

# CX and savings: How banking and insurance contact centers find their balance in an evolving environment

RESEARCH SHOWS HOW NEW GENAI, CHANNEL ORCHESTRATION, TEAM COLLABORATION AND TALENT STRATEGIES ARE IMPROVING SERVICE OUTCOMES

September 2024

In early 2023, a rapid series of US bank failures threatened to destabilize the entire financial services industry. Though the danger was ultimately contained for most banks, the banking sector faced fresh regulatory scrutiny and additional pressures to ensure financial stability.

Meantime, insurers struggled as consumers responded to inflationary pressures by reducing coverage and/or seeking new providers. For example, 41% of insured households shopped for new auto insurance policies in 2023 as they grappled with average premium increases of approximately 25% year over year.<sup>1</sup>

**Not surprisingly, efficiency and cost control have gained new urgency for financial services companies**, after more than a decade during which leaders were hyperfocused on improving customer experiences (CX). These and other insights revealed below are based on a Deloitte Digital-commissioned study conducted in March 2024, in which we engaged 600 global business leaders who are responsible for contact center strategy to understand their challenges, strategies and goals.<sup>2</sup>

Our research showed that contact center leaders in banking and insurance face challenges that go well beyond macroeconomic and societal conditions. Service channel proliferation, technology complexity and a persistently tight talent market<sup>3</sup> are forcing companies to do more with less. Time-pressed customers (and even employees) chat *and* call, challenging efforts to reduce or deflect contact volume. In-demand contact center service reps come and go, frustrating efforts to reduce hiring and training costs.

Across industries, today's most effective and efficient contact center organizations—we call them *service innovators*—are meeting new realities with tomorrow's solutions. They're orchestrating stronger and more seamless connections across channels. They're working with other areas of the business to improve self-service quality and adoption, and to prevent issues that cause customers<sup>4</sup> to reach out in the first place. They're embracing and implementing Generative AI (GenAI)—recognizing its transformative potential across multiple areas of the business. And most important, they're serving up enterprise value.

Their priorities, actions and results provide a blueprint for the future of service excellence for financial services companies.

## AS CONTACT CENTER LEADERS IN THE FINANCIAL SERVICES INDUSTRY PURSUE A MORE BALANCED STRATEGY ...

No. 1 Priority:

Improving **CX** **17%** | Improving **efficiency** **15%**

**MANY STRUGGLE TO ACHIEVE THEIR GOALS ...**

**55%** of strategic **goals were met** in 2023 (avg.)

**DUE TO CONTACT VOLUME, SERVICE COMPLEXITY AND HIGH SERVICE REP TURNOVER.**

**32%**

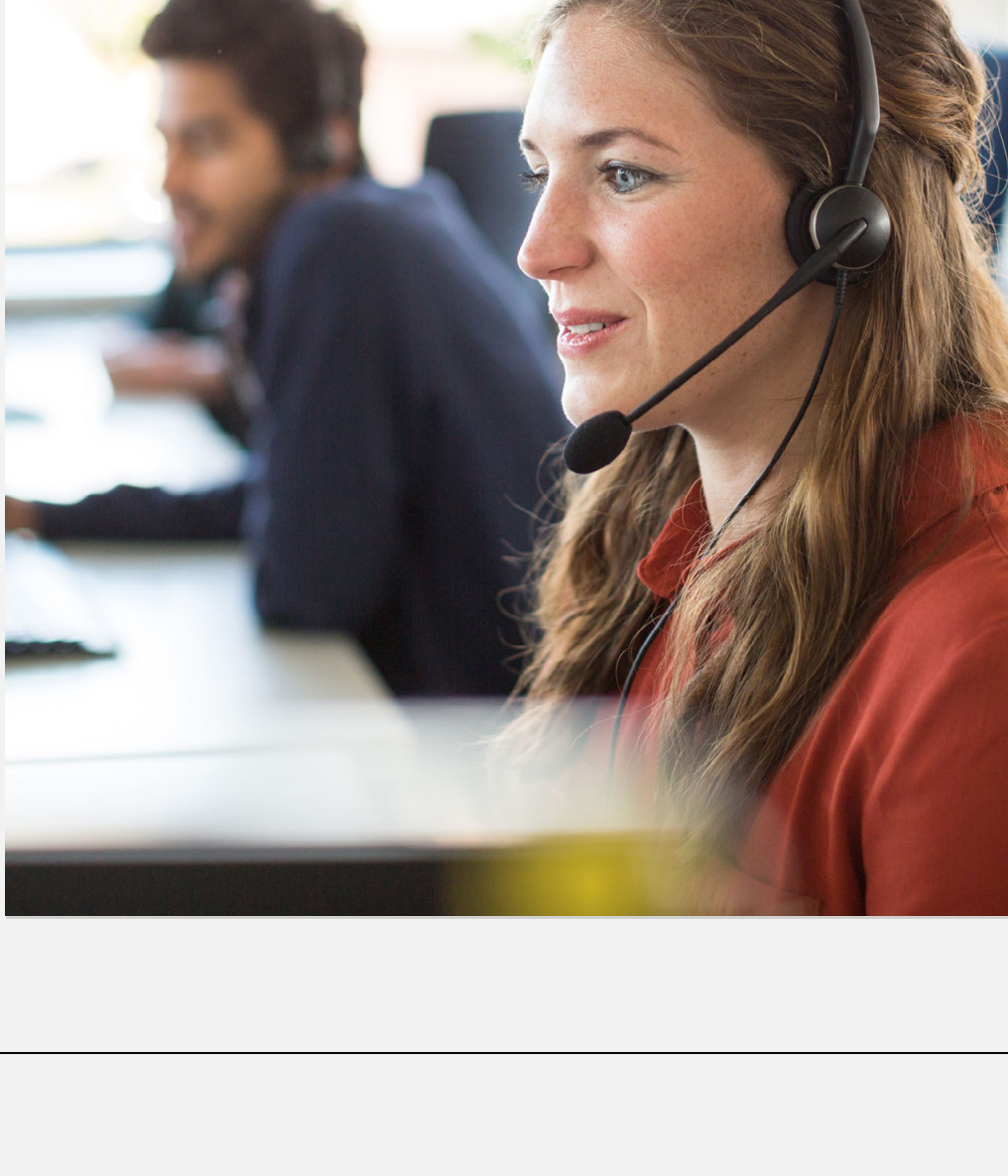
say channel expansion has **increased service inquiries**

