



nivo

Why Messaging is Essential for Customer Engagement

By Martin Hill-Wilson



About the Author

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Consumers Now Expect Nothing Less

A few years ago, the US research organisation Forrester perfectly captured the impact that smartphone ownership was having on consumer expectations. They summarised it as nothing less than "...a complete mind shift. As a result, consumers expect any desired information or service to be available, in context, at their precise moment of need".

Yet how many organisations have you engaged with in the last year able to match that? Still not many I'd bet.

There are a few examples in daily life that hint at how a digital lifestyle can and should work. Disrupters such as Amazon, Uber and Netflix feed our appetite for instant relevance. We simply want the rest of the world to catch up.

Of course, this is no longer a surprise to the corporate world. Executives visit Silicon Valley to seek inspiration. Even then the transition remains tough. Organisations have been grinding away at digital transformation for years. It takes deep pockets and stamina; often to make modest progress.

Meanwhile, new entrants arrive without the baggage of legacy systems and workflow. As a result, they can offer services that operate in the timescale of minutes rather than days. Consumer expectations grow with every encounter.

But is the ability to operate in real time the only challenge? Customer research says no. There are at least two other foundation expectations that must be woven into any new model of customer engagement.

85% of customers who apply for a financial services product end up dropping out.

The first is simplicity. The rise of 24x7, connected lifestyles has taken its toll. Our brains hurt more than they used to! Using scan technology, neuroscientists can pinpoint how pain receptors light up when things become too complex for us. It's called cognitive overload.

And people are increasingly conscious of the issue. A recent Ipsos Mori survey of 18,000 people across 23 countries revealed 54% of us now feel overwhelmed by daily choices. While 66% wish for a simpler life. Experian research shows 85% of customers who apply for a financial services product end up dropping out. It's all too hard.

It's worth noting that making things easy for customers is the single most effective strategy for improving net promoter scores according to customer experience expert, Dr. Anil V. Pillai of Buyer Brain.



Satisfaction is weakly correlated with loyalty

Unfortunately, customer journeys cannot be easily simplified while tasks within service journeys flip flop between online and offline workflows. A posted document simply takes more time and greater effort to process. Combine this with a typical call centre experience of queues, transfers, repetitive authentication and multiple progress checking calls and it is no wonder customers are desperate for a better way.

In contrast, a full digital version can be made instantly available and, with the right UX skills, designed to be a low effort engagement experience. The other foundation expectation that matters to us as consumers is access to live assistance. Even though we increasingly enjoy the benefits of greater automation, more proactive service and smarter conversational AI, people still expect brands to offer access to the human touch.

Indeed, the very heart of customer experience is a recognition that our loyalty towards brands is based on how they make us feel. Positive emotions draw us towards brands. Negative ones repel us. The basis of an effective omnichannel service strategy is to recognize when situations become emotional, complex or matter to the brand-customer relationship. In those moments, customers expect live assistance to be close and ready to fix things.

More than a quarter of UK customers chose to take their business elsewhere due to bad customer service at a cost of over £37 billion to those brands who failed to take adequate care.

Leaving any service experience in a negative state is dangerous. The consequences are often commercially damaging when patience and loyalty runs out. According to the Ombudsman's Consumer Action Monitor 2017, more than a quarter of UK customers chose to take their business elsewhere due to bad customer service at a cost of over £37 billion to those brands who failed to take adequate care. In a world of rising expectations, it is very unlikely that customer behaviour has become more forgiving since then.

In summary, customers want real time, low effort engagement in what is a mobile first world for all but the oldest generation(s). However digital workflows must not cut off customers from access to live assistance as and when needed. Given that brief what bubbles up as potential solutions?

Why Not All Text Channels Are Equal

At first glance, it might seem that the obvious candidate is generic messaging given the massive popularity it already enjoys. In the UK, our love for messaging comes in the form of Facebook Messenger or WhatsApp.

