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RELATIONSHIP BANKING

Getting Back to Relationship Banking

Generative AI, digitization and other developments on the technology front are creating new ways for banks to operate and interact with customers. Yet even with these powerful innovations, technology remains only one component of the customer experience and not one that will ultimately differentiate your bank. When it comes to long-term revenue growth, human-to-human interactions are where banks have the greatest opportunity to stand apart, create value and strengthen client loyalty. So, why aren't bankers having better conversations?

As technology and AI automate many aspects of the customer experience, the need for human communication skills like empathy, listening to understand and relationship-building have never been more critical to growing and protecting the bank's core deposit franchise. Yet, bankers' conversations are often focused more on products than meeting client needs.

These trends reinforce the need to put customer-facing professionals at the center of your technology discussions and future-ready strategies. Rethinking how the bank develops its people can be the biggest cata-

lyst for strengthening customer relationships and increasing loyalty, deposits and wallet share. Let's consider some of the essential human-centered skills and behaviors that can elevate your bank and the value customers perceive and experience.

Understanding Customer Needs

Customer challenges fall into two categories. Some customers have an identified need or gap to fill. By asking quality questions, bankers can help customers find solutions that meet their needs. Many bankers lack the confidence to engage in those in-depth conversations, most often because they have a negative view of selling. They worry about damaging relationships by being too pushy and end up presenting solutions prematurely.

Other customers don't have specific, stated needs. An inquisitive banker can introduce them to new ideas, explore their pain points and goals, and explain how the bank can help their businesses perform better. Asking questions that unlock emotions and explore why customers are seeking specific outcomes is often when the magic happens.

Technology can assist with these challenges, but the greater value comes from engaging in high-quality conversations. Customers value relationships with bankers who have their best interests in mind. These are uniquely human abilities, and they form the foundation for long-term customer relationships. Customers define value, and it is the banker's obligation to learn each customer's ultimate rewards.

The question is: Do your managers have the confidence and competence to engage in in-depth discussions about their customers' unique needs and situations? When bankers have such conversations, value propositions can be stated, and bankers differentiated. It's a process.

Building Trust

Bankers who are good at these kinds of conversations have a genuine desire and curiosity to understand. They view their jobs as being problem solvers who create value for customers by helping them achieve their goals. This is what motivates top-performing bankers.

Those bankers ask great questions that provoke more comprehensive conversations, and, just as important, they actively listen and pay attention to their customers' passions. They become trusted advisors using their knowledge and insights to further anticipate needs and help customers make decisions that move their businesses forward. Those loyal customers will become your new centers of influence.

At the end of the day, banking is not about digitization or AI. Banking is about people helping people. Banks attract and retain deposits in direct proportion to the quality of the client experience they provide. This differentiation is critical to future success. So give those customer-facing professionals the skills to excel in the following areas:

- Embrace technology to increase efficiency and enhance the customer experience.
- Emphasize problem solving, empathy and listening to understand and meet customer needs.
- Give customers what they want and ask deeper questions to become trusted advisors.
- Cultivate the ability to go off-script and have the kinds of authentic human interactions that drive loyalty and long-term relationships.

Bankers remain the face of any bank, and their ability to build connections with customers will determine whether an institution is able to capitalize on the potential of new technology investments to build stronger, more profitable relationships.



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