

COMARCH



PERSONALIZATION OF BANKING SERVICES VIA DIGITAL TRANSFORMATION

How to better understand your clients' unique needs
and effectively drive long-term customer loyalty

Are today's banks ready to embrace new technologies and adapt their offerings and communication to meet their customers' unique personal needs?

Read this white paper if you want to learn
how to create successful, customer-centric journeys and personalize the banking service in a digital environment.



INTRODUCTION

HOW TO CREATE SUCCESSFUL, CUSTOMER-CENTRIC JOURNEYS AND PERSONALIZE THE BANKING SERVICE IN A DIGITAL ENVIRONMENT? LET'S BREAK IT DOWN!

What is a personalized customer journey?

Taking the perspective of a service **provider, personalized customer journeys are about approaching each client as a unique individual** – a man or a woman that has his or her own goals and worries and that is going through a series of life changes. A difficult task to when a single service provider has to respond to the needs of millions of unique customers.

The creators of personalized journeys need to take into account peculiarities; the traits and experiences that make their clients who they are. They must be able to observe or even anticipate the change in people's life moments and adapt. **Personalized customer journeys are subject to constant evaluation and adaptation.** Only then will the company have the chance to form a long-term connection with their customers that is valuable for both sides.

How is the banking industry different?

It is only recently that personalized customer journeys have started to make first steps in the financial industry. It seems that banks do not really have a choice, but to follow other B2C players such as retailers or different types of service providers, **as customers are getting used to a high level of relevancy and personalized support.** Regardless of very specific product portfolios and sensitivity of collected data, banks have finally realized how beneficial it is to apply all the available modern technologies to **individualize each client's interaction beyond typical banking actions.** Again, it seems to be a must-have in an environment where daily face-to-face appointments and discussions are disappearing. Thus, traditional banks (i.e. banks that still have agencies and physical presence) need to redesign their business model, and do this quickly, as those who have turned to "digital-only" are already pretty far ahead. Digitized players are now gaining a serious **competitive advantage by making use of channels Millennials are using on a daily basis.**





What keeps traditional banks from making a change?

Well, some of them still perceive that digital transformation - or rather going beyond the old good way of doing things - is a real challenge in terms of navigating between business ideas, compliance, continuity, finding the right partner, etc. What is often missed is thinking of the digital revolution as an **opportunity to drive better business results, discover new grounds for growth and to bring back a human aspect to customer experience**. With the help of new technologies, banks will be able to better respond to their clients' personal needs, as up to now the absence of human interaction has unfortunately been the banking business' modus operandi.

Should banks prioritize digitization over tradition?

Thanks to the ongoing digital revolution and available **real-time engines** as well as **interactive front-end platforms**, relevant customer insights can be successfully turned into **personalized financial proposals** and **engaging digital paths**. Personalization in banking is a catalyst to two primary strategic company objectives: **increased sales** of financial products as well as **stronger customer loyalty** in the long run.



WHITEPAPER OUTLINE

In this document, you will find a complete guideline helping financial institutions **leverage on available technologies to provide millions of customers with a unique approach, offering truly personalized support with the use of modern communication channels.**

PART ONE.

We will start by answering 5 basic questions providing you with necessary input to build your own personalized journeys.

1. **What type of specific insights on bank clients are most relevant?**
2. **What do personalized customer journeys in the banking industry look like?**
3. **Steps needed to build a long-term customer-centric and data-driven marketing strategy?**
4. **What type of tools are required to deliver personalized content at the right moment?**
5. **Which marketing techniques support building a customer-centric strategy?**

PART TWO.

In the second part, we will illustrate our recommendations with two sample personalized journeys based on unique and lifelike characters, each of them responding to a different strategic company objective. Each time, a different set of data will be used and different content will be delivered through digital channels such as an online member portal or a mobile application.

■ **Customer Journey 1: Goal Increasing sales of financial products**

How can I best utilize collected data and a persona analysis to our advantage in the area of wealth management? How can I give customers adequate support and advice throughout their journey via digital platforms? How can I support bank employees with appropriate knowledge to better serve customers?

