



**Mastering Empathetic  
Communication:**  
Leveraging Technology  
& Anticipating Future  
Trends

# Today's Session

## Learning objectives for today's session:

- **Adapt to Evolving Preferences:** Learn about shifting member preferences and how to implement an adaptive communication approach aligned with changing expectations.
- **Strike the Empathy-Efficiency Balance:** Explore strategies to attain performance objectives while fostering meaningful member relationships.
- **Capitalize on Digital Outreach:** Discover the power of digital contact. Learn how to leverage these channels to engage with members and provide seamless, user-friendly interactions.
- **Envision Tomorrow's Member Experience:** Peer into the future with emerging technologies like AI. Consider the pros and cons, and the impact on the member experience.

# Hi!

Michael Pupil

Vice President, Sales

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# The evolution of the banking experience

In-Branch Only



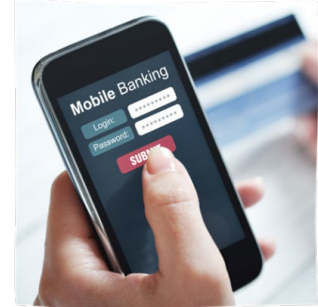
Call-Center



Website (online banking)

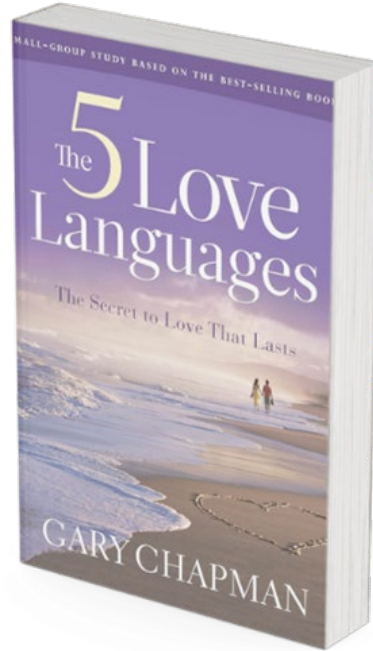
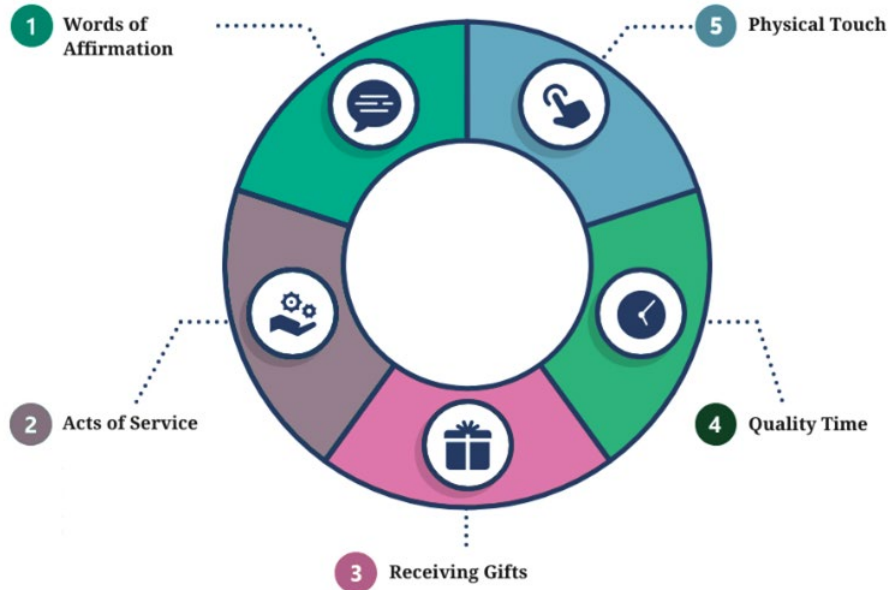


Mobile App



# Communication is the Key to a Healthy Relationship

## The 5 Love Languages



# Traditional Banking vs Digital Banking

## Traditional Banking

65% of consumers use traditional banks for for their primary bank account

Of the 65% using traditional banks, 77% said that they keep some of their funds elsewhere

66% using traditional financial institutions reported being satisfied

## Digital Banking

27% use an online-only bank and 88% reported being satisfied!