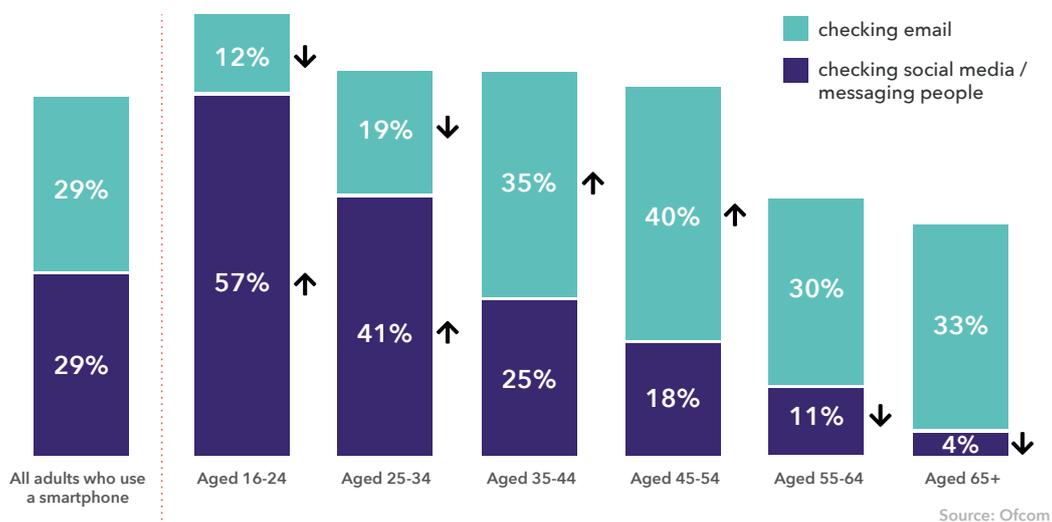
Elsewhere, it is the overwhelming channel of choice throughout South East Asia and many parts of Africa. In contrast, UK organisations have yet to scale their own use of messaging to match their customers' enthusiasm. Current momentum belongs to web chat. Some brands might argue this satisfies the need for text interaction and so they already have something that works.

Of course, every channel has its own strengths and weaknesses. Which one comes out on top depends on customer scenarios. As a rule of thumb, webchat as the name implies, is more typically hosted on specific web pages whereas messaging is delivered as an app and is therefore a native part of the smartphone experience.

Another key advantage is that messaging is asynchronous. Whereas a chat session will always terminate, messaging interactions can stretch over time. This can be an added point of flexibility for customers if they need to suddenly prioritise something else and want to return to whatever they were doing later. This allows organisations to become available to their customers 24x7 with a permanent shared interaction history for reference.

If you select the 'best' text channel by popularity, then global messaging volumes have already overtaken SMS volumes for the last few years. However, the one that remains most popular by volume is still email.

Activity smartphone users say they would miss using their phone for, by age



It remains the preferred channel for internal users in most organisations. It even remains a favourite for digital marketers based on campaign effectiveness. However, for customers, it's entirely generational whether email or messaging comes out on top as the OFCOM research shows.

Nonetheless, there one profoundly important reason why organisations should stop using email and SMS. Neither can be trusted as secure channels. They have become easy touchpoints in fraudsters' game plans for identity theft and cross channel fraud. UK fraud losses totalled £844.8 million in 2018, an increase of 16% compared to 2017 according to data collated from UK Finance members.

Here are two examples of how both channels can be compromised.

Many of the messages used for proactive customer communication are automated, triggered by an enterprise workflow. These are called 'Application to Person' or (A2P) messages. Fraudsters can now mimic those A2P messages if there is a weakness in the mobile carrier's network.

They use specialist software which alters the sender ID on the message to become the same SMS ID that the brand uses. The software is smart enough that the phishing text can even become included within an existing message thread on the customer's phone for additional credibility about the sender's identity. In other scenarios, SMS take over is as simple as convincing a telephone operator to port a number.

What about email? There is nothing new about spam. But fraudsters are smart and understand how to manipulate employees. It is why the so called 'CEO email' scam still works. Here's the scenario. As part of the finance team you are instructed to send funds for a secret corporate activity such as a takeover. You don't pause to think. Social engineering exploits the fact that people often make unwise decisions under pressure. In 2015, the single largest amount handed over as a result of this scam was £18.5m according to City of London Police's national fraud intelligence bureau.

As a final point on email, the pandemic we still suffer around data breaches means fraudsters can easily purchase partial or complete consumer profiles from the dark web or private Facebook groups of which an email address is the most element in a purchased profile.

In summary, SMS and email are not safe ways to engage customers transactionally. It can lead to negative brand consequences. For instance, 40% of customers affected by fraud will blame the brand according to Pindrop's 2019 Voice Intelligence Report. A year earlier, research from PCI Pal found 41% of British consumers said they would stop spending with a business forever once trust is lost.

The lesson here is that in a world of fake news and rigged elections, consumer trust has become a mainstream strategic issue for brand loyalty.

So, having dismissed SMS and email for transactional customer engagement, is messaging the way to go? Facebook Messenger and WhatsApp certainly meet the criteria of 'being where your customer are'.

