

Compete and Win by Leading in Customer Engagement

September 25, 2019

Sponsored By:  **HARLAND CLARKE**®

Today's Presenters



Carrie Stapp

Senior Vice President, Product Management

Harland Clarke

carrie.stapp@harlandclarke.com



Emily Steele

Product Manager, Engagement Solutions

Harland Clarke

emily.steele@harlandclarke.com

This webcast contains three main sections:

- 1) What is customer engagement?
- 2) Why is it 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)



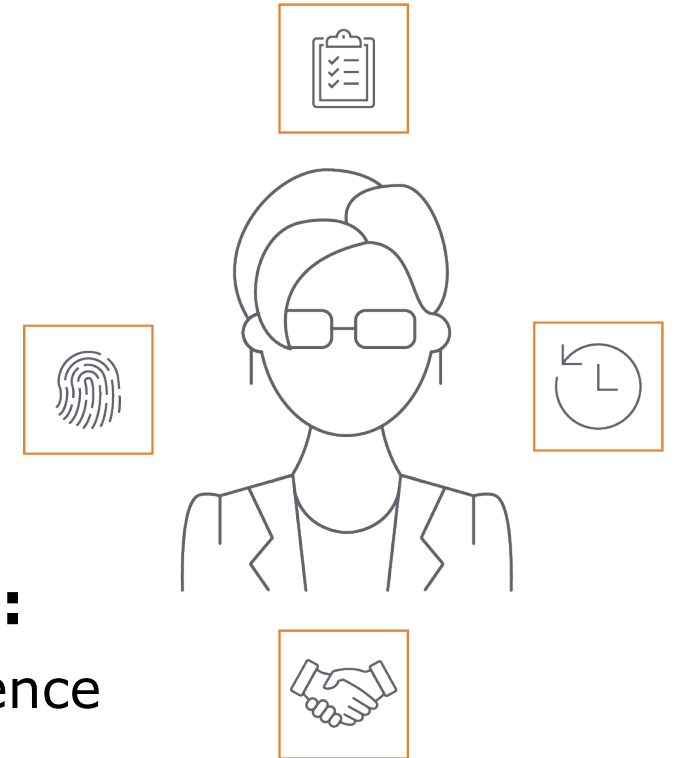
Customer Engagement According to Harland Clarke

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

- Relevant
- Timely
- Trusted
- Personal

2) Through various channels of correspondence:

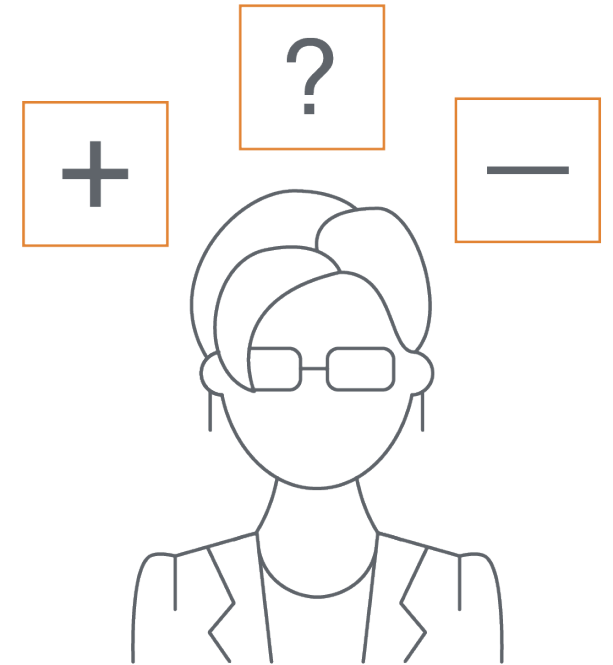
Customers must receive a seamless, consistent experience through whatever channels they prefer to interact



Customer Engagement According to Harland Clarke

Simply stated:

- How do customers 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 things you **do**, but how your customers **feel** about your financial institution



The Typical Approach is Ineffective

Financial institutions have access to a wealth of data but don't have the bandwidth or expertise in-house to leverage it.

