

HOW CAN TECHNOLOGY IGNITE CLIENT CONVERSATIONS?



EXECUTIVE SUMMARY

One of the biggest challenges facing financial advisers today, comes from client expectations.

Clients today will often compare the service they receive from their adviser to the service they might receive from other, more technology driven companies, even those outside of the financial services sector.

It's unlikely that many advisers will have the resources of Amazon or Netflix to invest in providing a unique digital experience, but by making smart choices when it comes to technology, advisers can shine a light on new and easier ways for themselves to deliver an enhanced customer experience.

This white paper investigates the various ways advisers can use technology to ignite the advice process by improving their proposition, driving a positive customer experience and ultimately building stronger client relationships.

KEY FINDINGS

CUSTOMER EXPECTATIONS ARE CHANGING

Technology is integral to everyone's lives. As a result, consumers expect different things from the service they receive, such as real-time information, personalised products and a greater degree of choice. This creates opportunities for advisers to adapt their processes and provide a more holistic service.

THE ADVISER BENEFITS OF EMBEDDING TECHNOLOGY

Embracing technology has many benefits, including increased speed and efficiency, delivery on best practice, more competitive solutions and more time to invest in developing stronger client relationships.

THE CHALLENGES OF TECHNOLOGY

Technology can pose a number of challenges for advisers, such as how to choose the most appropriate business solutions, how to integrate technology with human processes and how to keep pace with high-tech, online competition.

A MORE CREATIVE APPROACH TO CLIENT RELATIONSHIPS

If advisers want to incorporate smart technology to their business, there are some key areas to consider.





Whether it's ordering the weekly shopping, downloading the latest music or planning a summer holiday, technology is having a growing influence on the way we organise our lives and what we expect from the businesses we transact with.

Financial advice is no exception. While face to face advice and human interaction remains a fundamental asset for advisers, the amount of technology that sits behind these meetings is growing, helping advisers find the information they need, when they need it.

PERSONALISATION IS KEY

Personalisation now plays a huge part in purchase decisions. Technology enables the design and distribution of bespoke products, so why should clients settle for a product or service that doesn't specifically cater to their requirements?

Good use of personalisation comes from clever use of the customer data you already have to provide a tailored experience for that client. Even at a basic level, using technology to track small details such as their home insurance renewal date and following up ahead of that date to see if there's anything they can help with. It's these little details can keep the client reassured that their individual needs are being taken care of.

CUSTOMERS EXPECT IT ALL

As well as helping to personalise the service offered, technology is giving advisers an opportunity to widen the net and move on from being 'product specialists' to 'end-to-end service providers'. And by adopting a more holistic approach to business, there's a good chance they will boost their revenues along the way.

In a recent PaymentsShield survey, 75% of mortgage advisers said that more of their clients are looking for an end-to-end service. Typically, this might involve taking care of everything from the loan itself to additional products like life insurance, critical illness cover, mortgage payment

protection and home insurance. But in practical terms, it's also about having easy access to information, faster turnaround times and one point of contact.

Fortunately, there are plenty of innovative tools out there that can help speed up the administration side of things, providing more time to actually talk to the client and service a much fuller range of financial needs. From quoting systems and research databases to product filters and automated renewal platforms, advisers just need to seek out the technology that's best for their business.

MORE CHOICE WHEN IT COMES TO COMMUNICATION

One of the more revealing changes over the last few years has been the growth in communication channels. Rather than being restricted to telephone and face-to-face meetings, or even texts and emails, advisers now have the option of Twitter, Facebook and countless other social media platforms to choose from. As Dave Sims of McGirls Money Management points out, this means that "advisers are now available and contactable one way or another 24 hours a day, 7 days a week."

It's clear that social media makes communication faster, friendlier and more relevant for consumers. Any time they need assistance, clients can reach for their phones to text, tweet, or use any other appropriate app to get in touch with their financial adviser. And instead of booking a formal appointment to get answers to their questions, consumers can just send a message and wait for an appropriate response to point them in the right direction.

Did you know

- 93% of companies see an uplift in conversion rates from personalisation
- 59% of consumers who experienced personalisation say that it significantly influenced what they purchased

<https://www.pure360.com/40-ecommerce-statistics/>

This may however require a little more flexibility from advisers in terms of availability and setting up accounts, but social media is a great way to build strong working relationships and stay front-of-mind with clients. It also provides a useful window for posting comments, reading reviews and passing on adviser recommendations.

Did you know?