Unfortunately, they are not ideal for customer engagement. Here are some the issues to be aware of:

- Users typically set up these accounts using an email or SMS account. We have just shown how easy these are to hack and therefore take over this type of messaging account
- Some industries are regulated e.g. the Financial Conduct Authority (FCA) who enforce audit/archive responsibilities around data and communications that WhatsApp cannot provide.
- WhatsApp might be 'end to end encrypted' but the automated back-ups in the cloud are not. Nor are exported chats. So, any corporate information or discussions are far from secure
- It is against WhatsApp's terms of use: "You will not use (or assist others in using) our Services in ways that: (f) involve any non-personal use of our Services" This provides them with some defense against regulators if customer data or transactions are then compromised
- It is 100% clear that WhatsApp is GDPR-compliant. Here's a [legal perspective](#)

What's needed is a secure version of messaging that also remains low effort from the user perspective. It's also an understood business need. For instance 75% of businesses want advanced authentication and security measures that have little or no impact on the digital customer experience according to Experian's 2018 Global Fraud and Identity Report.

Exploring Nivo

All of which brings us to the reason I'm writing this. As you might imagine Nivo is a secure instant messaging solution.

It has been brought to market by a group of senior Barclays Directors. Their experience and banking mindset mean the platform has been built to the gold standards expected within that industry. For instance, the platform is routinely subjected to independent robust testing to ensure it remains safe.

Such solutions are typically the product of deep investment. The appeal of Nivo is that it is a ready to deploy solution with zero technical integration or upfront cost. Maybe more importantly end customers love it. NPS is currently peaking above 90.

It is ideal for all types of transactional journeys that need to be secure. For instance, onboarding new customers, offering loans, managing claims etc. As such this means banks, lenders, insurance firms, utilities, telecoms and healthcare providers have been early adopters.

So far, Nivo has enabled more than £20m of loans to be written by financial services organisations using its platform and has engaged with over 30,000 consumers. Interest is now spreading beyond this sector into ones with similar needs for secure customer engagement such as conveyancing, accountancy and recruitment.

All the sectors just mentioned are people businesses which means personalisation matters. However, the use of customer data must be carefully used. To that end, Nivo keeps customer data secure and easy to audit from a GDPR perspective.

Looking under the bonnet, Nivo is built as an internet enabled network which allows trusted and secure communications between individuals and their service providers. This is enabled on one side by Nivo vetting service providers to ensure they are who they claim to be. End customer are authenticated within the Nivo app as part of the on-boarding process.

Let's now talk about the experience of using Nivo. The first piece of good news is that it is a simple, rapid process to get Nivo up and running. First you will probably want to delve into the way that Nivo meets banking level standards of security and compliance for your own internal due diligence. It's an impressive story.

Once that is ticked off and you are signed up, you are ready to go. There is no technology integration needed. It's instant browser access to the workflow and reporting dashboards. The first month is free. After that it's a monthly or annual subscription.

No doubt you will want to get your sales or service team up to speed with using the system. The so called Nivo Hub allows advisors to message, share documents and request ID&V checks with their customers.

Familiarising the team with the new desktop is probably best done after some thought and redesign of the customer journey(s) you intend to start with. Remember, the main impact this is going to have on both your internal teams and end customers is the move into real time responsiveness. Moving from processes that took six weeks to just fifteen minutes is both a joy and a culture shock!

This is a rare digital transformation opportunity that does not take years to bring about. It's a big deal as well. The ability to deliver low effort customer journeys in real time. So, make the most of the opportunity to add some competitive differentiation back into your service proposition.

As Jim Winchcombe of Freedom Finance put it -



“With Nivo, we were able to talk to a customer, deliver documents, have them signed and returned within minutes. It’s revolutionised the speed in which we can process a loan.”

As mentioned, it's worth exploring with your team what the new work pattern is going to be, what needs to change in daily routines and how to fully optimise the benefits. In practice, I suggest starting with a few trials using your most experienced advisors and let people watch, learn and then discuss. It won't take them long to convert to this new way of working.

If you work with an agile methodology, you can iterate the new customer journey(s) as a series of sprints. This might involve linking into front end webforms. Or embedding deep links into promotional campaigns plus any other ways of signposting to help your end customers access your new Nivo powered service.

Once you are up and running, there are two outcomes that matter for your end customers. Getting them onboarded and completing the transaction. Let's now review those.

Onboarding

Every organisation will have its own prospecting workflow using a variety of channels to promote and engage. At some point, it becomes time to do business. This is the point at which end customers are invited to download the Nivo app from the appropriate store. Deep links can be offered via email, website or SMS to take them straight to the right app download.

Once they have opened the app, they are ready to be onboarded which begins with an authentication process. Organisations can choose whatever mix of multi factor authentication they already use in other channels such their contact centre. However, the one Nivo has designed using Onfido is optimised for mobile customers. Its simple and smart.



