practice for any organization that wants to improve the overall experience of the people they serve or the products/services they offer».*  
*Interview 11.*

As mentioned earlier, most of the remaining interviews combine several positions, the general argument being that the client experience is the complete totality of all interactions with the company from the client's side. This includes visiting a branch or store, talking to technical support by phone, and getting help via email. Any emotional and rational features of this experience can affect equally negatively or positively.

*«CX depicts the relationship between the customer and a brand/company. The tone and the quality of the relationship is set in each and every interaction customer has with the brand, so it is important to understand how each step counts. Advertisements, what and how employees in branch/call center communicate, how is the product designed, what are the features price, or what goes into price, unboxing experience. Everything». Interview 1.*

Each interview began with the least challenging question, which makes clear the direction of each respondent's thoughts. Next, the author asks a question about the reasons for the importance of customer experience. The answers also do not differ, but they reveal several essential points that find their confirmation in the studied literature. Several theses can be compiled from the answers received. Firstly, the importance of customer experience for the company is undeniable, as it is the future of any business. The argument supporting this point is that there are numerous technological innovations related to improving products or accelerating and adapting internal corporate processes. However, customer experience is unlikely to cease to be relevant over the years, regardless of innovation trends, since the trend is only increasing, and as a result, there are more alternatives that consumers will choose based on the best experience. Secondly, customer experience cannot be stolen as a business idea, and it just cannot be influenced by external regulations, as, for example, the companies themselves Trivedi (2019). Customer experience is a universal factor of the company's differentiation, regardless of the industry. The specifics of the banking industry will be discussed further.

*“CX matters because it’s a true, extensively proven and disruption-resistant differentiator. In a world where innovation is continuous, competition is intense*

*and business models are constantly changing, having a customer-centric behaviour is a way to retain and grow revenues and profits that is entirely in the hands of companies themselves. It cannot be eroded by regulation, it cannot be stolen by competitors, it facilitates the creation of new business models, if needed. It's the swiss army knife of business disciplines. You can use it for growth, you can use it for retention, you can use it for OPEX cuts". Interview 3.*

In addition to these factors, which are already a severe foundation for asserting the unconditional importance of the company's customer orientation, it is worth noting that the company's differentiation from competitors due to impeccable customer experience may also be considered as free marketing. A happy consumer is more inclined to recommend the company's services or products to their loved ones (Fisher & Kordupleski, 2019). This subsequently provides a kind of free advertising service to the company. It can also be assumed that an excellent customer experience contributes to the development of loyalty and, consequently, an increase in the customer base, achieving better financial results. (Mandal, 2014).

*"Customer experience is what drives customer loyalty. Loyal customers is the foundation of any business. Loyal customers not only return for more products or services from the same brand, they also advertise the brand for free. Word of mouth, or testimonials from real people, is very important in brand promotions. More than paid advertisements, real-life encounters of real people is very appealing to many in this generation". Interview 5.*

An unconditional understanding of this importance almost unanimously expresses the respondents' attitude toward the question. However, not all respondents believe that the product-oriented approach of some companies is dying out. On the contrary, some of them are convinced that this is where the major internal corporate problem of many businesses lies. For example, in one of the answers, two types of companies were proposed: those that, for marketing purposes, try to show their concern for customers, but at the same time do not change either strategies or internal processes. Furthermore, the second type of company believes that customer experience and building a strategy around it is a temporary trend that will either pass soon or the

implantation of which does not bring any significant result. The respondent's thought is also interesting that the company cannot be partially customer-oriented since it either puts customer experience at the head of the strategy or is on the way to it (transformation).

*“Unfortunately, I would not agree that it is dying out...it is still rather strong. You have two types of the reasons why we don't have so many customer centric organisations. First type – Putting a lipstick on a pig company. We know that CX is a hype, so yes, we want to be customer centric but we don't want to change anything. Second type – Been there, done that company. Companies that have been changing themselves, collecting feedback, going agile, but had no significant results in terms of improving. There is common thread in both examples – these companies did not fully understand the essence of CX. CX is not a new fancy topic we should try out and see if it works. CX needs to be understood and embedded in the strategy of a company reflecting changes in each segment of doing business or it will die out. You can not be partially customer centric – either you are or you are on a clear path of becoming one”.*  
*Interview 1.*

Another answer should be considered that supports the idea that such an approach to business is far from dying out but, on the contrary, exists for many reasons. For example, companies that focus on the product sometimes still cover specific consumer needs. Perhaps the quality of the product can favourably affect the customer experience; however, in this case, it becomes difficult to determine the trait since, on the one hand, there is a suggested idea that customer-centricity either exists or not; on the other hand, an exclusive focus on the product can potentially close the customer's need. In this case, it is necessary to determine whether the satisfaction of a particular customer need is a good customer experience or whether the need can be satisfied by creating an unsuccessful customer experience.

*“I do not think that they are dying out because product-centric mind-sets focuses on developing newer and more advanced products regardless of the demand that exists in the market. Product-centric companies are defined by*



*the products they develop, and those products may or may not meet customers' needs and wants". Interview 9.*

In order to collect a slightly more complete picture of the bank's employees' views on the issue of the confrontation between the product and the client, the following considered answer puts a fundamental argument. It is imperative to clearly understand what is meant by focusing on a product or customer. The respondent also assumes that an absolute concentration on the details of the product is practically impossible since, in this case, the customer's needs will not be satisfied. As a result, the company would not be able to exist, which supports the idea that partial customer orientation is still possible.

*"We have to be very sharp with the definitions in order to evaluate whether the statement above is true or false. In our day and age having rigid definitions about approaches to business behaviour often leads to dead-ends as the lines are blurred. The most successful companies in the last 2 decades started off as single-product companies, but had an extremely customer-centric approach to product development. If we define product-centric approach as one where companies focus on product features, rather than on customer needs, then the reason for the product-centric approach dying out is obvious – your features might miss what the customer needs. The approach dies out together with the companies that employ it. In reality, however, the lines are blurred very few known companies apply purely 100% product-centric approach. Most of them have at least a pinch of customer centricity involved, which ensures their survival". Interview 3.*

The rest of the answers generally describe the shortcomings of those companies that primarily put their product and its creation in the center of the operations.

After covering the first half of the interviews, it became clearer to the author in which direction the thought of each participant was going. What makes a deeper study of this issue motivated is that even more different points of view on this issue have been proposed at this stage. Firstly, it is worth noting that opinions are divided among those who believe that banking has its distinct

features of customer experience that differ from other industries. Others believe that the customer experience is universal, and the characteristic features are unique to industries, or, if we consider other sub-categories, customer interactions with companies. The following question is one of the key ones for further analysis of this study.

