Financial Services Guide to Messaging

A modern guide to informing, engaging, and alerting customers in ways they prefer.
Financial conversations simplified

From managing an online checking account to communicating with a mortgage advisor, today’s mobile customers are used to receiving texts and other messages from the financial services companies with whom they do business. Payment-due reminders, low balance alerts, and suspicious activity warning notifications are all essential bits of information that shouldn’t end up in an email inbox. Customers need—and want—to receive these messages in real time and via SMS, in-app chats, push notifications, and popular services like Facebook Messenger, WhatsApp, and other over-the-top (OTT) messaging applications.

Financial services companies have discovered that connecting with customers on the mobile devices they use every day is not only convenient and easy, it’s also what customers have come to expect. Mobile phone adoption continues to skyrocket worldwide and, even in the heavily regulated world of global finance, messaging is now a preferred way to communicate. Today’s modern banks, insurance companies, investment firms, credit card companies, and newer FinTech service providers can now successfully connect with customers and employees in exciting new ways.

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Mobile communications are the key to customer engagement

For most financial service organizations today, guaranteeing seamless conversations across departments and functions requires companies to engage customers throughout the entire Customer Engagement Lifecycle. During a typical engagement lifecycle, customers may connect with their financial organization on multiple channels. They may message the marketing team on Facebook, but ask their advisor a question via a web chat. They may opt to receive their payment confirmations via text, but choose to phone customer service directly to resolve an issue. Businesses can automate and personalize these interactions so that they feel tailor-made for each customer, and ensure that the messages are delivered through the right channel at the right time.

Outside of regulatory compliance, customer retention is the biggest challenge facing financial services firms. According to a CustomerThink study, retail banking customer acquisition costs hover around $200. With the average customer generating about $150 in revenue each year, a financial business would need to retain that customer for more than a year and a half just to recoup those costs. That’s why forward-looking financial services companies understand the benefits of keeping customers for a lifetime. They’ve stepped up their communications by using messaging to build dynamic, interactive relationships throughout the entire customer journey—engaging, delighting, and ultimately retaining their customers over the long haul.
• Chatbots to address commonly asked questions.
• Report potential fraudulent activity.
• Live customer support over SMS or other messaging apps.

• Issue low balance alerts.
• Send payment confirmations.
• Financial advisor appointment reminders.

• Send offers and promotions via SMS or messaging app.
• Share membership and loyalty program benefits.
• Get customer feedback with surveys.

• Request banking or credit product information over text.
• Approve account transactions.
• Schedule an appointment with an investment advisor.
Five ways financial organizations are integrating messaging into their mobile applications

Messaging has emerged as one of the most reliable ways for financial services organizations to make more personal customer connections. Cloud communication APIs allow businesses to create a seamless communication experience across multiple channels, whether it be the default messaging application within most mobile phones or a company’s mobile application. Best of all, these messages don’t have to be simple text messages; businesses can send customers images of transaction confirmations, create bots to help them complete mortgage application forms, share video how-to-guides, and deliver live support communications all via mobile devices.

With approximately five billion users globally, mobile phones represent one of the most ubiquitous channels of communication. The immediacy, convenience, and personal nature of messaging give financial institutions the perfect opportunity to connect with customers around the world on the devices they use throughout the day, every day. In fact, 9 out of 10 consumers would prefer to use messaging exclusively to communicate with businesses.

That’s why messaging is a great fit for day-to-day communications. Businesses can leverage communication APIs that enable them to reach users on Facebook Messenger and other OTT apps, chat, and RCS so that they can connect with their customers via the channels they prefer.
1 Connect with customers on their preferred channels

Mobile banking allows customers to quickly request information and make transactions on their mobile devices. In an ongoing effort to improve the customer experience offered—and to keep up with today’s technology innovations—more and more banks are adding the option for customers to use SMS, in-app chat, or OTT platforms to conduct routine banking transactions, such as checking their balances or making a payment. Consumers everywhere are doing more of their digital shopping, banking, and social posting via mobile devices rather than from desktop computers. This fact, plus the realization that messaging channels are preferred by the majority of customers, has made mobile banking through messaging a secure and convenient way for financial services clients to access their accounts while on-the-go.

CU Wireless—a subsidiary of Maps Credit Union—provides cutting-edge banking technology to the members of 300 credit unions around the country. When CU Wireless wanted to increase the flexibility and responsiveness of their customer service in their popular banking app, they selected Twilio as their telephony partner. Maps Credit Union now offers customers instant, text-based access to their balance, account history, and more through Maps Text Banking. They chose Twilio for the reliability and quality of their APIs and the speed at which their developers could deploy the service. CU Wireless had their application up and running in less than a week.

