



THE CRYPTO **CX TIPPING POINT**

How to deliver secure and agile CX
to your crypto customers

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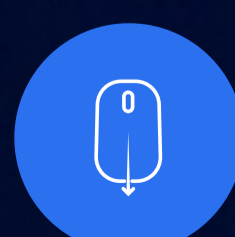


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Introduction

We are moving to an exciting **phase of action for Bitcoin**, where much of the hype that surrounds the asset is beginning to become a reality. As the asset moves closer towards a staple market offering, it is clear that it is time for investors to get on board, or risk being left behind.

- Nasdaq¹

The Critical Role of CX in Differentiating Crypto Brands

Today, the cryptocurrency landscape looks vastly different than it did when Bitcoin made its debut over a decade ago. And those changes are happening at light speed — it was just the start of 2021 when the OCC approved Anchorage as the first national crypto bank. With more federal backing and companies like Paypal and Square seeing big success in this space, the stage is now being set for crypto to go mainstream. The demand for cryptocurrency investment options and services is at an all-time high from both retail and institutional investors, and traditional banks are poised to deliver these in-demand services to their customers over the next year.

The need to reach new markets and quickly accommodate the rise in demand from investors of all kinds is placing heightened pressure on crypto brands to deliver. What will set them apart? It all connects back to the roots of early crypto platforms and services – serving the needs of individual investors.

Crypto leaders are traditionally hyper-focused on customers and sensitive to their needs – especially in the areas of security and CX. This approach continues to be necessary in a space that faces higher security risks and tends to have barriers to entry because of the technical proficiency and specialized knowledge it has historically demanded of customers, as well as the changing regulations surrounding cryptocurrencies.

For competitive crypto brands, the impact of those critical differentiators – security and CX – will only be amplified as competition in the space grows.

In this eBook we break down some of the major industry challenges that crypto brands face, and explore what it looks like to deliver successful customer experience (CX) in the rapidly changing crypto market.

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Section 1 – Industry Challenges Impacting CX

As crypto investment accelerates, the industry faces a number of growth-related challenges that will impact how brands build and deliver their CX programs.

“History shows that cryptocurrency markets don’t always play nice. Valuations fluctuate. **Technologies evolve, and regulators work to make crypto smarter and safer within the digital world.** Challenges range from mild headaches to catastrophes that can take a bite out of a company’s bottom line, and crypto CEOs must be ready to tackle these.”

- Alon Muroch, CEO and co-founder of BloxStaking²



Intense security scrutiny

Despite its recent boom, cryptocurrency still faces a serious PR problem. With regular headlines around fraud, criminal activity, and security breaches on exchanges, the intense scrutiny around crypto industry security will only be amplified as more institutional players buy in.

In 2020, cryptocurrency losses through fraud and crime were down nearly 60% from 2019³. With the Crypto market’s coming-of-age, the industry has learned from some of the large-scale hacks that have happened in the past, requiring precautions like multi-factor authentication, crypto-suitability checks, KYC (more on this in the Government section below), and the growing use of private consortium-based networks that can expose bad actors and further reduce security risks.

In order to build customer trust, crypto brands will need to ensure security is a central focus of CX at every phase. Experts are calling on crypto exchanges to increase their security and adopt industry-wide security standards, whether self-governed or (eventually) introduced by regulators. There are already security best practices specific to cryptocurrencies in place, like the CryptoCurrency Security Standard (CCSS). Consumers are also demanding more secure decentralized exchanges (DEXs) – and companies like 0x, Loopring, and others are already answering the call. ⁴



Government involvement and regulation

Uncertainty around the regulatory environment may just be the biggest barrier to significant global mainstream adoption of cryptocurrencies. While global authorities are generally receptive to central bank digital currencies (CBDCs), private cryptocurrencies are another story. In some countries around the world, legislation has been passed to ban crypto entirely owing, in part, to its role in facilitating untraceable criminal transactions.⁵

In 2021 and beyond, global crypto regulations will likely see significant change. In the EU, a regulation on Markets in Crypto-assets (MiCA) proposed in 2020 will regulate cryptocurrencies by 2024 to protect consumers and investors, financial stability, and market integrity. In the United States, the Treasury Department has proposed a know your customer (KYC) rule for crypto wallets. The rule, if finalized, will require U.S.-based digital exchanges to confirm a wallet owner's identity for transactions over \$3,000.

Crypto leaders, including Coinbase, have spoken out against the move as fundamentally infringing on the privacy rights of cryptocurrency owners, since a KYC requirement on self-hosted wallets presents technological and even constitutional issues. While the proposal is under review, the overall shift to greater regulation around crypto (however that ends up looking) is a shift that the community will have no choice but to accept in the coming years⁶. Crypto brands need to equip themselves to deliver CX that complies with the continuously evolving regulatory landscape around crypto.