Considering the arguments supporting the point of view that the customer experience in banking has its distinctive features, one of the main ones is, for example, a clear difference between retail banking and corporate banking, as well as a set of different consumer interactions with banks that are present only in this industry. It is rather difficult to refute this position since, after conducting additional research on the issue, many banking groups, especially those present in different regions, rely not only on individual clients but also on institutional and corporate ones, at the expense of which the most significant liquid loans are issued (Andres & Vallelado, 2008). In particular, the difference in customer experience between the two is that if an individual consumer's experience is often experienced through an application or a branch, then the corporate business works directly with the bank's back-office employees. In this case, new questions arise about the difference between the composition and implementation of customer service in branches and corporate businesses.

*“Retail banking refers to a bank's section that deals directly with consumers, whereas corporate banking refers to the component of the banking industry that deals with businesses. With bank branches aplenty in most major cities, retail banking is the most visible face of banking to the general public. Corporate banking, on the other hand, works with businesses directly to provide loans, credit, savings accounts, and checking accounts that are tailored to the needs of businesses rather than people”. Interview 12.*

Having mentioned the application and banking sites, the following argument of employees appears, claiming that banks have their peculiarities of customer experience. With the improvement of technologies that make it possible to accelerate and simplify the processes most necessary for daily life, banking services have changed a lot, especially among banks oriented towards customers. As discussed earlier, these banks are often identified with

exclusively digital ones. However, digitalizing their services is also being carried out in traditional banks, despite significant investments in the continuation of services in branches.

*“Yes, it’s no secret that personalization is important to banking customers. In this digital age, almost every transaction is online which exposes us to digital banking and solutions. The availability of banking solutions is crucial to the customer experience. It allows the customers to manage their accounts, and use various banking facilities from any part of the world”. Interview 11.*

Continuing to evaluate more specific aspects of the customer experience, it is necessary to consider the role of specific customer interactions with the bank, which are part of the customer journey as a whole, regardless of the type of product or service. The idea that each specific banking interaction of a client with a financial institution is a unique feature of the traditional banking client experience can be very controversial. On the one hand, this makes it possible to subsequently assert that any industry has its characteristics, which means that the customer experience is not universal a priori; therefore, it cannot be studied in a general context without being tied to a specific area of business. On the other hand, it is necessary to consider that some customer interactions with the company may be identical in entirely different industries. For example, taking into account the general digitalization of services, the application phase for a product can be inherent in almost any industry, from insurance to car purchase.

*“Of course. Where there is a product or service, there is a customer. And where there is a customer, there is customer experience. Going to a bank and transacting with a teller is an experience. Sending a fund transfer online or through an app is an experience. Withdrawing money is an experience. Every interaction a person has with a bank is an experience”. Interview 6.*

In concluding the consideration of this crucial issue for many interviews, a separate interesting thought was expressed by a distinctive feature of the consumer's perception of banking, namely the willingness to show patience. It was suggested that money, as well as uninterrupted access to it, is one of the

essential needs of people in the twenty-first century, and as a result, customers are ready to stay with the bank's brand, despite the unsuccessful customer experience in order to gain access to financial products and their money in general.

The next question on the way to completing the creation of an understanding of the attitude of bank employees to the whole problem is related to the business value of customer experience. The author wants to understand whether there are certain features in the value of customer experience for traditional banking particularly. According to the studied literature, the characteristic of the answers to this question was the absence of denial of the value of customer orientation, which is often pronounced in traditional banks. Most of the answers followed a similar logic and motive. Several times, the logical chain of creating loyalty among satisfied customers was mentioned, which further leads to the expansion of the customer base and, consequently, the improvement of financial indicators. The author explains this by the fact that the employees involved in the interview are directly involved in creating and implementing strategies in this area.

This question is not easy to answer since employees researching and dealing with customer experience are not always directly related to the financial and operational part of the banking business. Therefore, to simplify the understanding of the correlation between business value and the customer experience in employees' minds, in the next question, the author asked respondents to evaluate the value of customer experience for business on a ten-point scale. The results showed seven respondents rated at 10, three at 9, and two at 8—average score: 9.41, which generally indicates the conviction of employees in the value of their occupation. The reasoning of the employees who put 8 was that customer experience is not the only factor that moves the business forward.

One central question remains open: if the overall indicator is high, what prevents traditional banks from catching up with fully digital ones in customer experience?

For the possibility of an extended analysis, the author divided this question into two parts – how to determine what is needed for a strategy in this area and why client-oriented transformations often fail.

Considering a few theses from the answers to the first question. The general concept that follows in most interviews – CX strategy is not something extraordinary in business, and as a result, the steps of creation are pretty obvious - a precise formulation of the tasks, the reasons why a strategy is needed, and the company should achieve through this strategy.

One of the suggested thoughts is related to the fact that if such a strategy is correctly defined, the company will take the right path, and another vision of the strategy will not be needed. A strategy is created by setting goals and achievements that the company must achieve after a particular time.

*“Like you would any other strategy. Define Goals, Objectives, Strategies and Tactics. Each of these 4 items have to be well thought through and synched, aligned and agreed. It’s serious and long work. The unique thing about a CX strategy is that if you have properly developed it, you wouldn’t need any other strategy. Value proposition, target groups and personas, product development and channel models should all flow out of the CX strategy. Under this scenario, all other business decisions (i.e. OPEX cuts, acquisitions and mergers, R&D, payroll, etc.) become tactics under the common CX strategy. Then your organization is clearly moving in the right direction”. Interview 3.*

Another assumption is related to the creation of a strategy by posing three important questions: for whom it is, what it will give to the client and how to implement it.

*“Easiest way is to use simple V3 approach – valued customer, value proposition and value network. 1. Valued customer– seeking the answer to the question: „Who to serve?“ 2. Value proposition – seeking the answer to the question: „What to offer?“ 3. Value network– seeking the answer to the question: „How to deliver?“. Interview 1.*

There were no disagreements on this issue, although the question does not imply a positive or negative assessment. The rest of the answers described more the reason the strategy is being created and what it should affect in the banking sector, but there were no concrete proposals or attempts to share their own successful experience.

The main question that was asked at the end of the interview is related to finding out why attempts to bring focus to the customer experience fail, or at least do not achieve the desired result.

The answers received and analyzed to this question helped to collect the missing arguments for further analysis and answers to the questions posed to the study. Several points of view were expressed regarding why the transformations are being corrected.

Firstly, one of the main reasons that were most often mentioned in the answers is the lack of proper support from top management in customer experience development. This extensive issue has also been touched upon in the literature review, as a potential problem, in connection with which the area of customer experience is problematic in traditional companies that have not gone through a customer centric transformation. There are many reasons why managers do not always support investments in customer experience. In this case, the respondent believes that in addition to the lack of faith and support, there is also a problem with the incorrect prioritization of the transformation components.