The use of SMS and push notifications are efficient and effective ways to keep customers up to date about their financial accounts with real-time alerts. For example, banks might find that using SMS is the most direct way to communicate an account fraud alert or a transaction completion because text messages are succinct and easy for the recipient to digest. Similarly, investment advisory firms could use push notification to let customers know when they have received

With real-time SMS notifications, customers who might have otherwise contacted our support team now have a more convenient way of getting updates.

Brian Haas, Xoom
Director of Product Development
a response after they initiated a conversation within a web-based business application. Building SMS or push notifications into a mobile application using APIs enables financial services companies to customize the notifications to their exact requirements and create a seamless customer experience.

Xoom, a digital money transfer provider and member of the PayPal family, helps consumers send money, pay bills, and reload a family member’s prepaid mobile phone credits from anywhere in the world. Xoom sends both the sender and the recipient an event confirmation in the form of a real-time SMS transaction alert, which eliminates the need for additional follow-up between parties. SMS updates for money transfers have proven to be a very successful feature for Xoom.

2 Provide user-friendly and compliant communications

The financial sector is one of the industries most heavily scrutinized by regulators. So, when it comes to offering highly personalized, on-demand customer communications, proactive financial organizations are building in-app messaging solutions to address critical privacy, security, and compliance needs. The Financial Industry Regulatory Authority (FINRA) requires financial services firms to maintain records of their chat and text communication, as well as limits what financial advisors can communicate via text. FINRA and other regulatory authorities also maintain the right to audit financial advisors’ text messages and impose fines ranging from $500 to $1,500 per text message for non-compliance. It’s important for financial services companies to ensure that their messaging applications are compliant. Using communications APIs, financial services companies can build in the required recording, reporting, and oversight features directly into the communications workflows of their mobile applications.

To enable compliant messaging communications between financial advisors and clients, an international financial advisory firm knew they needed a secure platform that would meet all compliance requirements. For that, they turned to Twilio’s cloud communication platform. By integrating Twilio’s cloud-based APIs into their own messaging app, their financial advisors can converse with clients via text message or chat and schedule meetings, alert their clients of important market events, and pass along other useful information. To ensure adherence to regulations, messages are time- and date-stamped, tracked, logged, and stored. For advisors and clients, the experience of using the app is similar to other mobile
messaging applications they may already be familiar with in which they can text, call, and message from within the app. But the company app ensures that client and employee communications occur in a compliant channel. And by partnering with Twilio, advisors can communicate this sensitive and time-critical information with confidence that transactions are both safe and compliant.

3 Protect identities and secure accounts with 2FA

To ensure businesses are connecting with authorized customers, many financial organizations are adding an extra layer of account access protection with two-factor authentication (2FA). According to Javelin’s 2017 Identity Fraud Study, account takeovers—where stolen login information is used to access a consumer’s accounts—rose 31% in 2016. This has a significant impact on financial institutions, where the cost of an account takeover is typically $10,000 to $15,000 per account. Offering users a secure 2FA solution is the quickest way to move them away from using passwords alone to protect their accounts and high-value transactions.

TransferWise is an international peer-to-peer money transfer platform that lets users send money around the world faster, more conveniently, and up to eight times cheaper than traditional banks. Every month, the company moves over £1.2 billion in customer funds between more than 50 countries. Their success comes with great responsibility: no matter how fast, convenient, and affordable their service is, if their customers’ data gets breached, their business suffers. To prevent this, TransferWise chose to integrate Twilio’s Authy 2FA solution into their application so they can now move billions quickly and securely.
4 Improve the customer journey with contextual information

Context is the key to creating great conversations and exceptional customer experiences. As customers interact with multiple touchpoints across the organization, it’s critical to ensure agents—and bots—are informed every step of the way to fuel insightful conversations. Innovative financial organizations are leveraging customer data and other contextual interaction data within their apps to better respond to customer needs and create more personalized customer interactions.

Simply Business, recently acquired by Travelers Insurance, is the UK’s leading business insurance broker and protects more than 300,000 small businesses nationwide. To increase the efficiency of their contact center employees, the company built an intelligent contact center from scratch by leveraging Twilio APIs. By integrating customer information from multiple sources into a single view, Simply Business is able to provide agents with the real-time data and context they need. Equipped with more contextual information about customers to provide personalized customer experiences across multiple channels, Simply Business transformed the way they connect with their customers.

53% of consumers are more likely to engage with businesses they can message directly, and 56% would rather message a business than phone customer service.