■ **Customer Journey 2: Goal Strengthening customer loyalty for years to come**

How can I use collected data together with a thorough user persona analysis to build long term loyalty strategy? What extra services can I provide to my customers to prevent them from switching to another bank or newly created fully digitized institutions? What type of partnerships are worth building to better support my customers in their daily challenges?

PART ONE: 5 STEPS TO BUILDING UNIQUE PERSONAL JOURNEYS



*“When you talk, you can only hear what you already know.
When you listen, you can actually learn something new.”*

The Dalai Lama

CHAPTER 1: REQUIRED CUSTOMER INSIGHTS

What type of specific customer insights do I need to build relevancy & engagement?

Trying to meet the needs of millions of customers at the same time is a real challenge. Given the specific portfolio of financial products and services, banks need a slightly different set of data to be able to build a truly personalized approach. It is indeed much more complicated than just the usual data collection approach based on the history of purchases over a period of time.

It is often the case that content and communication delivered by companies represents what the company wants to sell rather than what customers are

potentially interested in. As a result, clients do not feel recognized or understood at all. This does not mean, however, that a company cannot change its approach. On the contrary, there are several steps that a bank can take to improve customer experience and data efficiency.

The first step is to ask the right questions, as the analysis of data is only as good as the data you collect. Indeed, for an adequate level of personalization in the banking industry, the following insights are required:

PERSONALIZATION

- Get insights into your clients' **personal goals and objectives**
- Get a hint on our customers' **lifestyles and points of interests**
- Understand their current **life situation and plans for the future**
- Draw their **network** of connections (**friends and family**)
- Have a good understanding of their **budget**
- Collect their **contact preferences** (channel, frequency, content, etc.)
- Know exactly what **they expect from a bank**

Many of the above-mentioned can be learned from collecting transactional data and analyzing it with proper Business Intelligence or Artificial Intelligence tools. This will provide critical answers needed to start building a thoughtful customer journey.

In Part Two of the document, we will show you two ways of how you can extract valuable data. In the first case the data on a customer's goals and wishes can be collected via an Online Financial Planning platform and in the second through a client engagement strategy.

Both scenarios have the same final goal: getting to know customers better in order to serve them better.

CHAPTER 2: PERSONALIZATION IN BANKING

What do personalized customer journeys look like in the banking Industry?

The primary goal of any bank is to sell financial products and services. Therefore, this strategic objective should be kept as the highest priority even when planning a customer-centric strategy and building personalized journeys. Indeed, across various industries, achieving high level of personalization has proven to be a perfect marketing technique in order to achieve higher sales. **Relevancy, convenience and a positive brand perception** are crucial when it comes to increasing customer retention and speeding up purchase decision making. Content and communication to the client should match these three pillars.

- 1. Relevancy.** Banks need to match their offers, their support, and all the content they deliver with the personal goals of each customer. The further they go in that direction, the better the chances are for them to achieve higher conversion rates. Adapting the content does not only mean sending right offers at the right time. As we said, selling is important, but a lot more is needed in order to support our customers in their financial journey. What they also expect from a relationship with their bank is to feel **secure, informed** and **guided**. Therefore, elements such as a knowledge base with Q&A's and informative articles, profiled surveys and polls around different financial topics are a good mean to provide your customers with adapted and relevant content that supports them throughout their most important decisions in life. Think about mortgage, loan, insurance or pension decisions that most people face at some point in their life and appreciate getting extra help and advice from a trustworthy and knowledgeable source.
- 2. Convenience.** An important factor in the delivery of personalized content is the interactivity and responsiveness of the online and mobile portal to the user. It is not merely about the portal's modern look & feel, it is about available content, information blocks and operations that are displayed. When the digital portal content adapts itself to the user it offers greatly appreciated convenience and enhances overall customer experience. A perfect tool for generating cross- and up-selling opportunities, as the client gets a quick 360° view of what other services and possibilities exist, which perfectly match his or her needs.
- 3. Brand Perception.** In parallel, to make a difference - ensure a healthy loyal customer database and prevent your clients from moving to another bank whenever such an opportunity arises - you need to **present offers that go beyond your core products and services**. Of course, that little "extra" will not be the same for youngsters and adults. And again - the further you go with personalization in this area, the higher the chances of **gaining more loyal customers, lowering the churn rate and building a strong team of brand ambassadors** that are willing to recommend your products and services.