*“Two main-reasons, in my opinion. 1) Lack of support from top management. Frequently business leaders see CX as an interesting topic and decided to do something about it, but they use it as a false face towards customers, employees and internal stakeholders. True intent was never there. 2) Because the employees tasked with implementing it focus on intangible aspects of the CX transformation which provide greater visibility to top management, but less on-the-ground impact. CX transformations are not attracting much of needed attention. They start with having a CX strategy and a communication plan, cover product development, but finish at fixing contact center and frontlines*

*behaviour. Miss one of these components and the transformation will fail”.*  
*Interview 3.*

The problem of insufficient support for initiatives to improve the customer experience is very broad. It is also paradoxical that despite the full managers' understanding that it is customers who help the company make profit, and not improved internal processes, this topic still remains not fully open and understood.

*“I do believe that sometime customer transformations fails due to some of the people are rejecting the proposed changes though it will help them a lot as they see no value in it, or they are uncooperative due to laziness and other factors such as difficulty of the application, time restraints, source availability and etc”.*  
*Interview 9.*

*«Customers are still dissatisfied despite many organizations' significant efforts and investments in their customer experience initiatives over the last few years. Many programs fail to deliver despite the time, effort, and money invested in them. Some of the causes for the separation are that leaders aren't fully expressing the importance of customer experience to the company. No amount of money will be able to solve the problem and produce long-term outcomes if leaders and other staff do not recognize the value and relevance of customer experience».* Interview 12.

In addition to the lack of support and understanding of this topic, several reasons listed during the interview also express the incorrect setting of goals and objectives of a transformation of this type.

The problem may not only be in the lack of resources, regardless of their kind – financial or intellectual. The problem may also be in the absence of a preliminary strategy of focusing on the client (Bensley et al., 2020). Consequently, the transformation cannot be prepared and properly carried out with a lack of prior understanding of this topic. In some cases, companies hire external consultants to run extensive culture change programs or introduce internal trainings for all employees to prepare the initial ground for the shift.

The last reason, which was also traced in several answers, is the wrong focus of the company on other strategies. For example, in cases where the company demands financial results from employees too much, interaction with customers goes by the wayside. This can also be depicted as a feature of traditional companies, banking in particular, when the focus on key performance indicators becomes more critical than managing the customer related pain points (Selvanathan et al., 2016).

*“Maybe the focus is wrong. A lot of times, companies focus too much on sales and numbers. They sometimes forget the importance of the things that cannot be measured with numbers like how customers feel. Success cannot always be measured in reports, instead in the opinions of the customers. If customer experience is to be transformed to bring company success, the goal and focus should be making customers get the best experience”. Interview 6.*

### **4.3 Discussion of Findings**

In this part of the study, an analysis of the answers given to the author during the interview will be carried out. In twelve interviews conducted with Raiffeisen Bank International employees, a sufficient amount of data became available for analysis and aggregation of this data into certain conclusions through a logically structured chain of questions.

Dividing the interview results into several abstracts will help complete the answers to the tasks assigned to the work.

The employees unanimously expressed their belief in the importance of customer experience for any company, regardless of the type of business, since it is the focus on the customer and improving processes for a more pleasant and easy experience of interacting with the company that subsequently is a catalyst for increasing profits, due to loyalty and attracting a more extensive customer base. Moreover, the interviews also supported the thesis previously expressed in the studied literature that the product-oriented strategies of various companies are still relevant in a wide variety of industries. Companies often exist for a long time with such strategies, but they do not experience significant growth. One of the factors mentioned in the interviews is



the lack of support for conservative management. This argument can be argued and considered in different ways. However, it is relevant for large corporations, in which noticeable progress in customer focus is complicated. This may be due to the lack of employee training, strict unagile hierarchy, or other external factors.

In addition to assertions about the absolute strategic importance of customer experience, respondents also expressed almost complete conviction that customer experience is the basis of the company's financial success (the question was asked on a ten-point scale).

Despite the internal corporate barriers to developing these initiatives, it is worth noting the features of the traditional banking customer experience mentioned during the interview. For example, the most financially costly customer interaction points with the bank (support of branches, ATMs) are problematic for the traditional banking business. Fully digital online banks do not have such problems, as they have excluded these interactions throughout the customer journey. Even though many of these interaction points with banks are unique, unlike other industries, they can potentially be attributed to common problems in companies' interactions with customers. However, some emotional aspects of the customer experience in banking expressed earlier can be attributed to the specifics of this industry exclusively, for example, customer patience and satisfaction with a less developed service due to guaranteed access to financial instruments.

The interviews also helped identify why the transformations described above are not successful for companies and what can serve as an exemption from these obstacles. The main reasons for the transformation failure and those described above (lack of trust in CX teams, lack of support from top management and budgets) are the wrong approaches to creating the initial strategy. Often, questions concerning the exact definition of the company's value proposition remain not a priority in the pursuit of creating a fast, inexpensive product that a particular customer segment should buy. There are problems behind such a rush in user experience, price, significant qualitative differences from competitors, etc. Customer experience can be perfect only

when the company's philosophy always puts the needs and problems of the client first and seeks solutions to them through the development of products or services. This methodology has allowed online banks to take such a strong position in the last seven years, increasing the customer base exponentially. They had no experience, no brand, history in the market, or budgets comparable to traditional corporations.

## **5 Ethical Issues, Limitations and Recommendations**

### **5.1 Ethical Issues**

The author carefully observed the ethical standards of the interview and the entire research. The author respected the respondents' request not to publish their names, limiting to only disclosing gender and age, that would provide sufficient evidence of each interviewee's work experience and help to validate the results. The position in which the interviewees work in the bank is also not disclosed, however, author is allowed to state that all the study participants work in the area of customer experience at different departments.

Participants were advised about the possibility of ending the interview at any time and not including their answers in the final study if they were not satisfied with the final transcript. All interview recordings were sent to the respondents, and their consent to publication was received in response.

As mentioned above, the author did not ask leading or additional questions during the interview in order to respect the time constraints of the respondents and avoid creating an artificial stressful situation for them.

### **5.2 Limitations**

Any academic research for various reasons cannot be entirely valid and unbiased. Although the author tried to do everything possible to ensure that the results would most accurately show the issue from multiple sides and points of views, some limitations could not be circumvented.

Firstly, the fact that the author interviewed employees of only one particular bank can be interpreted as an influencing factor to the overall results. Indeed, all respondents work in the same company, under the same mission and vision, which may affect their professional point of view. Also, due to this factor, they could be limited in the breadth of responses, fearing the leakage of confidential information about the state of the problem of this topic in the bank.

