



Commercial Insights with Regions Bank

Episode 12: Meeting Your Customers' New Expectations

How have customer needs and expectations shifted in the past year, and what does that mean for businesses who want to thrive? On this episode, we cover everything from evolving approaches to customer interaction — both online and in-person, and a mix of the two — to how businesses can make the most of changes in customer behavior and digital acceleration. One hint: It all starts with empathy.

Episode Transcript

Abbas Merchant:

I believe that when it comes to engaging and connecting with customers, the most important element is empathy, which really means that we must understand how the customer's priorities have changed. And what are the concerns that are top of mind?

Chris Blöse:

That's Abbas Merchant, chief marketing officer for Regions Bank.

Like a lot of business decision-makers, Merchant has seen those top-of-mind concerns shift rapidly in the last year-plus. And with those shifting concerns come shifting consumer behaviors and expectations.

So how do businesses adapt to these shifts? That's what we're here to talk about today. Welcome to Commercial Insights with Regions Bank. I'm your host, Chris Blöse, and Abbas Merchant is joining me today to offer his insight and perspective on how to meet customers' new expectations.

Your customers are simply not the same in mid-2021 as they were in the recent past. So your business can't be, either.

Chris:

Abbas, thank you so much for joining us today. We appreciate getting your perspective.

So I'm sure adaptability has been on your mind a lot in the past year. I mean, it's something we've talked about over and over again on this podcast. And something I'm curious about is, you know, we've all been adaptable as businesses and as customers and as consumers. How has that affected the expectations we have as consumers?



Abbas:

You know, prior to the pandemic, most of us were focusing on, uh, our higher order needs. You know, if I were to use Maslow's hierarchy of needs as a framework, we were focusing on building meaningful relationships and looking ahead to the future.

And for most people, focusing on personal and family safety was not top of mind or a daily concern for us, but the pandemic has forced us to adapt to the new realities and really focus on our fundamental needs, which are, you know, how can we keep ourselves and our loved ones healthy and safe, and how do we maintain our relationships while we are home-bound. So, you know, in turn, it has also sort of redefined what home means to us.

So the home has become a focus for all of our consumers. It has also led to an exploration and a trend for adoption of technology to conduct business, to interact with our families, friends, and colleagues. And this has also led to sort of an increase in consumption of digital media. As a result, if we look at businesses, they've adapted to the sort of the shift in customer behavior by, you know, leveraging more of the digital channels, and focusing and using the digital channels more and more to interact with their customers, to communicate with customers over the in-person channels.

So if you look at it, today doctors have had to adapt to telemedicine as a way of serving their patients. And most businesses have had to adapt to remote work environment and approaches using telecommunications video conferencing

The final point I would make is that, uh, consumers, rather than going to grocery stores and restaurants, they've become accustomed to using delivery services, and these apps have become sort of the mainstay of how we have how we are now living our lives. So those are some of the changes, uh, that I've seen in the marketplace.

Chris:

So I think what's interesting too, is a lot of those things you've described, you know, whether it's video conferencing, whether it's ordering online and things like that, those are things that existed obviously pre-pandemic, but the rapid acceleration that took place in the last year, um, was just, you know, remarkable to behold. What I'm curious about too, as we go forward to this, you know, post-COVID environment, we may be looking at more people returning to, you know, wanting to go out to eat or returning to the office, maybe even in more of a hybrid environment. So how do you see those expectations kind of carrying forward and businesses capitalizing on all of that digital acceleration that has taken place in the last year, even if it looks a little different a year from now than it does right now?



Abbas:

That's an excellent point. You know, in the early stages of the pandemic, we were all concerned about our associates and our customers safety. Now, let's say a year later or more, both customers and businesses have adapted to new ways of doing business. And I think that these new new ways will endure into the future and digital will become even more important as a way to engage with our customers.

That said, you know, one consequence of living in the virtual world is that people are facing what we call Zoom fatigue, you know, that has become a term. They are eager to reestablish personal relationships, engage in activities that involve in-person interaction and really be able to celebrate important points in our daily life.

Some of the behaviors that we've adapted to and adopted, like using more digital to do our day-to-day activities will continue to stay with us. But, you know, this brings a unique opportunity for businesses. Companies going through the last year have been able to build new muscles in dealing with their associates, with their customers, primarily digitally. And today, as we look ahead, they're in a better position to combine the convenience of virtual, with a high touch experience of in-person interaction. I think that companies that can deliver simple, seamless experiences to customers across the virtual and physical realms, and if they can do that while demonstrating that they care about their customers, associates and communities, those companies will be the best suited to thrive in the future, to thrive in the future.

Chris:

Well, I think it's interesting, you're, you're coming from an industry that was obviously already seeing a trend away from in-branch services and a lot of in-person customer interaction toward those digital services. So how does a business that has historically relied on relationships and handshakes rethink what customer service and kind of empathy and customer touchpoints look like in the future?

Abbas:

When I think about customers, the pandemic, going through the last year has really made some lasting impressions and lasting changes in customers' behaviors. You know, the customers now have become more comfortable in using technology and not only become more comfortable, they've embraced it. It has become a part of our daily lives. Today more than ever before, customers are looking for three things. The first is simplicity, the second is speed, and the third is stewardship. These are the three S's. If you look at the simplicity and speed, we all know that the big tech companies, they've trained us to expect to get what we need with ease and simplicity and get it quickly. You know, so simplicity and speed are becoming more of the table stakes. Now, this brings me to the third S, which is stewardship. And I think stewardship starts with empathy. Customers want to know that they're doing



business with brands that care about their associates and they care about the communities, and they care about customers needs.

Chris:

So, Abbas, obviously, a lot of this is about understanding customers. So what do you think is the most important aspect of engaging and understanding customers?