**74%**

say **service reps are overwhelmed** by systems & information

**48%**

annual **service rep attrition** in 2023 (avg.)



## Service innovators meet the moment—and beat expectations

Not all service organizations are struggling. In fact, some are flourishing. Service innovators—organizations in financial services and beyond that have developed the most advanced capabilities in service delivery, quality assurance automation, personalization and employee retention—used their strengths to drive outsized performance against a range of key goals.

### COMPARED TO SERVICE ORGANIZATIONS WITH LESS-ADVANCED CAPABILITIES ...

● Service innovators ● Less-advanced organizations

**1.6x**  
**1x**

Service innovators achieved a significantly higher percentage of their **strategic goals** in 2023.

**4.6x**  
**1x**

Service innovators were much more likely to report **excellent customer satisfaction**.

**2.5x**  
**1x**

Service innovators were much more likely to report **excellent employee satisfaction**.

**11.7%**

Amount by which service innovators exceeded their 2023 **financial goals**—compared to 0.0% for those with less-advanced capabilities.

## HERE'S WHAT THEY'RE GETTING RIGHT

## Making the right connections

Over the past generation, financial services companies have moved to implement digital engagement models—shifting many functions that were once handled via traditional bank branches, local insurance agent offices and/or contact centers to app-based capabilities. The pandemic's social distancing restrictions, combined with a rapidly expanding array of channels, accelerated the trend.

But even as lower-cost channels and more intelligent technologies emerged, many customers have resisted due to poor experiences or unsatisfactory outcomes. In many cases, those frustrations have resulted in poor (or nonexistent) connections across product lines, channels and time. Customers who entrust their dollars and cents to a financial services company hardly want to feel like “just another number.” As a result, 32% of financial services respondents reported that adding new channels has simply resulted in an overall increase in customer inquiries—negating their efforts to reduce the number and/or length of calls handled by service reps.

Success isn't just defined by the *number* of efficient channels for customer service, but rather the *effectiveness* of those channels—individually and in tandem. New tools and approaches now make it possible for financial services companies to connect customer data, service history and experiences across channels—and to rapidly route customers to the channel best aligned with their needs in the moment using omnichannel integration tools.

To seize this opportunity, leaders should develop a defined strategy to improve cross-channel connections, drive customer adoption of self-service channels for low-complexity needs and help customers efficiently connect with service professionals at the moments that matter most.

**1 in 3**

financial services companies have **omnichannel integration tools**.

**ACROSS ALL INDUSTRIES, COMPANIES WITH THESE TOOLS HAVE ACHIEVED ...**

**9% lower cost**

per assisted contact.

## THE NEXT FRONTIER OF OMNICHANNEL ORCHESTRATION

Most financial services companies utilize a combination of technologies (including chat platforms, automated call distribution and/or customer relationship management systems) to route service inquiries to service reps. But those tools aren't optimized to connect customers with the right service rep quickly *across* channels; nor can they help balance the ever-shifting volume of incoming contacts on various rep-assigned channels.