Secondly, to determine a more accurate objective analysis of the problem posed, the research method could be partially changed. For instance, increasing the number of respondents, interview questions and inviting workers from other banks could expand the opportunities for a further research.

Thirdly, the author deliberately did not ask additional questions and conducted interviews with a strict sequence of pre-written questions. This is due to several factors. For example, respondents' time was strictly limited by their professional responsibilities. Moreover, the compiled questions included possible additional branches for any answer. If individual questions had to be asked, most of the interviews could not be completed on time, putting temporary pressure on the respondents.

### **5.3 Recommendations for Further Research**

The findings of the research may be helpful for the future potential studies of the customer experience in banking topics. One of the potential areas may be running similar research with the experts from the digital part of the banking industry, maybe in one of the fully online mentioned banks. Additionally, it would be important to assess the view on the customer experience from other major departments of the banks, for instance, product development, legal, risk or compliance. There is a potential tendency of leaning towards the conservative understanding of the topic in the departments that are not engaged with the customers directly.

As mentioned in the limitations part, the sample size of the current study may be a motivation for other researches to expand it and run a larger quantitative study.

## 6 Conclusion

In conclusion, it is worth noting that the totality of literature analyses, as well as the conducted research among employees of one of the largest traditional banks in Austria, allowed the author to sum up specific results, as well as give answers to the questions and tasks set before the study.

The graph below will map some of the high-level findings that may be translated from the literature review and the interviews, jointly seeing where do they match together in terms of the topic research. Both literature and interviews have created a unique possibility to observe the main trends in banking industry from customer experience perspective. Traditional banking lacks behind in its transformation towards customer-centricity, that is due to many reasons. At the same time, literature supports the idea with having insights, analysis and data on the topic, as traditional banks are behind their digital competitors on a yearly basis, losing the rapid customer growth and the net promoter score indicators. The common 'umbrella' idea above all those reasons is the problem with the distinctive value proposition definition of the banks, that customers often do not understand. For instance, the digital challenger banks have perfectly formulated their value proposition to the customers since their base grows enormously, outplaying the traditional competitors, whereas traditional banks lose in defining their differentiation points while trying to invest into digital and other areas to compete on the same level.

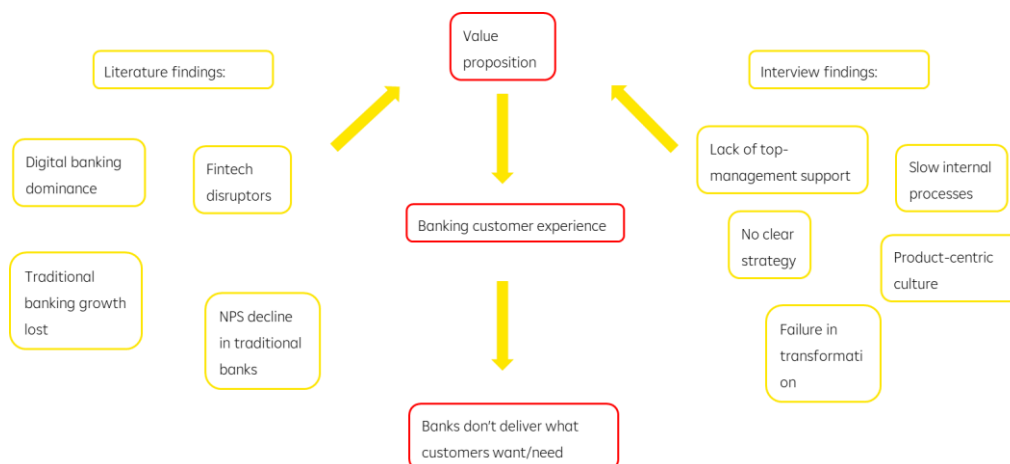


Figure 1. Mind map of literature/interviews high-level findings

The main objective of this work was to identify why traditional banks underperform digital banks in customer experience. A study of the literature statistically confirmed that this problem is relevant because, despite the extensive amount of work related to identifying the reasons why online banks have completely occupied a customer-oriented banking niche in the last few years, no such analysis of the difference between them and traditional banks has been carried out. Through interviews, the author identified several categories of theses expressed by respondents.

After an in-depth analysis of this topic, the author identified the primary specifics of customer experience in the banking business, particularly in traditional banks. They were the specific interactions of customers with banks described earlier and emotional components, which are nevertheless considered an integral part of the entire customer journey. The question of why customer experience is still not the prerogative, and a differentiating factor of traditional banks was also investigated. This issue has revealed a lot of valuable data related to the lack of a shared understanding and training of employees, and complex slow internal processes, mainly due to inefficient collaboration of departments. In conclusion, the author identified the fundamental features of corporate business that must be observed for successful transformation within the bank, after which it is the client who will be the focus of attention of employees and not product development.

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## **Appendices**

### **Appendix 1**

Interviews

A = Author



R = Respondent

**Interview 1. Female, 48.**

**A: What is customer experience in your view?**

R1: CX depicts the relationship between the customer and a brand/company. The tone and the quality of the relationship is set in each and every interaction customer has with the brand, so it is important to understand how each step counts. Advertisements, what and how employees in branch/call center communicate, how is the product designed, what are the features price, or what goes into price, unboxing experience. Everything.

**A: Why is it important?**

R1: CX to me, is the future of each business. In the time where we are flooded with offers, commercials and product features, only the companies that provide this little extra in terms of understanding and solving customer need will be able to thrive. By solving a customer need you create a special bond with the customer and thus create that emotional connection that brings the long-term loyalty. From the business perspective it is the key tool for the prioritization, helps companies focus the resources and investment behind what will bring the value to the customer and consequently to the company.

**A: Why is product-centric approach to business dying out?**

R1: Unfortunately, I would not agree that it is dying out. It is still rather strong. You have two types of the reasons why we don't have so many customer centric organisations. First type – Putting a lipstick on a pig company. We know that CX is a hype, so yes, we want to be customer centric but we don't want to change anything. Second type – Been there, done that company. Companies that have been changing themselves, collecting feedback, going agile, but had no significant results in terms of improving. There is common thread in both examples – these companies did not fully understand the essence of CX. CX is not a new fancy topic we should try out and see if it works. CX needs to be understood and embedded in the strategy of a company reflecting changes in

each segment of doing business or it will die out. You can not be partially customer centric – either you are or you are on a clear path of becoming one.

