

# Compete and Win by Leading in Customer Engagement

# Presenters



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# This webcast will be broken into three main sections:

- 1) What is Customer Engagement?
- 2) Why it's so important to get it right
- 3) How do we get it right?

# What is Customer Engagement?

# Customer Engagement Defined

**Customer engagement** is a business communication connection between an external stakeholder (**consumer**) and an organization (**company or brand**) through various channels of correspondence.

(Wikipedia)



# Customer Engagement According to Harland Clarke

*According to Harland Clarke, this means:*

## 1) A communication connection between the market and your brand. Must be:

- Relevant
- Timely
- Trusted
- Personal

## 2) Through various channels of correspondence:

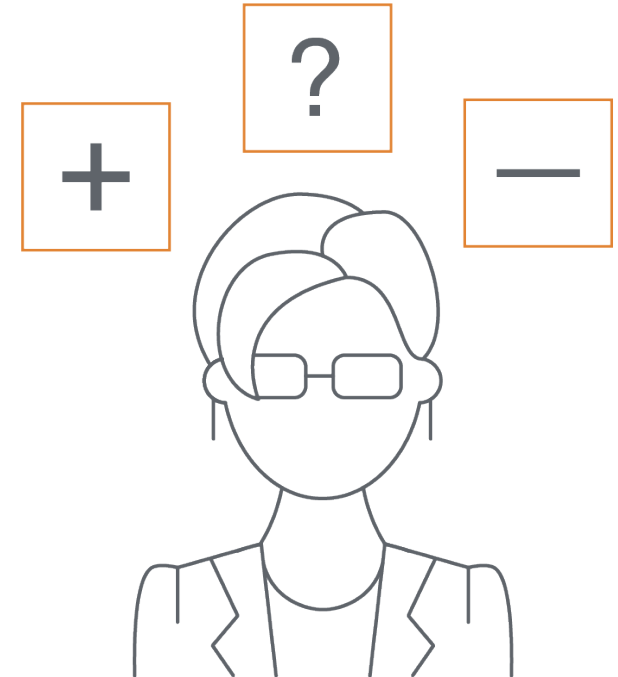
Through whatever channels account holders prefer to interact, they must receive a seamless, consistent experience



# Customer Engagement According to Harland Clarke

## Simply stated:

- How do account holders feel about your brand?
- What emotions are evoked?
- Are the feelings overwhelmingly positive or are there some negative ones?
- **Customer engagement is not about the stuff you do, but how your account holders feel about your FI.**



# The Typical Approach is Ineffective

**FI**s have access to a wealth of data but not the bandwidth or expertise in-house to leverage it

**This results in:**

- Ineffective, unmeasurable mass-marketing campaigns
- Disengagement among account holders
- Attrition among existing account holders and lost new business
- Inability to impart value to account holders and prospects

**CMOs understand the importance of CX initiatives**

- But, CX is a vague concept
- Many are not tracking key metrics related to the affect of CX<sup>1</sup>

**Engagement is essential for cross-sell, but it is not the same things as cross-sell**

- Get engagement right and everything else will fall into place



**Why is it so important for FI's  
to get customer engagement right?**

# Customer Engagement is the Only Way FIs Can Compete and Win

**Customer Engagement is the only way to counteract these industry & market forces:**

- Increased competition (traditional and non-traditional)
- Complex, more expensive regulatory environment
- Commoditization due to competing on price only
  - Failed efforts to differentiate by service often leave price as the only way to compete
- Razor-thin margins
  - FIs must compete by adding relationship value
- Increasing automation due to tech advances
- Must capitalize on consumer demands for convenience and service

# By the Numbers: Assessing the Impact

**By 2020,**  
customer experience will overtake  
price and product as the key brand  
differentiator<sup>2</sup>



# By the Numbers: Assessing the Impact

## Banks can expect big gains from just moderate improvements in customer experience

- “Big” banks can expect as much as \$816M in increased revenue over 3 years due to improvements in sales, retention, forgiven mistakes, word of mouth
- Though the study applies to banks with >1B in revenues, it’s easy to see how community banks and credit unions can benefit from improved customer engagement<sup>3</sup>



## By the Numbers: Assessing the Impact

**“Quiet consumers”  
do not equate with consumer satisfaction.**

1 in 3 consumers will take their business elsewhere after just one bad experience, even if all previous experiences have been exceedingly positive<sup>4</sup>

# Compete and Win

- Customer engagement is a point of distinction that will enable FIs to survive and thrive in this highly competitive environment
- There is a lot of opportunity up for grabs for those who get it right