In Part Two of the document, the first case focuses on the Relevancy & Convenience aspect via the Online Financial Planning tool and the second case on Brand Perception through customer engagement activities that go beyond the financial product itself.

Yet again, both have the same final goal: increasing sales and long-term customer loyalty.



CHAPTER 3: CUSTOMER CENTRIC & DATA DRIVEN MARKETING

Which are the key steps to build a long-term customer-centric & data-driven marketing strategy?

As mentioned previously, personalization is an on-going process; both in terms of data collection as well as in terms of delivered content. Data collection must happen regularly, to keep up with the customer's changing life situations and needs. Content cannot be static to keep a high level of relevancy.

Bellow you will find some recommended steps and marketing tools & techniques, that go from listening to your customers, to analyzing the findings and - finally - delivering adequate communication to your end consumers:

On top of that, today's world is changing faster than ever and digital transformation keeps pushing companies to rethink their business model and communication channels. As a matter of fact, it is recommended to mostly reach out through channels that customers are using on a daily basis.

How can banks find the right way to use social media chat tools such as WhatsApp & Facebook Messenger without compromising security and addressing privacy concerns? We believe that a good idea might be embedding those channels in the overall customer-centric strategy, which provides a new place and opportunity to introduce engagement activities or promote partner services, but completely separating this channel from the core financial business platform to avoid security issues. This also offers banks a possibility to open up a new communication channel and engage in a lighter and more casual relationship with the client, while still using collected data to keep relevancy high. For that, a carefully planned customer journey and a fully omnichannel IT landscape is a must.

And once again, collected data is only valuable if it is examined and applied correctly and personalized content is only as good as the questions you ask.



- Create an open digital space for clients to share their thoughts and ideas
 - Stimulate interaction & listen carefully
 - Enrich customer profiles with answers to surveys
 - Embed social media content generated by your clients
 - Complete client profiles with online & mobile logs
 - Include simulations on top of transactional data
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- Check responses to promotional campaigns
 - Save surveys' answers in customer profiles
 - Check click-throughs and online/mobile logs
 - Analyze the opt-ins of targeted partners' special offers
 - Analyze client interactions with digital engagement platforms
 - Identify key influencers and brand ambassadors
 - Use AI/ML technologies to discover patterns in customer behavior
 - Use AI/ML to uncover hidden information & anticipate change
 - Build personalized next-best-offer recommendations
-
- Prepare content matching customers' unique goals & needs
 - Send out personalized marketing campaigns via preferred channels
 - Design personalized online & mobile content in digital banking tools
 - Send out profiled surveys and polls to collect further information
 - Provide employees with vital insights to better support their clients
 - Propose relevant extra services and products beyond your core offer

CHAPTER 4: REQUIRED TECHNOLOGIES

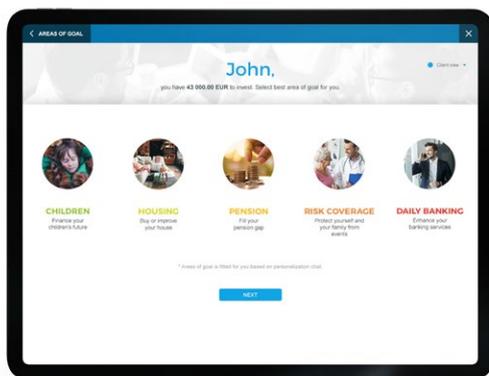
Which back- and front-end IT-tools are needed to support personalization?

Personalization requires a real-time adequate reaction to customer behaviors. Only the right IT-tools will allow you to be able to observe and collect information in real-time and provide relevant content right away via the communication channel used by your customers. The number of communication channels still keeps on growing, making a **unified omnichannel customer experience a real challenge.**

Let's look at a couple of front-end and back-end tools that can help banks to excel in delivering personalized content in a manner that will drive business results. All of the below are used in our illustrations in Part Two of this whitepaper.