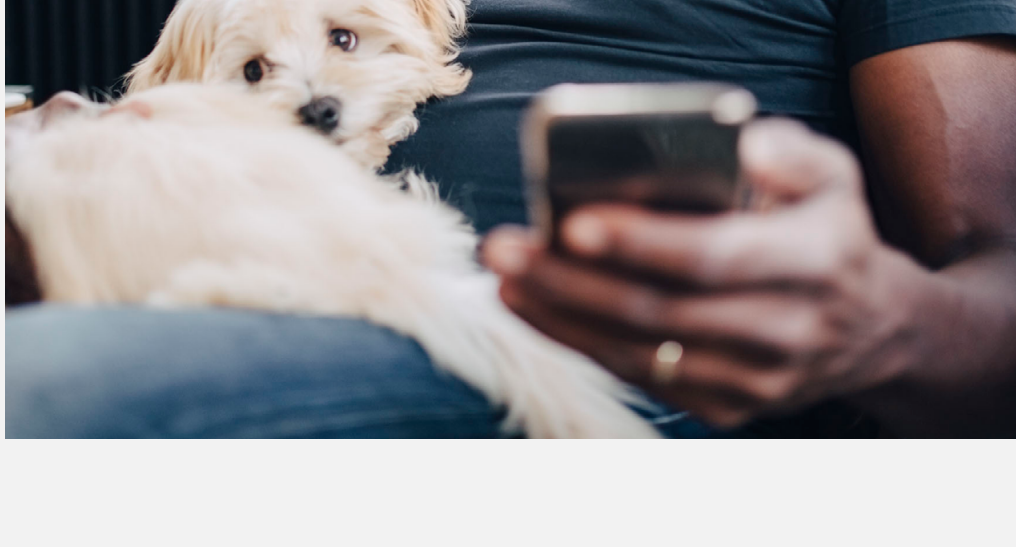
What's needed is a dedicated, omnichannel routing tool to connect customers to the right service rep quickly—regardless of channel. This is the next frontier of omnichannel orchestration—and a powerful tool for improving efficiency through increased service rep occupancy rates.

**26%** of financial services companies have implemented a dedicated **omnichannel routing engine**.

## From self-service to self-improvement

Customer service exists primarily to solve problems. Typically, those problems result from mistakes, oversights or miscommunications caused by other parts of the business—from sales and marketing to product design, documentation and delivery. To maintain and enhance customer trust, it is vital for contact centers to provide fast, easy solutions. To control costs, contact centers also need to provide reliable, accurate and easy-to-navigate self-service capabilities.

This has long been the nature of customer service, but that nature is evolving fast—particularly in the banking sector, where a high frequency of transactions and inquiries necessitate robust self-service capabilities and rapid root-cause improvements to avoid future service inquiries. By using insights gleaned through advanced analytics and by improving collaboration with website and mobile app teams, contact center leaders are working to improve self-service tools and resources—while also using those same insights to collaboratively improve product and service quality across the business.



### PERCENTAGE OF COMPANIES WITH A WELL-DEFINED, CROSS-FUNCTIONAL STRATEGY TO IMPROVE SELF-SERVICE:

**38%**

Banking & capital markets

**20%**

Insurance

**26%**

Average across all industries

**25%**

of financial services companies are **currently investing** in better self-service capabilities—with an additional 62% planning to invest by the end of 2025.

**2.7x**

Across all industries, service innovators are much more likely to be **investing in analytics and insights**, compared to organizations with less-advanced capabilities.

## Cultivating talent for the next era of customer service

As AI-powered self-service capabilities lighten service reps' burdens of providing tier-one (low-complexity) service, customer service roles increasingly demand advanced skills in listening and empathy, communication and collaboration, technological resourcefulness, and problem-solving. This is especially important as financial services companies transition from bricks-and-mortar to virtual service models to provide the advice and assurance consumers have historically sought from an agent / adviser.

That's why smart leaders are working to reimagine talent models in ways that help attract, train and *retain* the best available talent through improved career advancement opportunities and pathways, proactive engagement initiatives, and better compensation and incentive models.

### BANKS LEAD THE WAY IN SERVICE REP CAREER INVESTMENT

● Banking ● Insurance ● Average across all industries

**36%**

Investing in advancement opportunities

**22%**

**40%**

Investing in compensation opportunities

**16%**

**19%**

**TALENT INVESTMENTS PAY DIVIDENDS**

Across all industries, contact centers that invest in advancement opportunities for service reps report:

**1.8x** higher employee satisfaction

**15%** lower attrition

## Generating service efficiency through GenAI

According to Deloitte's Q2 2024 State of Generative AI in the Enterprise report, efficiency and productivity improvements are the No. 1 anticipated benefit of GenAI.<sup>5</sup> Few areas of the enterprise show more potential for these improvements than customer service.