Rapid growth in a highly competitive marketplace

The rising mainstream uptake of cryptocurrency translates to heightened demand that will place pressure on crypto brands to rapidly scale their platforms and offerings. With this sharp increase in new business, companies are likely to face growing pains when it comes to providing customer support and delivering competitive CX.

This is a problem that brands like Coinbase are already facing in a big way. A recent article in The New York Times highlights the complaints of users who, on the eve of Coinbase's IPO said "it is struggling with basic customer service."⁷ As the article explains, the company failed to detect issues or help dozens of Coinbase customers "who say that their accounts were plundered by attackers or that they were locked out of their life savings without warning or reason."

To be sure, Coinbase is not and will not be the only crypto brand to face these challenges as significant increase in demand butts up against a 24/7 crypto economy. Rising demand necessitates a clear and deliberate customer experience strategy – something many crypto companies don't yet have.

The challenges of rapid growth are also amplified by increasing competition in the market, with more players entering the game every year. Brands need to be smart, strategic, and agile about how they grow their offerings. And they also need to be ready to meet customers' extremely high expectations around protecting their money and personally identifying information (PII). Keeping customers' needs top of mind will be imperative for crypto brands to succeed – and to avoid becoming just another headline in the crypto data breach archives.



High volatility in crypto coins can impact the adoption curve

Price fluctuations in the cryptocurrency market are historically quite extreme and can be attributed to many different drivers.

One of the biggest factors is negative publicity around Bitcoin and other cryptocurrencies that stoke investor fear and hurt adoption. These include headlines tying crypto to criminal activity like the drug transactions via Silk Road, any kind of government statement about regulation, and crypto exchange hacks or bankruptcies like the well-known Mt. Gox story.

Volatility is also driven by general uncertainty about cryptocurrencies' intrinsic value, fear caused by frequent security breaches and high-profile losses, and the shifting regulatory landscape around crypto, all of which add a speculative element to cryptocurrency prices. The fact that cryptocurrencies offer a hedge during times of geopolitical unrest or uncertainty in the market also adds to price fluctuations.

All in all, high volatility presents a challenge for market growth and greater investment since the unpredictability of crypto versus fiat currencies has traditionally scared off risk-averse investors. Crypto brands have to be prepared for sharp spikes and declines in new business and customer support as demand shifts with fluctuations in the market.



Section 2 – The Crypto CX Advantage

As competition in the crypto market skyrockets, brands' capacity to deliver secure, fast, and frictionless CX that complies with evolving regulatory requirements and boast additional security measures and simple, transparent processes, will be a critical factor in determining customers' platform of choice.

"Coinbase's going public is 'seminal' for the cryptocurrency industry, said David Silver, a lawyer who represents digital currency investors.

But he added that if the company wanted to be 'the Goldman Sachs of crypto,' it 'needs to maintain quality customer support.'"



Understanding crypto customer expectations

With a growing number of crypto exchanges coming to market, customers will ultimately choose based on a few key factors, including security, transparency, ease, support and education.



Security

When it comes to the crypto space, customers have heightened security concerns. Retail investors' fears may be related to negative news stories they've heard or the fact that they're investing in crypto for the first time. Meanwhile, institutional customers have to meet regulatory compliance and protect their clients' financial well-being and PII. In both cases, customers expect security that goes above and beyond, including:

The strongest possible security that safeguards against malicious actors from both inside and outside the organization

Additional measures insuring their assets are secure in case of a breach, ensuring peace of mind that there won't be a resulting loss, similar to how bank accounts are protected by the FDIC

Company-wide security standards and conduct regular audits to ensure full compliance across the organization

Protocols for constantly testing and validating the strength of security systems

Regular communication with customers about how their accounts and PII are being protected



Ease and speed of use

The level of ease with which customers can sign up and manage their accounts will be another significant factor in their choice of platform. Customers will count on crypto companies to deliver these staples of strong CX:

A pleasant, straightforward, and fluid sign-up process that makes account creation and fund transfers as fast and easy as possible

Seamless integration with all major banks and financial institutions to make the experience of managing multiple accounts pain-free

An intuitive user interface that makes it quick and easy to manage accounts, perform routine tasks, and find information



Support

Delivering quality crypto CX isn't possible without fast, friendly, and effective customer support. From helping first-time investors transfer funds to troubleshooting inevitable technical difficulties, crypto brands need to be able to deliver these critical services:

Immediately available 24/7 chat support that answers customer questions quickly and easily with hassle-free escalation of issues as needed

Minimal wait times for live voice support

Friendly, knowledgeable, and helpful agents who are equipped to assist diverse customers with different needs, concerns, and levels of financial literacy

Fast, efficient, and proactive support when customers are impacted by security issues



Education

Understanding the world of crypto comes with a big learning curve, and deepening that knowledge is critical to successful investing. Brands can differentiate themselves by offering customers high-quality resources and tools that empower them to be more proficient crypto investors, including:

Rich, interactive education and financial literacy resources that support customers in making smart investment decisions

Up-to-date industry news that helps customers stay on top of the latest developments in the crypto market

Easy-to-use, online investing and financial planning tools

Ongoing security tips and reminders about how customers can keep their accounts and information safe

Helpful FAQs and industry insights that add value to the experience

Keeping up with changing regulations

In order to achieve long-term success, crypto brands will also rely on their CX partners to be constantly dialed into the evolving regulatory landscape around crypto.