Online & Mobile Platforms

Online & mobile platforms are not just an option anymore, but a must-have. Especially in the retail banking segment – the quality and usability of online platforms is the competitive frontier. But there are fewer known elements that could be added to typical finance-related features; their own account data, surveys selected based on their profile, knowledge base including relevant information based on their current life moments and communicated goals and wishes, operations that will guide them through financial products and services that they are interested in. Some extra “fun” elements to engage with customers and appreciate them as a person.



Financial Advisor Portal & Engine

Financial Planning tools allow to plan customers' finance taking into account their current financial status, personal situation, demographics and their objectives.

It is important to be aware of the customers' life stages, of their short-, mid- and long-term financial objectives, their risk appetite as well as their financial capacity – all to offer them a suitable financial plan that fits their situation and characteristics. For instance, offering a loan when a customer plans a big purchase or investment products when he has a cash surplus. Products can be offered in accordance with what customers really need and expect.



Loyalty & Engagement Tools

Loyalty Programs have been present across all industries for years now. At the beginning they have served a purpose of incentivizing customers to buy particular products or to spend an extra amount of money. Today, loyalty programs have become the best marketing tool to incentivize customers to identify themselves across all available channels. Why? On one hand, because we can put some extra benefits for doing so (ex. instant wins, lotteries, discounts, points, rewards, coupons, privileges, etc.) and on the other hand, because we promise our customers to stay relevant if only they let us know it is them! An elevated level of **personalization is the promise we need to deliver, as this is what makes customers give up their privacy in return for relevancy and convenience!** A win-win situation! And if successfully set up, identified customer across various channels coupled with meaningful interactions lead to a tremendous amount of valuable insights going far beyond the standard demographics. You will be able to start collecting an extra set of data on “digital” behaviors via the banking app or the online platform (ex. checked offers, interest in benefits, surveys, mini-games, etc.)

Artificial Intelligence & Machine Learning

More and more companies now turn towards advanced and sophisticated tools such as Artificial Intelligence and Machine Learning, expecting these technologies to deliver ready-to-use marketing

techniques and content that will help them achieve higher level of personalization. Your success with AI/ML-powered tools, however, highly depends on the questions you ask and data you collect – its quantity, quality, and relevance. We do recommend to test AI tools for the following purposes:

Predict upcoming events and changes in customer behavior and establish a genuinely proactive approach towards your clients to propose more relevant content as well as products and services

Be always prepared for future interactions and quickly respond to situations that are out of the ordinary

Contextualize pushed messages and offers based on valuable recommendations

For a service provider, it is even harder to find the right words – words that will convince a client to use a given banking product. The objectives are the same: long-term loyalty, third-party's satisfaction, as well as a feeling of recognition and appreciation. If you ask the right questions, the AI-powered tools will help you analyze your customers' answers and find the exact words that need to be used to form a proper response.

The two sample journeys we present in the next part use an online platform backed up with a financial

advisor front-end and engine (scenario 1); as well as a mobile application backed up with a loyalty & gamification engine (scenario 2).

Combining both strategies, one focusing on sales and another one focusing on engagement is your success factor for increased sales and for keeping your retention level high.



CHAPTER 5: CONCLUSION

How to Build Successful Individualized Customer Paths?

From the first part of this whitepaper, we can conclude that:

Key Findings & Lessons Learned

Personalization:

- means responding in an accurate way to unique client needs and goals
- is an ongoing process as customer situation changes over time
- requires real-time tools and integrations with various channels used by clients