Consider a typical customer support call. At the front end, GenAI-enabled tools can drive faster authentication for the customer while providing pre-interaction journey summarization to the service rep. During the call, GenAI can help summarize and simplify customer information and solution options. Post-call, GenAI can provide automated call summaries and follow-up recommendations. Similar benefits are possible across a range of channels and support technologies—and not just in isolation: GenAI solutions are already helping some banks and insurance companies create seamlessly connected experiences across the digital (self-service) and virtual (human-assisted) service divide.

Due to regulatory considerations, financial services companies have been slower to implement GenAI—but momentum is picking up this year and beyond.

● All industries ● Financial services

**15%** **10%**

Currently using GenAI

**26%** **32%**

Plan to use in 2024

**42%** **42%**

Plan to use in 2025

**17%** **15%**

Plan to use in 2026 or later

**1%** **0%**

No plans

## ACROSS INDUSTRIES, GENERATIVE AI'S EARLY ADOPTERS EXPERIENCE GREATER IMPACT THAN FUTURE ADOPTEES ANTICIPATE

**57%** have experienced **improved customer effort scores**. Just 35% of future adopters expect this benefit.

**56%** have experienced **higher service rep productivity**. Just 41% of future adopters expect this benefit.

**47%** have experienced **improved deflection to self-service**. Just 32% of future adopters expect this benefit.

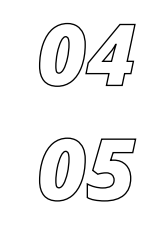
**46%** have experienced **improved service rep occupancy rates**. Just 31% of future adopters expect this benefit.

**81%** **vs.** **53%**

Across industries, companies currently using GenAI are **a third less likely to report service reps feeling overwhelmed** by the information in front of them during calls.

## Channeling new efficiencies, generating better outcomes

Today's service innovators are redefining the rules of efficiency by combining the transformational power of GenAI with best-fit channels and tools for every customer need. They're enabling greater service effectiveness by providing just-in-time, just-enough information to service reps. And they're rooting out and addressing the causes of common service issues in ways that preserve customer trust and prevent future costs.



**AS YOU WORK TO STRIKE THE RIGHT BALANCE FOR YOUR OWN BUSINESS, HERE ARE SOME QUESTIONS TO ASK YOURSELF.**

**01**

How are you making servicing easier and more effective for your customers *and* service reps?

**02**

How are you preparing for the workforce of the future?

**03**

How should you work with your business partners to identify and resolve the root causes of issues that drive low-value or high-volume service inquiries?

**04**

What is your plan to meet customers in their channels of choice while reducing the cost to serve?

**05**

Where will you start and/or go next on your GenAI journey?

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### ENDNOTES

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- The survey & methodology: Unless otherwise noted, statistics in this report are based on a blind survey conducted by Lawless Research on behalf of Deloitte Digital in March 2024. Respondents included 600 leaders (9% from the Financial Services Industry) responsible for contact center strategy at midsize and large business-to-consumer and business-to-business companies based in the United States, Australia, Canada, Japan and the United Kingdom. An organizational maturity model was developed that identified the most effective 25% of companies based on service delivery, quality assurance automation, personalization and employee attrition rate. In this document we refer to those high-maturity companies as “service innovators.” NOTE: Financial Services Industry-specific data in this document refers only to companies in the Insurance and Banking & Capital Markets sectors. Companies in the Investment Management and Real Estate sectors were not surveyed as part of this research.
- Manpower Group, “2024 Global Talent Shortage,” research fielded October 2023, [https://go.manpowergroup.com/hubs/Talent%20Shortage/Talent%20Shortage%202024/MPG\\_TS\\_2024\\_GLOBAL\\_Infographic.pdf](https://go.manpowergroup.com/hubs/Talent%20Shortage/Talent%20Shortage%202024/MPG_TS_2024_GLOBAL_Infographic.pdf). Accessed July 18, 2024.
- For the purposes of this document, “contact center” refers to both end customers / buyers as well as insurance agents who seek support from the customer center.
- Nitin Mittal, Costi Perricos, Kate Schmidt, Brenna Sniderman and David Jarvis, *Now decides next: Getting real about Generative AI*, April 29, 2024, p. 9, <https://www2.deloitte.com/us/en/pages/consulting/articles/state-of-generative-ai-enterprise.html>. Accessed July 18, 2024.

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