In the coming years, governments around the world will be developing more concrete rules and regulations related to cryptocurrencies. And because the world of crypto is anything but static, those regulatory frameworks will constantly evolve to address emerging contexts.

Failing to comply could result in legal challenges, financial losses, bad PR, reputational damage, and friction in customer relationships that could lead to long-term issues. Crypto companies will need to make sure every aspect of their business measures up, including CX delivery.

An experienced CX outsourcer is key to success in a rapidly evolving regulatory environment. By consistently monitoring nascent government frameworks around crypto, an effective partner can help crypto brands act and adapt quickly so nothing falls through the cracks.

The best partners have a dedicated compliance or governmental affairs team, a deep understanding of current regulatory frameworks, and a track record of successful compliance work for other financial services brands.



Section 3 – Delivering Security, Scale & Performance

For crypto companies to effectively manage rapid growth while delivering maximum security, support, and ease to customers, the scalability and certainty of their CX partner is key.

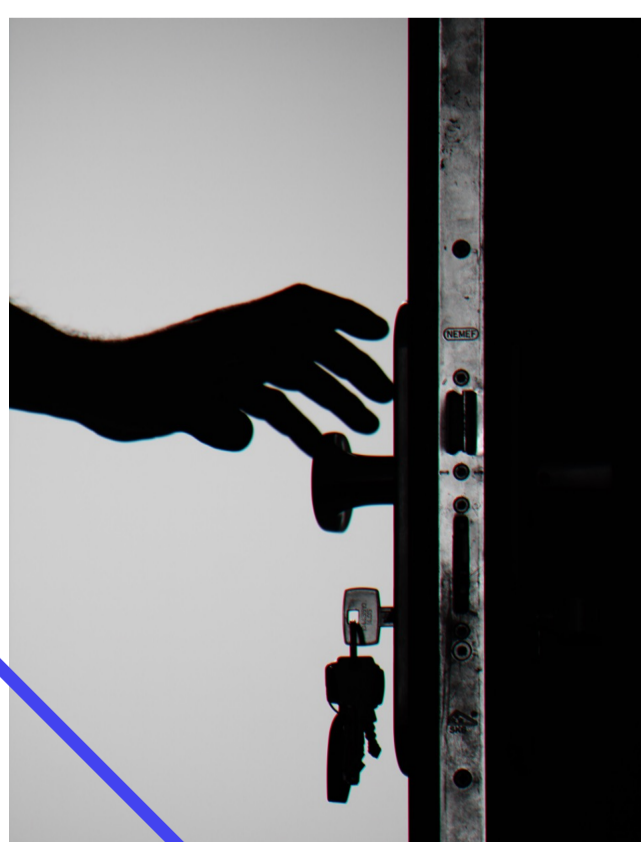
Particularly in a market that is anything but predictable, crypto brands need to be confident that their CX outsourcer can deliver capably and consistently, no matter what. And that means no surprises, regardless of how the market fluctuates.

As crypto brands witness record growth, they will depend on agile CX partners who can grow at their pace and demonstrate a reliable approach within their security and performance operations. So what does a winning CX partner deliver?

Institutional-grade security

In a market where brands live and die by the strength of their security, crypto companies' standards for any partner they're doing business with are necessarily high. Having a strong security philosophy baked into the organization from the ground up is non-negotiable. That mindset needs to be supported by expertise, as well as leading-edge security infrastructure and technology that keeps customer and enterprise data safe. Above and beyond advanced security protocols, winning CX partners also have a culture of compliance and governance that shows they walk the walk.

Security-related questions to ask crypto CX outsourcers:



Does the outsourcer have dedicated screen, audio, and keystroke monitoring and recording technology?



Are there processes and protocols in place for fraud and compliance training, as well as a hotline for anonymous reporting?



Is the outsourcer's technology infrastructure secured by the latest encryption and data security protocols?

Proficiency at scale

Scaling from a small customer support team to one with thousands of agents fielding customer interactions around the clock is no easy feat. A strong CX partner is equipped to handle mass operations with proficiency, no matter the level of complexity, by rapidly recruiting, onboarding, and training highly proficient agents.

Proficiency-related questions to ask crypto CX outsourcing:



Can the vendor recruit quickly and effectively? Do they have a defined and rigorous process for identifying and selecting candidates?