- Two-thirds of consumers expect a same day response to queries about a product or service (A Marketer's Paradox of Strategy VS Practice)¹
- 85% of customers start a purchase on one device and finish it on another (Google)¹
- 57% of mobile customers will abandon your site if they have to wait 3 seconds for a page to load (Google)¹
- 52% of people say they're less likely to re-engage with a brand following a bad mobile experience (Google)¹

¹<https://www.pure360.com/40-ecommerce-statistics/>



BENEFITS OF TECHNOLOGY: IGNITING NEW METHODS OF BUILDING CLIENT RELATIONSHIPS



While we build our insurance products based on what's right for the customer, it's our clever use of technology that often appeals to advisers.

James Watson at Paymentsshield, explains how innovation and technology have always been an important part of their proposition.



Did you know

85% of advisers believe a smooth quote journey would encourage them to sell more home insurance.

Paymentshield survey August 2019

“The fact that we work with a panel of well-known insurers also means that advisers get a list of like-for-like quotes without having to do the research themselves. They can then propose options based on either price or brand familiarity. Obviously, everyone has their own way of working, but these details matter when you only have a few minutes with your client. Access to the right technology can be the difference between advisers quoting on home insurance or just focusing on mortgages,” James enthuses.

Home insurance is only one example, but the same can be said for most other financial services products. In reality, advisers rarely have the time to review and research every option available, so it makes sense to work with partners who can provide them with the products and technology they need to support their clients.

INCREASED SPEED AND EFFICIENCY

Regardless of what products are being sold, the benefits of technology aren't lost on advisers who are looking to speed up their processes and cut down on

their administration time. Quick quote apps, CRM systems and self-service websites are just some of the tools that have become commonplace in today's markets. Plus, access to real-time data is much easier to come by, which means that advisers are better placed to deliver a quick and efficient service with less input from their clients.

Having said that, there are still parts of the industry that are far from perfect. Nick Leith is a financial adviser with Kings Group in Cambridgeshire and sees the overall speed of transactions as one of the biggest challenges to his mortgage business, with many first-time mortgages averaging over three months to complete. This is often down to the lengthy conveyancing process, but there are steps that financial services providers can take along the way to improve the experience for advisers and their clients. “Further automation would be beneficial”, he admits. “Reducing the time taken per case would be really helpful and an app-based system would also be great for advisers in the field.”

With a growing number of advisers visiting clients rather than the other way around, his point about mobile

technology is certainly worth a thought. The more access advisers have to real-time information, options and instant decisions, the easier it is for them to engage with clients and deliver a first-class service that is tailored to their client's requirements, wherever they choose to meet.

DELIVERY ON BEST PRACTICE

Paymentshield recently asked a number of mortgage advisers about the importance of including insurance and protection products in the mortgage conversation. 97% agreed that it is best practice to discuss General Insurance (GI) with their clients, while 70% confirmed that they give GI equal priority with other products.

Although this suggests that most advisers feel they have a responsibility to protect their clients through every stage of the mortgage process, it's sometimes easier

said than done. In order to find time for products like home insurance, financial protection and personal liability cover, advisers need user-friendly systems that can cut through the clutter and help them make recommendations quickly and efficiently.

This is where providers like PaymentsShield add value. Supported by their online systems, they can make the GI process both quick and simple and are always happy to help advisers get started. Plus, once they're up and running, advisers rarely look back. As well as ticking all the right boxes from a best practice point of view, 69% of advisers acknowledge that the additional revenue is a good source of income².

MORE COMPETITIVE SOLUTIONS

Competition is tough for modern-day mortgage advisers. Alongside the banks, building societies and finance companies, the market is becoming saturated with online comparison sites and robo-advisers. Most of which compete purely on price, without worrying too much about product benefits or service.

There are, of course, plenty of experienced advisers, including Dave Sims, who think that consumers will soon work out that "professional advice from an actual human being cannot be replicated by a machine". But there are others, like Marie O'Brien, who see these automated sites as a genuine problem. Marie believes that millennials in particular are price driven, and often have their heads turned by these online alternatives. She's also worried that they have more of an "it'll never happen to me" attitude than previous generations. So persuading them to look at the bigger picture and consider protection isn't always easy.

While this is an understandable concern, there's nothing to say that face-to-face advice and online technology are mutually exclusive. In fact, the best way for advisers to combat these automated sites may well be to take advantage of the same technology. There may be a

slight dilemma around how to integrate certain systems alongside existing human processes. But in practical terms, there's nothing wrong with using sophisticated software to source more competitive solutions, especially if it frees up time with clients to talk them through their options, and develop enlightening relationships with their clients.