Nielsen
Choose a trustworthy communications partner

Cloud-based APIs make it easy for businesses to build the experiences their customers want and expect. But not all cloud communication providers are created equal. To best support evolving customer demand, financial services companies must focus their search on providers who offer scale, reliability, and flexibility. First and foremost, the provider should have an extensive global network with carrier relationships around the world to reach customers wherever they may be. The platform must be able to provide a rich set of communication channels and capabilities while being scalable enough to handle high volumes and spikes in traffic. Finally, it’s critical to find a quality network platform that will automatically optimize messaging traffic routes to ensure quality performance and delivery, every time. This is especially important for highly transactional communications common to the financial industry.

ING, one of the largest multinational financial service organizations, knew that as the financial needs of their global banking customers evolved, they had to grow with them. Since ING’s customers use mobile apps as a primary means to communicate, the organization understood that to remain relevant in today’s market, they had to completely change the way they interact with customers. Since finance is so heavily regulated, it was imperative that ING choose a reliable and secure cloud communications provider to transform their next-generation contact center. Working with Twilio allowed ING to meet industry and regulatory compliance requirements, ensure their customers would have access to reliable and high-quality communication channels, and reach their global customer base through a single provider.
Transform your financial communications with APIs

The evolution of messaging is empowering financial services companies to build dynamic and more personalized relationships by engaging customers in the simplest way possible. With Twilio, businesses can customize their web and mobile apps to exchange messages across a variety of channels, from chat to SMS to Facebook Messenger. By using cloud communication APIs, financial organizations can easily embed messaging into their existing software or mobile apps to create more relevant and contextual communications for their customers.

Learn how Twilio can help power reliable, secure, and engaging financial conversations with today’s digital-driven customers with our easy-to-integrate communications APIs.
Twilio Messaging Toolbox

**Twilio Authy**
Authenticate users securely with a one-time passcode or push notification.

**Twilio Chat**
Add chat to any app with SDKs for mobile and web.

**Twilio Notify**
Send notifications over SMS, push, email, and messaging apps like Slack and Facebook Messenger.

**Twilio Programmable SMS**
Send and receive text messages globally with the API that over a million developers depend on.

**Twilio Channels for Programmable SMS**
Extend the capabilities of the SMS API to reach users on Facebook Messenger, LINE, and RCS.

**Twilio Proxy**
Keep people’s identity private with proxied, one-on-one conversations over text, phone calls, chat, and messaging apps.
Trying to keep up with all of the ways businesses can message customers? Here’s a rundown.

**SMS**
While many people refer to a ‘text message’ as an ‘SMS,’ few know it’s the acronym for ‘Short Message Service. An SMS is generally sent from one mobile device to another over a cellular network. SMS is unique because it’s pre-installed on every mobile phone and all businesses need is a telephone number to reach a user. And with an impressive 98% open rate, SMS messaging enables organizations to successfully deliver urgent or routine individual and mass messages.

**In-app Chat**
Integrated into a web browser or mobile application, in-app chat typically involves a small pop-up module through which a visitor can have a written conversation with a live agent or chatbot in real-time. Live chat has the highest satisfaction levels for any customer service channel, with 73%, compared with 61% for email. In fact, 79% of customers say they prefer chat purely because of the immediacy it offers compared to other channels.

**Push Notifications**
These are messages that pop up on a mobile device, allowing financial companies to send important information from their app to their customer’s phone. The advantage of using push notifications is that customers don’t have to be in the app to receive them, but they can quickly act on the notifications from their phone. Great news for financial services companies: they enjoy the highest push engagement rates of any industry. That’s because customers are turning to their phones to manage and monitor their financial accounts with higher frequency.
OTT Messaging
Short for over-the-top messaging, OTT is an instant messaging service or online chat provided by third parties, such as Facebook-owned mobile application WhatsApp. It is used as an alternative to text messaging services provided by a mobile network operator. Financial organizations currently use OTT to stream business announcements, product tutorials, or promotional videos.

MMS
Multimedia Messaging Service, often referred to as MMS, is a standard way to send multimedia such as pictures, videos, and other attachments over text messaging channels. Marketers at financial services companies are tapping this channel to send branded messages and advertisements that are more engaging than copy-based SMS. And it’s working. According to a new study, visuals are processed 60,000 times faster than text.

RCS
Short for Rich Communications Services, RCS upgrades carrier messaging with features like sharing high-resolution photos and videos, adding appointments to calendars, mapping directions to businesses, browsing products, and more. RCS combines the messaging elements consumers expect from popular messaging apps like WhatsApp and Facebook Messenger with the ubiquity of SMS. While RCS messaging is currently only available for a small subset of mobile users today, it is estimated that there will be 350 million RCS users by the end of 2018, and a billion in 2019.
Thanks for reading.

Would you like to learn more about what Twilio can do for your business?

Talk to us