60% of consumers say they are very or somewhat interested in using a digital bank in the next year

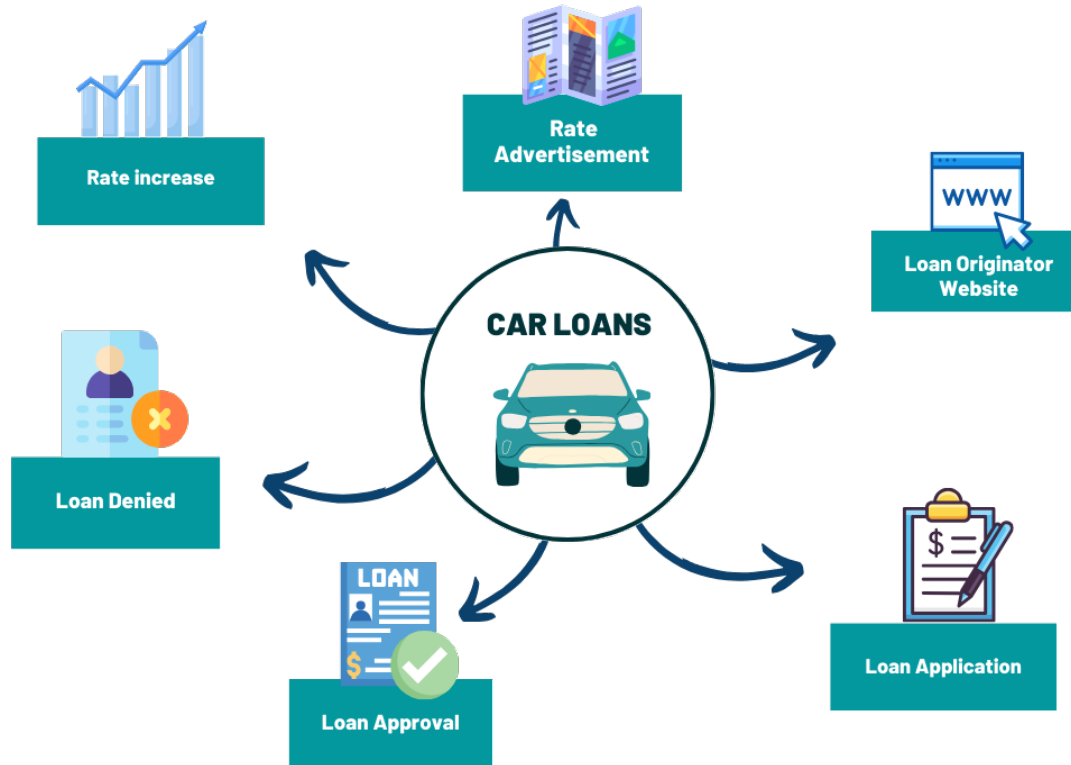
The generation most interested in digital banking is **millennials** (79.3%) and **baby boomers** (33.8%)

# Mobile Banking Activities

	Gen Z	Millennial	Gen X	Baby Boomer	Senior
Check Accounts Balance	90%	92%	92%	89%	85%
Transfer Between Accounts	63%	65%	60%	51%	47%
Pay a Bill	48%	62%	56%	58%	53%
View Statement	42%	47%	51%	54%	52%
Deposit a Check	37%	42%	44%	46%	39%
Send Money to Another Person	43%	44%	31%	23%	22%
Pay for a Product	30%	30%	19%	10%	7%



# The Member Loan Origination Experience



# Common reasons for low NPS and MSAT scores



How would you rate your experience?



**NET PROMOTER SCORE** =  $\frac{\text{Promoters}}{\text{Total}} - \frac{\text{Detractors}}{\text{Total}}$

PROMOTERS - DETRACTORS

LEXOP

**CUSTOMER SATISFACTION SCORE** =  $\frac{\text{Number of satisfied customers (ratings of 4 and 5)}}{\text{Total number of responses}} \times 100$

LEXOP



# Know your customer (KYC) risk rating

KYC risk rating plays a crucial role in enhancing member satisfaction.