Abbas:

I believe that when it comes to engaging and connecting with customers, the most important element is empathy, which really means that we must understand how the customer's priorities have changed. And what are the concerns that are top of mind.

So organizations have to first and foremost really focus on understanding what's really important in the moment to the customers.

Chris:

So how can businesses actually gain that understanding and then act upon it?

Abbas:

Because of our reliance on technology, both as consumers and businesses, we have a lot better insight about where the customers are in their journey. We have so much information on the visitors to our websites, to our apps, how they're using, what they're trying to do, and businesses can really learn a lot from that and use that to personalize the experience they're delivering to the customer.

So, for example, using data from across the different channels and connecting the data points together, to paint a more holistic view about where the customers might be in their journey, that's really important.

Chris:

I think it's interesting that you bring up empathy, and obviously that's a big part of any sort of customer service. So what has your experience with conveying that empathy been in the modern era?

Abbas:

You know, at Regions, it all starts with empathy for our associates, customers and communities. It means that we recognize what's important to our customers and, in fact, all of our stakeholders, and we recognize that what's important, not only emotionally, but also functionally. And then we do our best to deliver on that.



For example, emotionally, we focus on allaying our associates and our customers' fears by reassuring them that they are our top priority and that we are here to help. During the pandemic, we enhanced our focus on supporting our communities by donating to local institutions. On the other hand, functionally, we focused on making it easier for our associates and our customers to interact with us digitally from the safety of their homes and be able to do most of their banking through the digital channel.

And we've also provided customers the option to be able to meet in person through appointments. And we made it easy to set appointments from the convenience of your devices. We've also adapted to interacting with our business clients, using video conferencing. I think that has served both our clients and us well. So those are some of the ways in which we have leveraged technology and demonstrated empathy and understanding of our customers.

Chris:

I think the understanding too has to come in part from gathering data, right, and examining consumer behavior. So we have all this new digital interaction that's been highly accelerated. Is this the time for companies to increase their data capabilities, you know, to be looking at things like a good CRM solution and marketing automation and all of these tools that may have been on their mind before?

Abbas:

There's no better time than now to adopt and embark on leveraging new digital and data and analytics capabilities. And I believe that data, digital transformation and data and analytics go hand in hand. The good news is that the martech or the space of marketing technology has evolved significantly.

You can get out of the box technologies that we refer to as software as a service, which makes the adoption of these new tools and platforms much less costly and relatively easy to use. You know, today organizations, uh, no longer have to invest in expensive hardware infrastructure or software. And by using cloud technology, it is becoming much easier to adopt these new platforms and solutions. In the marketing and sales area, there off-the-shelf solutions that range from CRM systems, campaign management systems, email marketing, content management, workflow management.

Most of these systems are very simple to use. For example, you can use a CRM system, by just uploading your list of prospects or customer contacts, and then start tracking and orchestrating communications and marketing campaigns to those audiences.

I think the biggest part of adopting the technology revolves around a fundamental shift. The fundamental shift is, you know, rather than thinking of these as technical capabilities, we need



to think of these capabilities as an ecosystem. What I mean by that is that the most important thing that I've learned in going through similar digital transformations is that it is not just about the features that these capabilities provide, but rather how well do they integrate. So, for example, how does the CRM system integrate with campaign management or workflow management or content management system?

And I think that integration is really important. The good news is that many of these solutions that I referred to that are off-the-shelf software as a service type of solutions, uh, they've already taken into consideration and built in integrations with other complementary solutions. So today, technology investment is less of a barrier to marketing and, you know, companies that haven't adopted this this is the best time to adopt these technologies and benefit from them.

Chris:

One more question for you. You know, as we look forward to returning to more in person interaction, and as things kind of shift from the status quo of the past year to whatever we're going to land on in the coming months and coming years, you know, what lessons do you think are gonna be most durable for businesses in terms of customer service?

Abbas:

There are certain things that haven't changed, which is, start with the customer. That's been true before and will continue to be true. My advice would be that we should always keep a focus on the customer and, you know, make sure that we understand what's important to them in the moment and, and, and then be able to deliver on that in an authentic fashion.

As we look ahead, we can learn from the last year and the challenges that we faced and the adaptations, the evolution and more of a revolution that we have had to go through in our personal lives and, and our business lives. We can learn from that. And now, you know, as I mentioned earlier, we built these new muscles, where we've been able to complement our in-person interaction.

Now we can complement that with the new capabilities that we've learned around leveraging digital. The best experiences can be delivered when we effectively marry the digital capabilities with in-person capabilities.

I'm an optimist. And, you know, I believe that an ounce of, uh, optimism can be more nourishing for our businesses and for our souls than a pound of pessimism. So, you know, that's the other thing that I would look at — learn from the past, take what has worked, and then, you know, combine it with what we do best.



Chris:

Abbas Merchant's closing note feels like a fitting end to this first season of Commercial Insights with Regions Bank.

Our guests have brought up that theme — learning from what has worked and combining with what you do best — again and again. It applies to how businesses must think about digital acceleration, hybrid work models, shifting supply chains, brand-new customer behavior and more.

That's because the world of business here in the summer of 2021 is inherently different that it was even as recently as two years ago. Businesses willing to carry forward the durable lessons from a once-in-a-lifetime disruption, and the adaptation that came with it, will be ready to thrive.

Thank you for joining us for this episode, and this season. We hope we've helped you thrive. We'll be back with deep dives into specific industries in October, so stay tuned. Get related resources for commercial business and listen to all episodes at regions.com/commercialpodcast. And check out the Regions Wealth Podcast at regions.com/wealthpodcast for insight into the biggest financial topics of the day. Be sure to subscribe to both podcasts on your favorite podcast service.

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