**A: Are there any CX aspects related to bank industry specifically?**

R1: There is nothing special about CX in banking, but the banking industry by itself is very special. Very traditional environment - no breakthrough or innovations in banking happened since 17<sup>th</sup> century. Furthermore, since banks have been earning money since these days, it is rather difficult to make a solid case for any change. Why breaking something that is not broken. Therefore I think that banks are just less interested in change while there is nothing different in terms of CX. On top of the lack of reason to change, banks have traditionally been weak in the full 4P (7P) approach which makes the business rationale behind CX even more difficult to implement. Business was heavily based on the product and pricing part of 4P and since it worked for century, understanding behind synchronisation is low to non-existent.

**A: What is the business value in CX for banks?**

R1: Banks will have same value as any other business if decide to focus on CX – bigger loyalty, bigger share of wallet, bigger cross-sell and up-sell, lower churn rate.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R1: 10

**A: How to define a CX strategy?**

R1: Easiest way is to use simple V3 approach – valued customer, value proposition and value network. 1. Valued customer– seeking the answer to the question: „Who to serve?“ 2. Value proposition – seeking the answer to the question: „What to offer?“ 3. Value network– seeking the answer to the question: „How to deliver?“

**A: Why do CX transformations fail?**

R1: Like any transformation CX transformation can fail on the same pitfalls. But what is specific for CX and I assume it will be for all the new disciplines is that these type of transformations cannot be executed before you have solid basis – If you don't understand what creates a relationship with the customer, what is marketing and 4Ps, what is the role of pricing, how do you choose your market playground, everything becomes more difficult. It is becoming more difficult even to sell it as a transformation that needs to happen, but becomes a much bigger transformation all together.

**Interview 2 – Female, 24.**

**A: What is customer experience in your view?**

R2: In my view customer experience is the cumulation of all the interactions between every bank's client and the bank itself, whether it is simply by withdrawing money from an ATM, a short discussion at the branch or creating an account and setting it up in the mobile app.

**A: Why is it important?**

R2: I believe it is important for a number of reasons, but I find the most important to be that every company, banks included, should have a long-term view of their business and a good customer experience would ensure the bank a positive future even in times of crises, but especially in times of economic booms.

**A: Why is product-centric approach to business dying out?**

R2: I am not sure it is, as I have limited experience and can't generalize, but product-centric approach might be underestimated when compared to a digitalization approach – most companies put a lot of emphasis on making sure they stay relevant and therefore value proposition efforts could be affected.

**A: Are there any CX aspects related to bank industry specifically?**

R2: I am sure there are many, for example ATMs is an aspect extremely bank specific and it is one interaction which affects CX.

**A: What is the business value in CX for banks?**

R2: I believe the value proposition is essential for banks, just as for most businesses, and a good one can only be designed successfully with the customer in the center.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R2: I would say it is around 9.

**A: How to define a CX strategy?**

R2: Quite tough for me to answer, but I believe research, as well as practical experience are together key elements in the process of designing a good CX strategy.

**A: Why do CX transformations fail?**

R2: There can be quite some reasons, for example a traditional mindset of upper as well as middle management. Others could be too high costs, lack of knowhow of employees, maybe even legal barriers due to data protection.

**Interview 3 – Male, 35.**

**A: What is customer experience in your view?**

R3: Customer experience to me is what customers see, hear, read, feel and think when they interact with a company. It's the cumulative view they form about brands from the moment a particular need emerges that can be satisfied by a company, all the way to the moment when this need disappears.

**A: Why is it important?**

R3: CX matters because it's a true, extensively proven and disruption-resistant differentiator. In a world where innovation is continuous, competition is intense and business models are constantly changing, having a customer-centric behaviour is a way to retain and grow revenues and profits that is entirely in the hands of companies themselves. It cannot be eroded by regulation, it cannot be stolen by competitors, it facilitates the creation of new business models, if needed. It's the swiss army knife of business disciplines. You can use it for growth, you can use it for retention, you can use it for OPEX cuts.

**A: Why is product-centric approach to business dying out?**

R3: We have to be very sharp with the definitions in order to evaluate whether the statement above is true or false. In our day and age having rigid definitions about approaches to business behaviour often leads to dead-ends as the lines are blurred. The most successful companies in the last 2 decades started off as single-product companies, but had an extremely customer-centric approach to product development. If we define product-centric approach as one where companies focus on product features, rather than on customer needs, then the reason for the product-centric approach dying out is obvious – your features might miss what the customer needs. The approach dies out together with the companies that employ it. In reality, however, the lines are blurred very few known companies apply purely 100% product-centric approach. Most of them have at least a pinch of customer centricity involved, which ensures their survival.

**A: Are there any CX aspects related to bank industry specifically?**

R3: Not that I am aware of. Customer experience is a very fragile and universal topic, so the question is always whether any company delivers on the needs of its customers or not, but the enjoyability and satisfaction is more or less universal, may it be a bank, a restaurant or an amusement park.

**A: What is the business value in CX for banks?**

R3: The business manifestations of CX for banks are the same as for other industries. Less churn, more revenue, more repetitive revenues, lower OPEX costs, higher market share, higher cross-sell, lower employee dissatisfaction.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R3: 10.

**A: How to define a CX strategy?**

R3: Like you would any other strategy. Define Goals, Objectives, Strategies and Tactics. Each of these 4 items have to be well thought through and synched, aligned and agreed. It's serious and long work. The unique thing about a CX strategy is that if you have properly developed it, you wouldn't need any other strategy. Value proposition, target groups and personas, product development and channel models should all flow out of the CX strategy. Under this scenario, all other business decisions (i.e. OPEX cuts, acquisitions and mergers, R&D, payroll, etc.) become tactics under the common CX strategy. Then your organization is clearly moving in the right direction.

**A: Why do CX transformations fail?**

R3: Two main-reasons, in my opinion. 1) Lack of support from top management. Frequently business leaders see CX as an interesting topic and decided to do something about it, but they use it as a false face towards customers, employees and internal stakeholders. True intent was never there. 2) Because the employees tasked with implementing it focus on intangible aspects of the CX transformation which provide greater visibility to top management, but less on-the-ground impact. CX transformations are not attracting much of needed attention. They start with having a CX strategy and a communication plan, cover product development, but finish at fixing contact center and frontlines behaviour. Miss one of these components and the transformation will fail.

**Interview 4 – Female, 37.**

**A: What is customer experience in your view?**

R4: Customer experience is a sum of everything that customer go through with a certain brand / company.

**A: Why is it important?**

R4: CX is important because it can align everybody in the company (many different stakeholders/ departments/ divisions) around the same objective which will, if done properly, reflect in business results as well.

**A: Why is product-centric approach to business dying out?**

R4: Because with new age of globalization, technology and communication amount of choice customer have is bigger than ever. Therefore, customer will demand for better services – not only within given industry – but the standards that are set by newcomers (start -ups) are to be expected from old fashion service providers as well – banking, government etc.