SPARK STRONGER CLIENT CONNECTIONS

It's easy to understand why financial services clients have become rather fickle in recent years. They're bombarded with marketing messages, spoilt for choice with products and encouraged to switch their business at every opportunity in order to capitalise on 'irresistible' pricing. Sadly, most of these offers tend to be based more on style than substance, which only seems to perpetuate the cycle.

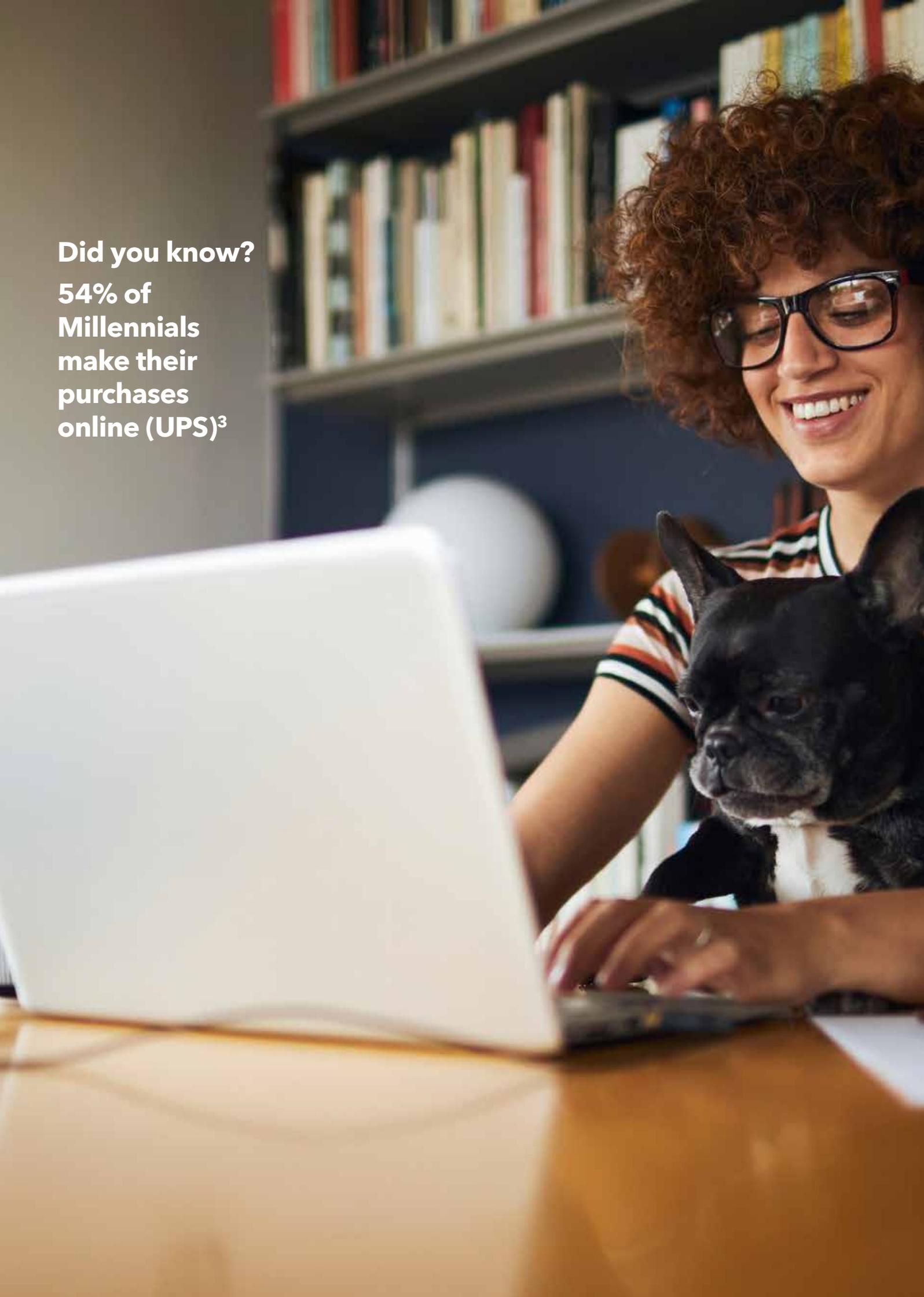
As a general rule, a re-mortgage every five years doesn't have the traction to secure customer loyalty. And it certainly isn't enough to persuade consumers to contact their financial advisers about everyday financial decisions. Therefore, if advisers really want to establish ongoing relationships with their clients, they need to be proactive, offer a wider range of services and add value on a regular basis.