- Ensures accurate identification of members
- Provides a better understanding of members' risk profile for tailored services
- Includes security measures to protect accounts and data
- Meets regulatory requirements to instill trust

## Key Components of Know Your Customer (KYC)

- > Customer Identification
- > Customer Due Diligence (CDD)
- > Enhanced Due Diligence (EDD) for High-Risk Customers



# The drivers of member satisfaction and loyalty

Service Quality



Trust



Convenience



Reputation



# The Empathy-Efficiency Balance

# Designing an empathetic process



## Assessment

Assess each member's unique financial situation.



## Communication

Communicate with members regularly and with empathy, building trust and rapport.



## Options

Provide members with options that suit their individual needs and financial situations, allowing them to take control.



## Adaptation

Adapt your approach as needed to ensure you're meeting members where they are at and supporting them throughout their journey

# Why empathy matters



## Decreased Stress

By approaching members with empathy, we can alleviate some of the stress associated with debt and build trust that can lead to mutually beneficial outcomes.



## Improved Member Satisfaction

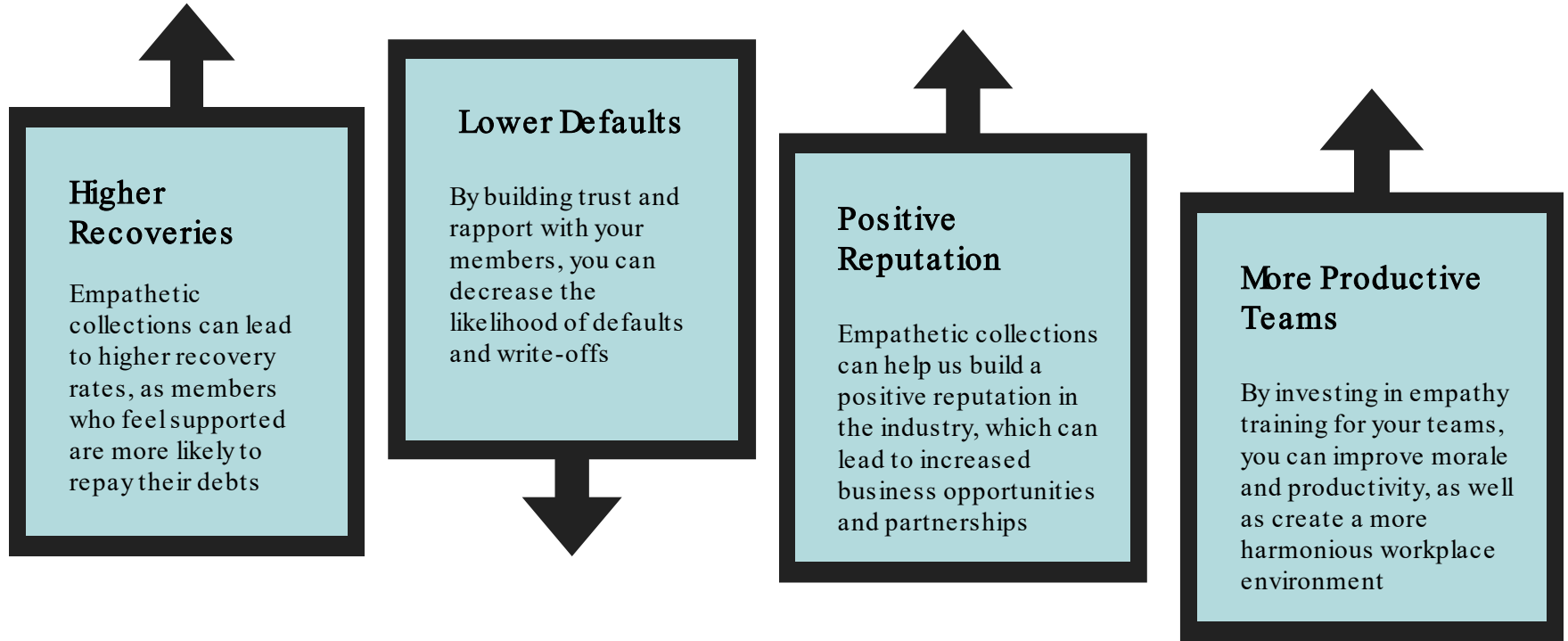
Empathy helps us understand our members' unique situations, allowing us to create tailored solutions that meet their individual needs.