The more you incentivize open discussions, the more your customers speak up

The better

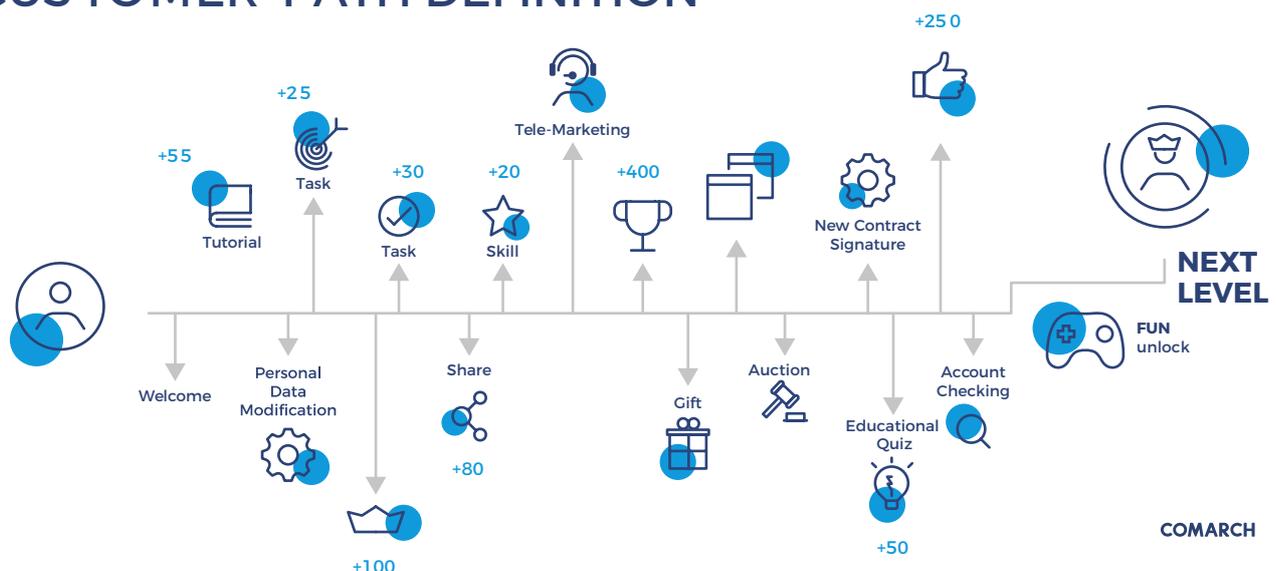
- questions you ask, the higher the quality of your data
- better you use collected data, the higher relevancy is reached in terms of content

The more you

- adapt your content, the higher cross- and up-selling opportunities you create
- recognize your customers as unique individuals, the more engaged they are
- support your clients in their daily challenges, the more loyal they become.

The point is that everything that you offer your customers through digital channels should be part of a **carefully designed customer path or a journey** that is filled up with various activities linked to both financial products and services as well as some other engagement activities with the brand.

CUSTOMER PATH DEFINITION



Building personalized, meaningful and engaging customer journeys is not an easy task, but thanks to available technologies it is possible and it truly impacts both the perception our customers have of their service providers as well as the final achieved business results.

PART TWO

“You’ve got to start with the customer experience and work back toward the technology – not the other way around.”

Steve Jobs

USER PERSONAS ANALYSIS

Who are my customers and what are their unique traits, needs and desires?

Many companies (including banks) are still subdividing their customers based on demographics, using mostly gender or transactional data. That is far below than what is expected if you aim to provide your customers with a feeling of **understanding**, **satisfaction** and **delivering relevancy** in terms of the content you distribute and products you deliver.

For the purpose of illustrating our recommendations from the first part of this whitepaper, we have prepared a sample collage of various types of people whose needs banks are trying to meet by providing them with personalized content. The personas will then be used in sample journeys in the next two chapters.



JOHN

- Age: 28
- Profession: Server engineer
- Cynical and sarcastic
- Single, lives with 2 roommates
- Loves taking risks
- Limited savings
- Plays video games, dreams of a motorcycle
- Go-to meal: frozen pizza



LAURA

- Age: 34
- Profession: marketing consultant
- Chatty and bubbly
- New single mom of cute baby twin girls
- Struggles with a good work-life balance
- No savings, collects coupons and discounts
- Likes fashion and music
- Loves quinoa, kombucha and goji berries



MICHAEL

- Age: 64
- Profession: Head of accounting
- Dry sense of humor, analytical
- Happily married since 33 years
- Likes to play it on the safe side, limits risks
- Enjoys free time in his garden and with his grandchildren
- Good amount of non-invested money on savings account
- Favorite dish: potato puree, peas and carrots, sausage

It is more than likely that your customer database contains a long list of diverse profiles. Evidently, each of them needs to be approached differently.