**How do we get customer engagement right?**

# But First, How to Get Customer Engagement Wrong

You have a social media presence but it's:

- Unmonitored
- Oblivious TO current negative brand perceptions in the market
- Stagnant/uninteresting
- You do not use data analytics to develop timely, relevant, personalized communications
- You do not agree on or monitor customer engagement benchmarks
- You do not proactively seek, collect, aggregate, analyze, track, remedy and follow up on account holder feedback



# Getting Customer Engagement Right

Customer Engagement switches the focus from the bank to the customer

- First and foremost it's about getting the experience right for the consumer
- Not profit/product focused
- If engagement strategy is designed according to overall strategic objectives, everything else will fall into place

To get customer engagement right, you must understand:

- Where you stand in the market
- How current account holders and prospects perceive your brand
- Where you need to be and then do something about it



# Getting Customer Engagement Right

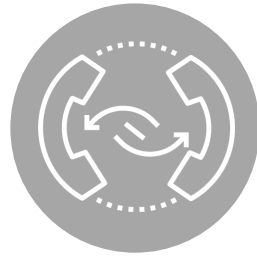
What are indicators of engagement?



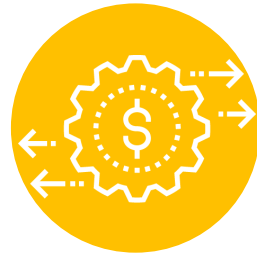
Services per household



Accounts per household



Length of relationship



Loan and/or deposit balances



Variety of channels used



Growth of relationship over time



Net Promoter Score

# Getting Customer Engagement Right

Understand current perceptions in the market

- Manage and control your digital reputation and assets from a central location
- Ensure people can find you easily
  - Maintain accuracy in search results and ensure you can be found everywhere consumers are searching digitally
  - Monitor, manage and respond to public-facing reviews
  - Analyze the effectiveness of search results

# Getting Customer Engagement Right

Talk to current account holders

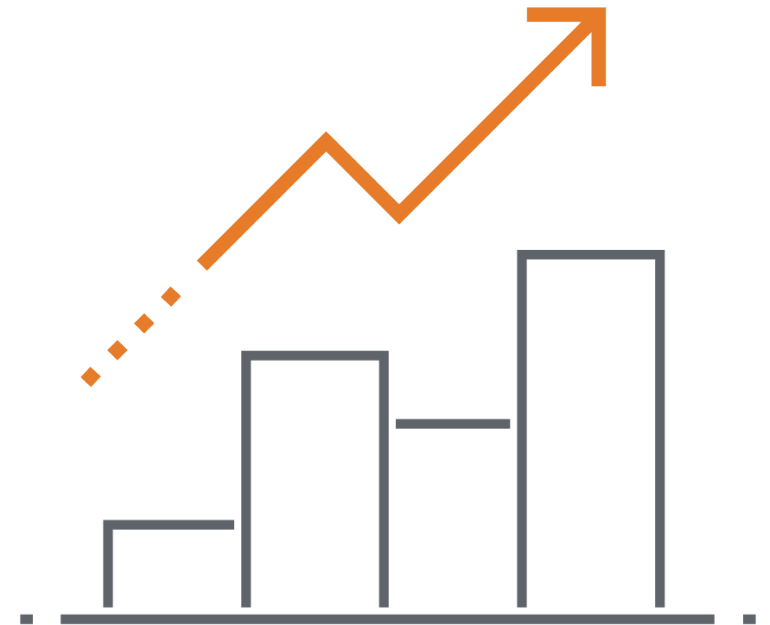
- Enable access to actionable data
- Gather quantitative, objective insights into current perceptions of your brand
- Be objective about your FI's strengths and weaknesses



# Getting Customer Engagement Right

## Benchmarking

- Analyze and remedy current performance compared to peers
- Analyze by consumer segment
  - Different age socio-economic groups have different starting points of trust and differing expectations for engagement
- Tailor your strategies to your targeted segments



# Putting it All Together:

Create strategies around learnings from account holder feedback, benchmark comparisons and opportunity mining

## Onboarding



- Targeted data-driven communications (relevant and timely) to welcome, engage, grow & retain

Open-ended, continually looping process, not one and done



- Must continually, assess, measure, evolve and refine.

Strategy must encompass:



- Relevant, timely, omni-channel communications informed by data
- Continual feedback collection, analysis, monitoring and course-correction
- Industry and peer benchmarking

# Questions



Thank You