## Increased Member Loyalty

When we treat our members with empathy and respect, they are more likely to remain loyal to our brand, even after repaying their debt.

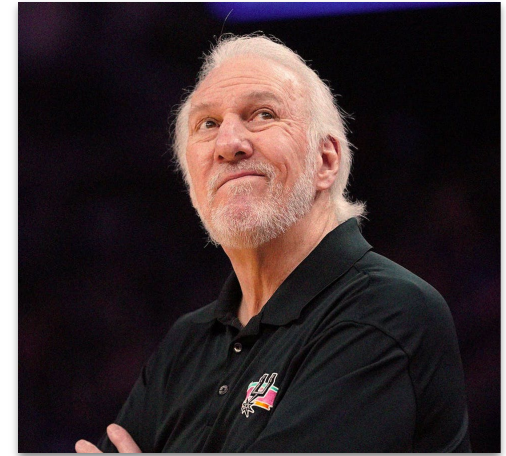
# The Benefits of an Empathetic Approach



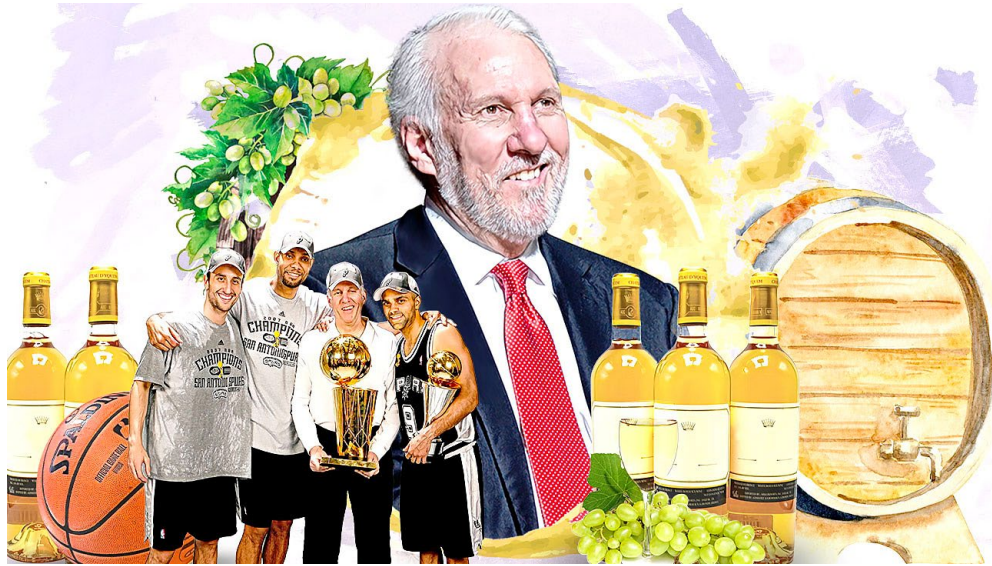
# Don't forget about your team!