**A: Are there any CX aspects related to bank industry specifically?**

R4: For banking, as well as for the other old fashion service providers, the culture change is something that comes before everything else.

**A: What is the business value in CX for banks?**

R4: As mentioned before, if delivered properly, CX should result in organic growth of the customer base and could provide space for upsell and cross-sell as well.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R4: 10.

**A: How to define a CX strategy?**

R4: CX should be a strategy as any strategy, CX is showing how to achieve certain ambitions, so by planning our way forward around the customers and their needs – our strategy will inevitably be sustainable.

**A: Why do CX transformations fail?**

R4: Hard question, but most common case is impatience - because customers' best interest doesn't always reflect on short term results. Also, misinterpretation could have 2<sup>nd</sup> place on this top list.

**Interview 5 – Female, 31.**

**A: What is customer experience in your view?**

R5: It is a person's journey as he or she takes on a company's offerings, be it services or products. It involves end to end experience from researching what products or services is best for his or her needs; the process of purchasing; and after-sales support. More than what a person goes through, how he or she feels throughout the entire process is what customer experience is.

**A: Why is it important?**

R5: Customer experience is what drives customer loyalty. Loyal customers is the foundation of any business. Loyal customers not only return for more products or services from the same brand, they also advertise the brand for free. Word of mouth, or testimonials from real people, is very important in brand promotions. More than paid advertisements, real-life encounters of real people is very appealing to many in this generation.

**A: Why is product-centric approach to business dying out?**

R5: In any kind of business, product and services development is very important. And as brands or companies develop their products and services, it is important to take customers' needs into consideration. Developing products just for the sake of it doesn't work in present day anymore. You don't build an item just so you can sell it - you build an item so that it can improve someone's means of life.



**A: Are there any CX aspects related to bank industry specifically?**

R5: Definitely. Money is a very important part of daily human transactions. And when you talk about money, you talk about banks. Banks play a very important role in all financial transactions even to this day, despite the many alternatives that have been coming up in the recent years. Because of this, a lot of customers still have experiences with banks, be it over-the-counter or thru an app.

**A: What is the business value in CX for banks?**

R5: Just like any other business, a customer's experience with a bank is very vital to a customer's loyalty. And this is what seals the deal when it comes to keeping long term customers. In the eyes of costumers, banks must be trustworthy because these financial institutions are what they rely on in terms of taking care of the money they worked hard for. And if a bank manages to gain a customer's trust, loyalty is established.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R5: I'd give it an 8. Customer experience may not be the sole and most important aspect in driving a business, but it is definitely up there. It should be one of the biggest things any bank or any business considers. It goes alongside company values and a good set of products and services offerings.

**A: How to define a CX strategy?**

R5: Customer experience strategy can be a company's approach to improve its customer satisfaction. It can be a promotion, a campaign, or a new offering that is directed to improve relationships with their existing customers or start establishing new relationships with new customers. As long as the goal is to provide a better customer experience, I would say that it is a customer experience strategy.

**A: Why do CX transformations fail?**

R5: The key to any endeavour is its goal. If a bank or a company wants to succeed, the goal must be clearly defined. What measures its success? What do its people need to do in order to succeed? If an endeavour to transform customer experience fails, it could be because of setting vague goals or misdirected efforts.

**Interview 6 – Male, 31.**

**A: What is customer experience in your view?**

R6: Customer experience for me is what I encounter whenever dealing with any company that offers a product or a service. It is how they treat me as a client, how they assess my needs, and how they deliver those needs. Interaction with their representatives is also a big part of customer experience for me. I also consider how the product or service itself helps me.

**A: Why is it important?**

R6: Personally, customer experience is very important to me because it can be one of the reasons why I will choose to do a repetitive transaction with a company. Often, if I don't like the first experience, I look for alternative or better options for future needs. I always research before I transact with a company for the first time, and if my experience does not align with my expectations, I'm not coming back to that company again.

**A: Why is product-centric approach to business dying out?**

R6: Some companies focus on product development too much. While having good products or services is the main core of any business, the trend nowadays is personalization. People fancy personalized things and a company must take that into consideration as they try to improve their products and services. An excellent product is secondary to a personalized experience why transacting with a company.

**A: Are there any CX aspects related to bank industry specifically?**

R6: Of course. Where there is a product or service, there is a customer. And where there is a customer, there is customer experience. Going to a bank and transacting with a teller is an experience. Sending a fund transfer online or through an app is an experience. Withdrawing money is an experience. Every interaction a person has with a bank is an experience.

**A: What is the business value in CX for banks?**

R6: Any bank representative that interacts with a customer plays a big role in the customer experience. If all bank employees interact with a customer, it is practically the foundation of how the bank runs. That said, bank employees dictate how bank customers experience goes. And that is what will help a bank establish its name and gain trust from its customers.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R6: 10 - Customers are the top priority in any business and the experience of these customers dictate the success of a company. Even if the customers are not really always right, how they feel is still vital and can be a reason for a company's success or failure. Delivery excellent customer experience should be a company's number one goal.

**A: How to define a CX strategy?**

R6: Companies must always push to deliver above and beyond customer experience to make sure customers are satisfied and happy. The customer's journey throughout their interaction with a bank, for example, cannot just be "okay", it must be excellent. This must be how companies think of strategies in order to improve their customer experience.

**A: Why do CX transformations fail?**

R6: Maybe the focus is wrong. A lot of times, companies focus too much on sales and numbers. They sometimes forget the importance of the things that cannot be measured with numbers like how customers feel. Success cannot

always be measured in reports, instead in the opinions of the customers. If customer experience is to be transformed to bring company success, the goal and focus should be making customers get the best experience.

**Interview 7 – Male, 39.**

**A: What is customer experience in your view?**

R7: Customer experience is how a company or brand makes a customer feel. This can be in a form of call, chat, email, or even face to face encounters. More than resolving a customer's concern or answering a question, customer experience is giving a customer something that can resonate with him or her on a personal level.

**A: Why is it important?**

R7: If i am a customer that feels valued and gets what i want or need from a company or brand, i will be a happy customer. Being a happy customer means I will be letting my family and friends know about my experience. Networking. It is important in every business and it is what a great customer experience can bring.

**A: Why is product-centric approach to business dying out?**

R7: It depends on what product is being offered. There are necessities that still require product improvement. However, it products is not the only thing that a company should improve. Adapting to the current trends is very important, and a big part of this is people's opinions. Companies must dedicate resources for research about consumers' needs and choices as well.

**A: Are there any CX aspects related to bank industry specifically?**

R7: Yes. A lot of things, actually. Starting from opening a bank account, the experience is very important to clients. Day to day transactions, even if it is face to face, via chat or email, even those that are done online or through an app, they are all customer experiences. The ease of making these transaction and meeting clients' expectations as they transact are all part of the journey.