Working with the right technology can put advisers in a much stronger position when it comes to raising their profile and keeping themselves front-of-mind with clients. Automated emails, renewal reminders and relevant news feeds are much easier to set up these days. As observed by Nicola Goody of Premier Financial Group, encouraging online feedback is a great way to grow a client base. "Google reviews are amazing", she enthuses. "We attract a much younger client base online, which means we have a variety of customers."

²PaymentsShield broker Satisfaction Survey 2019

³www.pure360.com/40-ecommerce-statistics/

**Did you know?
54% of
Millennials
make their
purchases
online (UPS)³**





THE CHALLENGE:

It's a question of meeting client expectations

IS ENTERING NEW MARKETS EASIER SAID THAN DONE?

Although many advisers like the idea of entering new markets, the prospect of training staff and embedding new systems can be a little daunting. As Nicola Goody of Premier Financial Group points out, "Training staff is one of the biggest challenges we encounter as a smaller business. We like to give our team the freedom to find their own feet, but obviously time is an issue".

The good news is there's no shortage of support. Companies like PaymentShield can often take care of all of a mortgage broker's insurance needs. More importantly, by providing access to the right technology and training, they make the process simple, straightforward and stress-free.

The same is true of other product partners. Most third parties provide face-to-face support to get advisers up and running. Plus there is no shortage of apps, websites and online training courses to fill in the gaps. In many ways, this is where technology comes into its own; with the number of virtual tutorials, videos and interactive courses available in today's market, it's easier than ever to save time, effort and money on training.

IS REGULATION SLOWING THINGS DOWN?

The amount of regulation in the industry is a constant source of debate for advisers. Dave Sims, of McGirls Money Management, is one of many advisers who believe the situation is worse than ever before. "There has been a phenomenal increase in the administrative burden brought about by new legislation," he complains. "The compliance and regulation side of our business is now so overloaded that we need to at least double the level of administrative support staff. But we don't have the financial resources to do it."

For advisers like McGirls, who don't have the time or the money to manage these ever-changing compliance issues, technology could again be the answer. Alongside some well-established adviser networks, there are a growing number of specialist 'fintech' consultants who provide affordable technology-based support to help lighten the load. Or for those advisers who prefer to manage regulation themselves, there's the option of purchasing software that can be added to their own systems to make the compliance journey that bit easier.

IS THE FOCUS ON PRICE PROVING COSTLY?

It isn't just financial services that's suffering from too much focus on price. It's been a problem in most industries since the internet made pricing strategies more transparent. Nevertheless, it's a major concern for advisers who are having to compete against national marketing campaigns to make their clients realise that there's more to insurance than premiums.

Although advisers may not have the same resources as their online adversaries, they do at least have an outlet to communicate their own messages about the need for financial advice. The beauty of social media is that you don't need multi-million-pound budgets or a top-10 marketing agency on your side. As long as you have some genuine insight and experience in the market, people will generally listen. Plus, a recommendation can soon gather momentum if there are real life examples to back things up - such as case studies, testimonials and claims statistics.

5 WAYS TO USE TECHNOLOGY TO ENHANCE AND IGNITE STRONGER CLIENT RELATIONSHIPS

With client expectations changing all the time, it's hard to ignore the many opportunities that technology opens up for advisers, but it isn't always easy to take the plunge. The five tips below could help those advisers thinking about changing their strategies and using technology to spark stronger client connections.

#1 TEAM UP WITH A LIKE-MINDED PARTNER

Whatever products are being sold, there's an abundance of technology out there designed to help advisers. Specialist product providers are also there for those who don't want to work alone. They will generally take care of everything from training to product recommendations and renewal.

#2 CONSIDER THE BENEFITS OF SELF-SERVICE

Many third parties give access to technology that lets advisers renew or cancel policies themselves. Often included are automatic requote services and ready-made email templates to make things easier. It's a great way for advisers to stay in control of their client portfolio, with less legwork.

#3 IMPROVE YOUR PRODUCT KNOWLEDGE ONLINE

Research and learning doesn't need to be difficult. There are plenty of online resources to help advisers build up a good working knowledge of different products, and catch up on new developments.

#4 EMBRACE SOCIAL MEDIA

When growing a client base and attracting a younger audience, social media has become a must for advisers. There are many online tutorials to help guide those who need a little assistance getting the most out of social media platforms and use them to their fullest potential.

#5 KEEP EVOLVING

Technology doesn't stand still. Most advisers would be wise to put the right steps into place now to keep up with developments and move with the times, potentially staying ahead of the competition.

If you'd like to speak to a member of our team about how technology can ignite your client conversations, find us at:

info.paymentshielddadvisers.co.uk/ignite-whitepaper

paymentshielddadvisers.co.uk



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