5 X 

0.642%



## Olympic Gold!



LEXOP



# Capitalizing on Digital Outreach



# We need to talk!



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**Meeting your  
customers in the  
Metaverse**

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**Improving  
customer loyalty  
with NFTs**

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**Using AI to  
streamline customer  
experience**

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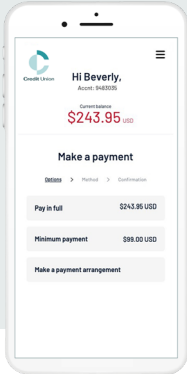
**Wearables and  
Banking: An ideal  
partnership?**

**But then.....**

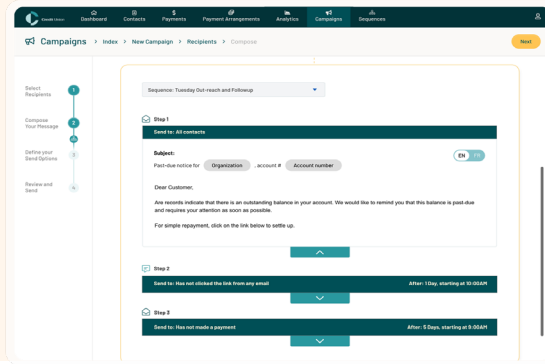


# How to Improve Member Satisfaction Scores

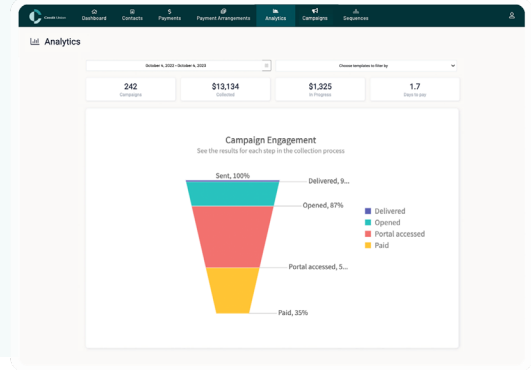
Invest in user-friendly digital tools



Implement proactive communication strategies



Leverage data and analytics

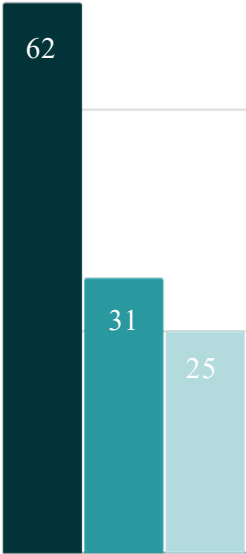


# Credit Card Debt Hits a Record \$1 Trillion!

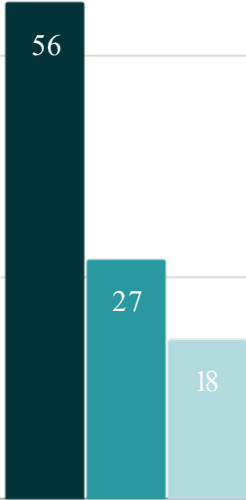
Preferred channels of contact, ranked by % of respondents\*

Payments made on last contact, %

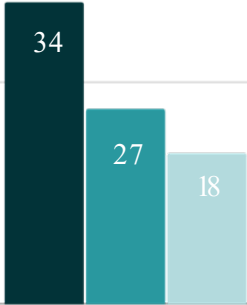
Low balance<sup>2</sup>, low risk<sup>3</sup>



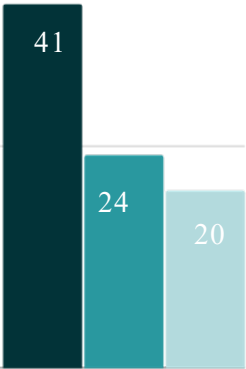
Low balance, high risk



High balance, low risk



High balance, high risk



IN=434 survey respondents. Analysis excludes respondents under 30 days delinquent.