**A: What is the business value in CX for banks?**

R7: Today's customers are evolving. Be it in banks or any other industry, customers are looking for very specific things depending on their needs. Banks or business that can be flexible to what their clients need is always on top compared to the institutions that cannot be flexible. If a bank can provide services that is tailor-fit to a customer's needs, satisfaction is guaranteed and can bring a lot of value to the company.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R7: Business value in customer experience - 9. Second to great leadership. A company's success is defined by these two things - strong leadership and solid customer loyalty. These two go hand in hand and will set up any business for success. Good leaders can lay out the right path for the company's products and services as well as drive focus on customer experience at the same time.

**A: How to define a CX strategy?**

R7: First of all, the goal must be clearly defined. Is it to gain more new customers? Is it to make sure all customers come back? Is it to build lasting relationships with customers? Once that is identified, all actions and efforts must revolve around that goal. Secondly, part of the strategy must include gathering the right people for each task. And lastly, alternate options must also be written down.

**A: Why do CX transformations fail?**

R7: Implementation. No matter how flawless the plan or how good the strategy is, if the implementation is not at par, it will for sure fail. This is something that a lot of companies do not see. Plans and implementation must always be aligned to deliver the expected results. The first step is to get the right people for the project to ensure good implementation of the plan.

**Interview 8 – Female, 27.**

**A: What is customer experience in your view?**

R8: My personal experience being a customer, I would say it is how I am assisted with my concerns or needs. It can be in a restaurant, in a shop, or even in hotels. It also applies to companies offering subscriptions like Netflix, among others. The encounters I have with them not only when I buy a product or get a service, but also when I need help afterwards, is all part of my customer experience.

**A: Why is it important?**

R8: As a customer, my experience is as important as the product or service I am buying. I look at sellers or companies if they really care or if they are just after the sales. I prefer those that really help me figure out the best option and not just sell me the most expensive item on the list. That is customer experience for me, being treated right and not being ripped off for something that I don't need.

**A: Why is product-centric approach to business dying out?**

R8: This depends on the company, I guess. Not all companies are product-focused. Some focus on services, and others focus on experiences. For example - tour companies sell experiences, spa boutiques sell services. They both do not focus on products. It depends on what the company is selling if they need to focus on products or other aspects of the business.

**A: Are there any CX aspects related to bank industry specifically?**

R8: Yes, as long as a customer is having transactions, customer experience must always be considered. Especially in the financial field where they are not really selling anything. In banks nowadays, interactions are minimal because of the internet but customer experience can still be measured. This is why websites and apps still ask for ratings and reviews. It's just a different method.

**A: What is the business value in CX for banks?**

R8: Banks today have stepped up their game since the COVID pandemic happened. They have come up many ways to do online and even cashless transactions. If the customer has exceptional remote experience, all the apps and websites that the banks invested on will pay off. There will be no need to do over the counter transactions. Less staffing needs, more automation. It's a way forward for the banking industry.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R8: 8.

**A: How to define a CX strategy?**

R8: First, identify why the strategy is needed and then what needs to be achieved. Next is to study possible effects and anticipate possible road blocks and try to develop an alternative strategy from there. The success of any project or strategy depends on how well it can adapt to unexpected events.

**A: Why do CX transformations fail?**

R8: Sometimes the plan is not flexible. Sometimes, the leaders are also not flexible. Adaptability is very important especially when dealing with customers, when dealing with people in general. Everybody has a different expectation, so people need different kinds of experiences. A different stroke for different folks, as what they say. If the strategy is not ready to adjust as needed, it will fail.

**Interview 9 – Female, 39.**

**A: What is customer experience in your view?**

R9: For me, Customer experience is how customers perceive their interactions with your company. A successful strategy should be useful, usable, and enjoyable from the customer's point of view. As much as consumers understand that times of crisis mean it's not business as usual, communities

coming together and word of mouth travelling much faster are likely to keep consumers' expectations at a high level.

**A: Why is it important?**

R9: Customer experience is key to exceeding your customers' expectations. Brands must be accurate, dependable, and provide the service they guaranteed. The opportunity lies in the ability to deliver what you promised and surprise your customer with extra care and support. This is where we can anticipate if our brands or company is doing well.

**A: Why is product-centric approach to business dying out?**

R9: I do not think that they are dying out because product-centric mind-sets focuses on developing newer and more advanced products regardless of the demand that exists in the market. Product-centric companies are defined by the products they develop, and those products may or may not meet customers' needs and wants.

**A: Are there any CX aspects related to bank industry specifically?**

R9: I don't think there are aspects related to these because as the world recovers, the global financial services community is changing in terms of on how it conducts business to confront lingering concerns and growing threats, actively promoting positive change. Know what is coming and seize the available opportunities.

**A: What is the business value in CX for banks?**

R9: Just like any other financial institution, or even any other company – the business value is the one that brings money and profits. Since CX is a high-agenda point for many banks it either has a considerable financial impact, or it's another buzz-word, which I am doubtful of.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**



R9: I think customer experience is one of the most important factors in driving any business. So i will score it a 10. The customer is one of the key players in determining the success of any business and so we have to take them into consideration. Their wants, needs and likeness are important and it should be part of the trend.

**A: How to define a CX strategy?**

R9: Customer experience strategy refers to the experience of customers with your brand. The great customer experience is the end result of every touchpoint a customer has with your business starting from awareness, evaluation, and post-purchase scenarios. There are many ways of handling a costumer and the path to resolution depends on the concern or problem stated.

**A: Why do CX transformations fail?**

R9: I do believe that sometime customer transformations fails due to some of the people are rejecting the proposed changes though it will help them a lot as they see no value in it, or they are uncooperative due to laziness and other factors such as difficulty of the application, time restraints, source availability and etc.

**Interview 10 – Male, 30.**

**A: What is customer experience in your view?**

R10: Customer experience is one of the major aspect on how your business grow, with this you will know the do and what you will not do to your business. It defines the business, its trend, growth as well as popularity. Ensuring positive customer experience is integral to the company's strategy and growth.

**A: Why is it important?**

R10: It is important because this is how you will tell other people or should I say how you can promote it to others which is part of marketing. Word of mouth, positive responses via comments and testimonials plays a big role in the success of the business and its growth.

**A: Why is product-centric approach to business dying out?**

R10: A product-centric approach focuses on products it brings to market rather than the customers who buy those products and as of the new technology most are concern on how they can get it easily. Creating experiences for your customers by your customers ensures you'll gain customer lifetime value and grow your brand.