Do they have a demonstrable track record of recruiting the top talent?

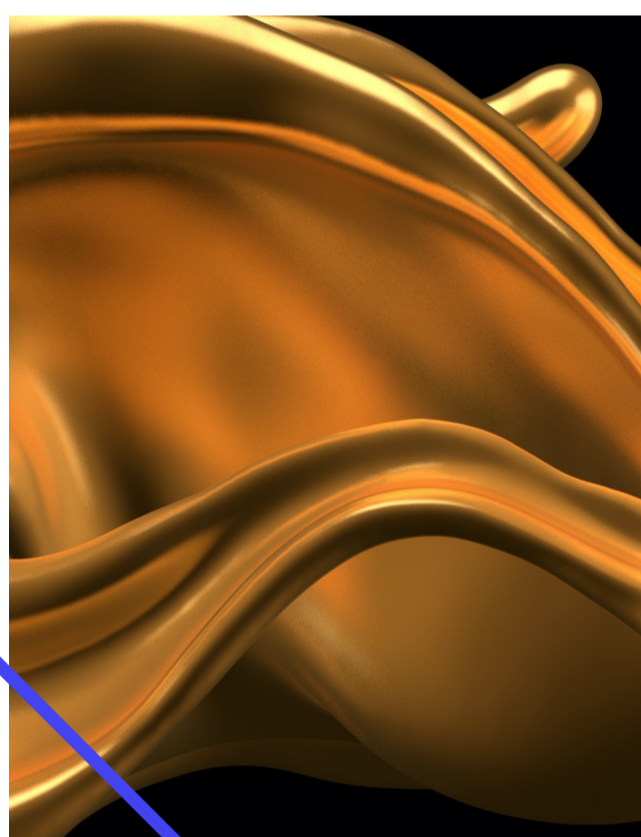


Do they use leading-edge training methodologies, such as training simulators, to speed up training times and improve day one performance?

Agility through volatility

CX partners that are positioned to deliver for growing crypto brands have a startup-like agility to manage, perform, and win through volatility – however that looks. Because there are no guarantees in the crypto market, the ability to scale up and back while accommodating bursts in demand and continuously improving performance is key.

Agility-related questions to ask crypto CX outsourcing:



Does the outsourcer have a sophisticated workforce management team?



What does agent churn and satisfaction look like across the vendor's geographies and sites?



Beyond initial training, do they offer agents ongoing training for evolving their skill sets?

Speed to impact

Crypto brands that are ramping up their CX to accommodate a sharp rise in demand have little time to waste. Their CX partner needs to have the operational sophistication to deliver speed-to-green: quickly ramping to deliver train highly proficient agents, optimize performance and quality assurance, and drive profits without sacrificing excellence.

Speed-related questions to ask crypto CX outsourcing:



Does the outsourcer have a PMO group with defined implementation and launch procedures, as well as an implementation timeline?



Can they show a successful history of rapid speed-to-green?



How robust and efficient are their training programs? (This is where speed to proficiency is born.)

CX insight feedback loop

Competitive CX partners are data-driven with a growth mindset. Collecting, analyzing, and acting on business insights is core to their philosophy. By leveraging data to learn more about your customer, an effective CX outsourcer can help you, allowing them to improve performance, drive productivity gains, increase customer lifetime value (CLV), and ultimately support and strengthen your bottom line.

Insights-related questions to ask crypto CX outsourcers:



How deep are their business intelligence capabilities?
Are they both insightful and actionable?



What types of analyses can the vendor perform? Do they include complexity studies and churn analytics?



Do they provide insight across the lifecycle, and feed that back into your contact center for improved agent interactions and performance?

Repeatable methodology for predictable crypto CX

Capitalizing on rapid growth requires an established partner who's been in the game for a while and has a track record of success built on a clear, repeatable methodology and process. A predictable approach based on deep industry knowledge, experience, and awareness drives exceptional results.

Expertise-related questions to ask crypto CX outsourcers:



Has the outsourcer had previous success with a brand like yours? What were the timelines for success and does this meet your goals?



Does the outsourcer have a mature PMO and WFM operation?



How does client success differ across the vendor's locations?



Do they have client references? Speaking with one of their current hyper-growth clients is an effective way to gauge performance.

Conclusion

Winning the future of crypto

Established and emerging crypto brands are forging a future of accessible, customer-friendly investment in cryptocurrencies – a shift powered by the rising participation of both retail and institutional investors.

In the evolving crypto landscape, the opportunities are great, but so are the challenges. From the security issues that have long hindered the market to regulatory uncertainty around cryptocurrencies to the steep and sudden rise in demand, ongoing disruption requires crypto brands to be strategic and agile to come out on top.

Above all else, the quality and security of the customer experience will make or break their capacity to perform and win in a highly competitive marketplace.