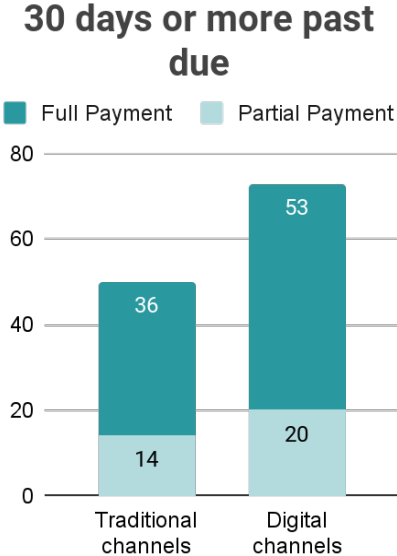
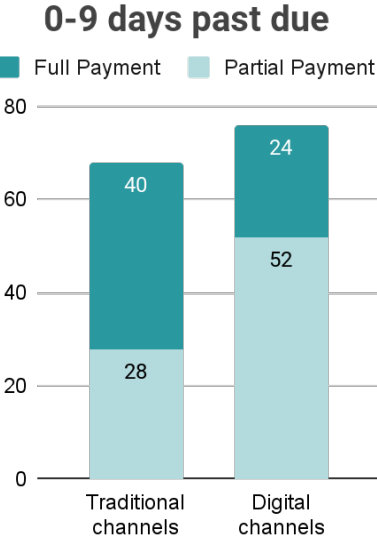
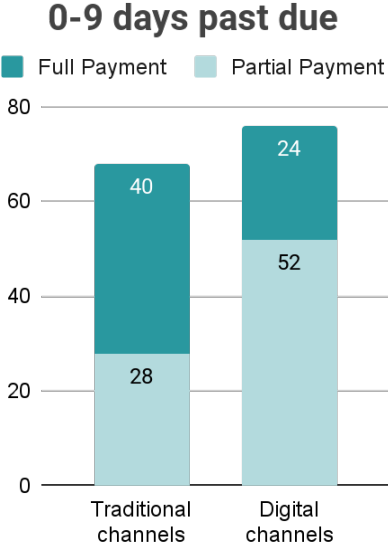
<sup>2</sup>Balance criteria: low <=\$1,000, high >\$1,000.

<sup>3</sup>Risk criteria: low, FICO>620; high, FICO<620.

# Traditional Channels vs Digital Channels

Contacting members through preferred digital channels improves effectiveness most significantly in the 30-plus days past-due segment.

Payments made on last contact, %



# Tomorrow's Member Experience

# What's next for the banking experience?

In-Branch Only



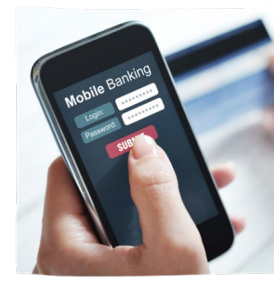
Call-Center



Website (online banking)



Mobile App



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# AI applications

## Text Messaging

AI-powered chatbots can communicate with members via text message, providing personalized and timely reminders about payments and due dates.

## Email

AI can analyze borrower data to create personalized email campaigns that target specific member segments.

## Voice

AI-powered voice assistants can interact with members over the phone, providing automated payment reminders and answering borrower questions.





# Data is key! ... or is it?



## MEMBER A

- ✓ Male
- ✓ Born in 1948
- ✓ Raised in the UK
- ✓ Married twice
- ✓ Lives in a castle
- ✓ Wealthy and famous



## MEMBER B

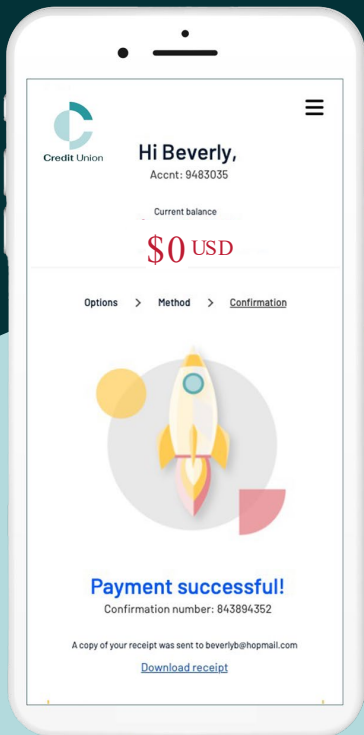
- ✓ Male
- ✓ Born in 1948
- ✓ Raised in the UK
- ✓ Married twice
- ✓ Lives in a castle
- ✓ Wealthy and famous



# Adapting to Evolving Preferences



scan me to read the report



# Thank you

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