**A: Are there any CX aspects related to bank industry specifically?**

R10: As we know, as the new technology goes by banks enhancing Products & Services with Mobile App Data is one of the major aspect for CX. In this digital age, banking has become easier and plays a crucial role. Online payments and authentication makes it easier for the customers to purchase or avail products or services from the business and internally, banking processes are also done.

**A: What is the business value in CX for banks?**

R10: It plays a significant role of a financial game changer. Loyalty brings money, period. We are putting our money on it. Digital banking, online purchasing, financial transactions has to be easy, smooth and secure – that will be loved, recommended – loyalty comes after.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R10: I think customer experience is one of the most important factors in driving any business. So i will score it a 9. Having a positive customer value ensures a thriving business, and expansion or growth. The customers dictates the value of the company and is a sure way to keep it secure.

**A: How to define a CX strategy?**

R10: Strategy is how you can play your business, with this unique way you can understand and let others know the importance of your own business. By combining a deep understanding of what a customer needs, behaviours, and

value with the ability to engage specific customers in the optimal way defines the sets as a framework for the business.

**A: Why do CX transformations fail?**

R10: Most of the time if your business don't have enough time cx transformations failed, because we need to have proper planning to implement it. You have to ensure that from the business side, you are hiring the right people with the right talent, mind-set, develop employee skills and train them accordingly.

**Interview 11 – Male, 28.**

**A: What is customer experience in your view?**

R11: Customer experience is the most valued aspect in creating a business, and maybe you will ask me why? Simply because how you can improve or develop your company if you don't have good customer experience with it. It serves as a valuable practice for any organization that wants to improve the overall experience of the people they serve or the products/services they offer.

**A: Why is it important?**

R11: It is important because it is you eye opener for improvement. Good customer experience will help you grow. By creating a rounded strategy to vastly improve not just the client experience but the employee experience as well results in growth of the business. Real time and a better understanding of customer interactions can be fine-tuned to increase business value.

**A: Why is product-centric approach to business dying out?**

R11: Due to current situation we all know that we cannot go out and promote our product personally where in in product centric approach you will be focusing with your product. Product-centric approach needs a behavioural change in the customer because it was not built from a user's perspective primarily. It is only one of the factors but not the most important one.

**A: Are there any CX aspects related to bank industry specifically?**

R11: Yes, it's no secret that personalization is important to banking customers. In this digital age, almost every transaction is online which exposes us to digital banking and solutions. The availability of banking solutions is crucial to the customer experience. It allows the customers to manage their accounts, and use various banking facilities from any part of the world.

**A: What is the business value in CX for banks?**

R11: The good customer experience is a good business prospective in growth. Having good customer business value will help it grow further. It allows a wider audience to such as minors, trustees, joint account holders, administrators and more to have access to the business in a click therefore increases the sales and marketing of the business.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R11: 10 – The customer is the key value behind driving the business to its growth or downfall. If you are able to strategize correctly and get the market/customer's needs, wants and preferences, it may lead to success and growth. The customers' feedback is the soul of the business and it will help in defining your next steps.

**A: How to define a CX strategy?**

R11: CX strategy is the process of defining, planning and documenting an organization-wide approach to improve customer experience, such that it helps meet business goals. Differentiation on customer strategy should be able to engage its customers emotionally resulting to loyalty to the brand. Making them feel connected to the supplier and the brand at every interaction with the company enhances the financial flow of the business.

**A: Why do CX transformations fail?**

R11: Often it fails due to we are not open for changes, and sometimes what we experience is different from one another. Having negative employees and

management also becomes a hindrance as they are the backbone of the company. If the point of view and actions of the customers are not met, the whole strategy fails as well.

**Interview 12 – Female, 20.**

**A: What is customer experience in your view?**

R12: Customer experience refers to how a customer feels while making purchases, which is influenced by different components such as the layout of the store, the amount of service they receive, and how easy it is to locate things. In my opinion, customers should be satisfied with services in order for the company to receive positive feedback and establish strong relationships with loyal customers.

**A: Why is it important?**

R12: A pleasant customer experience is critical to your company's success since a satisfied customer is more likely to become a loyal customer who can help you increase revenue. A consumer who is loyal to your business, promotes your business through word-of-mouth marketing, and advocates for your brand and product or service is the greatest marketing money can buy. As a result, a superior client experience is both a blessing and a point of differentiation among competitors. Customer loyalty is the effect of this. A favourable customer experience assures that the customer will have a lasting affiliation with the business and will spread positive word of mouth.

**A: Why is product-centric approach to business dying out?**

R12: The product-centric approach to business, in my opinion, is not dying out anytime soon. Perhaps it is just according to the product whether it will blossom or not. Some products thrive while others do not. It all relies on the method used to approach the product. As a result, it is not extinct, it all relies on the product and how you do business with it.

**A: Are there any CX aspects related to bank industry specifically?**

R12: Retail banking refers to a bank's section that deals directly with consumers, whereas corporate banking refers to the component of the banking industry that deals with businesses. With bank branches aplenty in most major cities, retail banking is the most visible face of banking to the general public. Corporate banking, on the other hand, works with businesses directly to provide loans, credit, savings accounts, and checking accounts that are tailored to the needs of businesses rather than people.

**A: What is the business value in CX for banks?**

R12: The more banks approach customer experience through the perspective of a reciprocal exchange of value, the better positioned they will be to delight customers while also competing. It's a tough balancing act, but my belief suggests that buyers are generally willing to pay a higher price if they receive a better experience in return.

**A: Please rank the business value of CX from 0 to 10, where 0 is 'there is no business value in CX' to 10 'CX is the key value behind driving the business'.**

R12: I give it a 10, because there are numerous benefits to driving a business, but the customer experience, in my opinion, is the most essential part. Investing in your customers' experience is a wise business decision since, aside from the fact that customers is one of the reason of your business to grow and succeed. With the customer who experience a very poor behaviour will make your business starting to fail.

**A: How to define a CX strategy?**

R12: A customer experience strategy is made up of the plans you put in place to create pleasant experiences at each customer touchpoint, as well as the metrics you use to track those experiences. Setting company-wide, customer-focused visions to match business outcomes to customer expectations is the first step in developing a winning customer experience strategy. Customer experience measurements backed up by feedback data may help you define

measurable goals, assess how excellent your customer experience is presently, and prioritize what actions should be made to get you there.

**A: Why do CX transformations fail?**

R12: Customers are still dissatisfied despite many organizations' significant efforts and investments in their customer experience initiatives over the last few years. Many programs fail to deliver despite the time, effort, and money invested in them. Some of the causes for the separation are that leaders aren't fully expressing the importance of customer experience to the company. No amount of money will be able to solve the problem and produce long-term outcomes if leaders and other staff do not recognize the value and relevance of customer experience.