The customer uses their smartphone to provide an image of an official document with an ID picture such as their drivers licence. This is tested for being genuine or fake.

The next stage is to compare the ID photo against the customer to confirm facial similarity. A final headshot is also required to confirm the real customer is actually present.

The process completes with their smartphone being registered via the mobile number and the activation of a personal PIN for future authentication.



As a result, users benefit from persistent ID across sessions. Service providers benefit in that all subsequent interactions over Nivo are logged and auditable against authenticated individuals.

Making this process quick and simple really matters. According to Experian "online journeys typically lose 35% of users because they can't identify the customer, and a further 35% give up at some point because it's just too difficult."

Incidentally, financial services brands enjoy additional benefits from this approach since it enables know-your-customer (KYC) identity and anti-money laundering (AML) fraud checks at the same time.

Transacting

By this point, Nivo has enabled a secure environment in which you can conduct an entire transactional journey.

There are bound to be documents involved. These can sent, reviewed and approved with an e-signature within a single digital workflow.



If the nature of the transaction is some form of loan that requires information to assess customer suitability, then the open banking framework can be invoked.

This allows customers to grant service providers permission to review their financial records. Or if preferred, they can upload a bank statement or a photo depending on what works in a given customer situation.

The overall impact is powerful. Here is how Sheenagh Young from South Manchester Credit Union puts it -

“It’s friendly, interactive and much more flexible. So, people can do it from the comfort of their home. It has brought us something different - a new way of communicating. It’s fresh and innovative”



In Conclusion

Nivo is a solution that fits the needs of the time.

Messaging has enjoyed huge popularity across most generations as we have adopted mobile first, digital lifestyles. Unfortunately the platforms that have brought the use of messaging into popular culture are also the least qualified to provide secure and trusted engagement between organisations and their customers.

The root of the issue is the potential for fraud. However fraud is not confined to the single modality of messaging. It applies to any unsecured text or voice channel. In fact fraudsters deliberately use cross channel behaviour to disguise their tracks.

In response, organisations face constant challenges staying secure and maintaining customer trust. There are a couple of compelling reasons. Avoiding reputational damage and the level of regulatory fines that GDPR (General Data Protection Regulation) has introduced. Notwithstanding of course other regulatory standards that have to be met such as KYC (Know Your Customer) and AML (Anti Money Laundering). After all the acronyms, the challenge is make things secure without adding to customer effort and frightening them off. No easy task.

I'm no fan of claiming one channel is better than another purely for reasons of cost or latest fashion. So I'm not about to validate a messaging solution as being better for those types of reason.

What is true though is that by containing transactional customer journeys within a unified, secure digital domain, Nivo has pulled off a massively important win-win. It's fast and low effort for customers. Impressively so in comparison with previous versions.

The benefit for organisations is a total reinvention of how they deliver online transactions without the cost and trauma of in-house development. There are big ticks for employee productivity and process efficiency. It all adds up to a startlingly improved ROI and CX.

Nivo have chosen easy to use technology. It is also best of breed. From the use of a range of AWS services to mobile verification and e-signatures. It strikes the right balance between security against low effort customer experience. There are multiple options for tightening or relaxing security according your own policies.

Provisioning is fast. You can get going within minutes.

Customised form building, workflow and basic bot building are easy to produce and mobile optimised. It goes without saying that any form of automation requires careful design and expert input to ensure the user experience is enhanced.

Integrating Nivo into back end systems is API based. Adding it into your own app or UI is SDK based.



The image shows a web-based form titled "Loan Application". It contains several sections: "Name" with a text input field, "Email" with a text input field, "What is the loan for?" with a text input field, "How much money do you need (£)?" with a number input field, "When do you need the loan for?" with a date input field, and "Current address" with a text input field. Each section has a small icon to its left.



The platform has plenty of exciting innovation and promises much more. Open banking expedites financial profiling to speed up decisions making. There is more to come for customers happy to grant permission for services like Nivo. The trust enabled behind the authentication process opens up the ability of frictionless handovers between service providers. Think of the handoff between a broker and a recommended lender for instance. Something customers will surely retain as a positive emotional memory.

Nivo should be congratulated for allowing organisations to make an instant, low cost step change in how they transact with their customers. Everyone stands to benefit as Natalie McQuade from NHS Credit Union explains -

“It has given us the chance to build relationships with members. It has also made things slicker, smoother and quicker within the office for the sales team and doubled full membership conversion rates from 35% to 65%”.



My closing thought is simply this. In terms of surprising end customers, I recommend you get on board soon before this style of digital engagement becomes commonplace. There is currently no better way.



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