This results in:

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

CMOs understand the importance of CX initiatives

- But, CX is a vague concept
- Many are not tracking key metrics related to the effect of CX

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

- Get engagement right and everything else will fall into place

A photograph of two women in an office environment. The woman on the right, with long brown hair, is smiling and looking at a laptop screen. She is wearing a light-colored button-down shirt. The woman on the left, with dark hair, is looking towards the first woman. They are sitting at a desk with a laptop, papers, and a small potted plant. A blue semi-transparent box with white text is overlaid on the left side of the image.

Why is it so important
to get customer
engagement right?

Against these industry and 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
 - Financial institutions 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



Source: Walker, *Customers 2020: A Progress Report*, 2017

Financial institutions can expect big gains from just moderate improvements in customer experience

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



Source: Temkin Group, *ROI of Customer Experience*, 2018.

By the Numbers: Assessing the Impact



**“Quiet consumers”
do not equate to 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.

Source: PwC, Experience is Everything, Get it Right, 2018.

Compete and Win

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



A close-up, side-profile shot of a woman with dark hair, wearing a dark t-shirt with a red graphic. She is resting her chin on her hand, holding a black pen, and looking thoughtfully at a laptop screen. The background is blurred, showing an office or study environment with papers and a desk.

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 customer feedback

Getting Customer Engagement Right

Customer engagement switches the focus from the financial institution to the customer

- First, it's about getting the experience right for the consumer
- Not profit/product focused
- If engagement strategy supports 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 customers and prospects perceive your brand
- Where you need to be

And then do something about it!



Indicators of Engagement



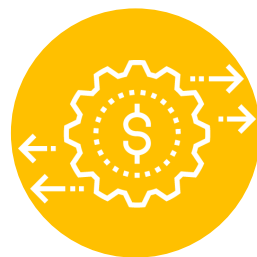
**Services per
household**



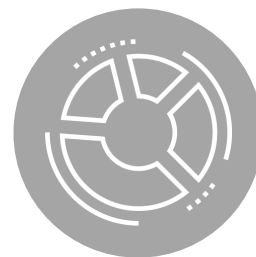
**Accounts per
household**



**Length of
relationship**



**Loan and/or
deposit balances**



**Variety of
channels used**



**Growth of
relationship
over time**



**Net Promoter
Score**

Understand Current Market Perceptions

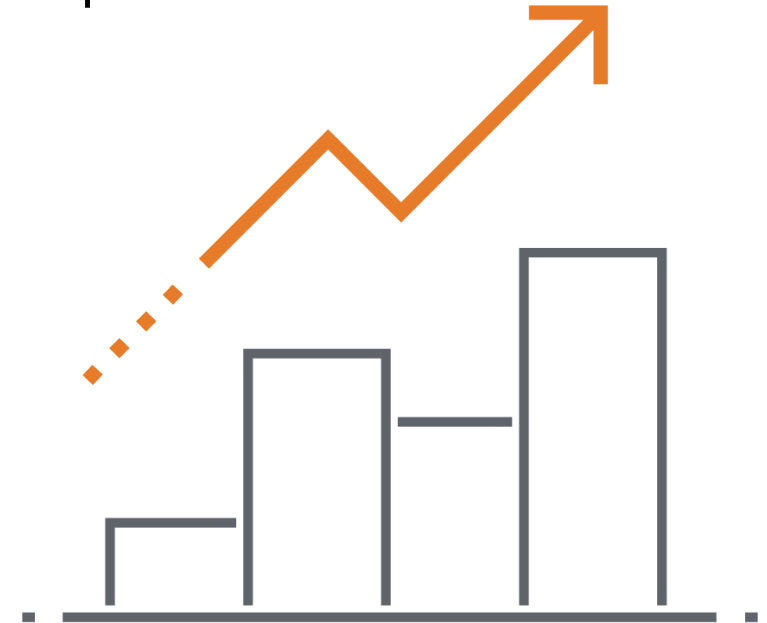
- Manage and control your digital reputation and assets from a central location
- Ensure people can find you easily
 - Maintain accuracy in search results and ensure you can be found everywhere consumers are searching digitally
 - Monitor, manage and respond to public-facing reviews
 - Analyze the effectiveness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

Talk to Current Customers

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



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



Putting it All Together

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



Onboarding

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



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

- Must continually, assess, measure, evolve and refine



Strategy must encompass:

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

Questions ?

For a copy of today's presentation please contact carrie.stapp@harlandclarke.com

Sponsored By:  **HARLAND CLARKE**[®]