Luckily, new available technologies can make it possible to individualize content, products, and services. Let's deconstruct two examples!

SAMPLE CUSTOMER JOURNEY – SCENARIO 1

How to offer truly personalized banking service?

Customer Journey

Here is John. John, just as many other bank clients, has begun his relationship with a bank for a reason. He wants to feel safe about his current and future financial status. He wants to feel in control of his money. He is ready to rely on a bank – its products and services, but most of all, its advice as an expert in the field. Currently his main preoccupation is the following: how should he plan his financial future to secure his savings throughout his lifetime? He likes to take risks, but wants to stay reasonable. He wants to buy a motorbike, but does not want this purchase to jeopardize his financial stability.

John mostly uses the online customer portal. On that portal he sees his own account. He can also see his own objectives and goals that he has set-up himself. John adds a new purchase plan – a motorbike. He gets an analysis of how the costs related to this purchase will impact his financial plan for the future. It displays some tips on how to better manage his finances after such a purchase. The portal proposes an optimal loan for him as well as the best insurance option.

Feeling secure that “he” thought of everything and made a reasonable decision, he takes the loan, adds up necessary insurances and goes to his favorite store to fulfil his dream of riding the motorbike on the weekends.

This scenario supports following both strategic and tactic company objectives:

- **Strategic objectives:** generating cross- and up-selling opportunities, increasing sales, strengthening customer loyalty in the long term
- **Tactic objectives:** collecting valuable customer data, building a one-to-one digital dialogue, delivering high quality and relevant content, supporting digital sales

As we will see in the proposed journey, the bank is not the only one taking advantage of that approach. John is its main beneficiary and his expectations are met thanks to a customer-centric approach.

TOOLS & TECHNIQUES

Bellow, a guided outline on how to make the above story happen.

1. CUSTOMER PROFILING

The whole process of creating a well-constructed financial plan is, first of all, based on customer profiling. It involves using various data aggregates:

- a client segment based on financial data
- a client segment related to the specific goals of the application,
- based on the personas analysis, defining particular moments in life, specific goals and long-term objectives, risk appetite, and other preferences
- take into account: current wealth status, forecasted cash-flows, housing, and family situation, etc...
- personal defined objectives or even wishes and dreams. (these could be preserving or accumulating current assets/wealth)

2. DATA COLLECTION

There are plenty of questions that you can ask a customer:

- What wishes do you have for the near future?
- What financial needs can we help you with?
- Do you and your family plan any investments soon?
- What is one of your most desired dreams?

Only once you collect the data, you will be prepared to better understand your customer’s situation, financial capability, risk profile and more.

3. FINANCIAL EDUCATION

You need to make your products and services clear enough so that everyone will understand what they are dealing with, without having a PhD in finance. You can easily test customer knowledge by asking them questions on their future pension: what is pillar I, II, and III? How much is the average state pension for women or men? In most cases, you will not get the right answers - **these should be provided by the bank**. Digital platforms give customers instant access to all the information they need to build an opinion about the brand.

4. INDIVIDUAL DIGITAL FINANCIAL PLAN AND REAL-TIME MONITORING

Once all client needs and goals are defined, they are aggregated in one place to help form the foundation for customers' financial plans. **Then, continuously, the value and progress are monitored.** Also, **alerts** go off after realization of the initial idea as forecasted. During each step of the way, the customer is supported by **various textual and graphical materials that all together play an educational role**, replacing one-to-one meetings with a financial advisor.

5. BUILDING FINANCIAL DISCIPLINE

Here, the general aim is to encourage clients to build financial discipline and then present them with the right banking and investment products. Challenge them into reaching their objectives, even if it means introducing (recommending) corrections to their current spending habits.

6. INDIVIDUALIZED CROSS/UP-SELLING RECOMMENDATIONS

Once the customer is incentivized to provide us with their preferences, they interact with the platform much more, thus leaving behind even more data. As a result, we can start reaching out to them with highly individualized proposals - "Would you be interested in buying insurance for your travel?", "A new investment plan for your savings, maybe?" and so on.

BUSINESS RESULTS

This strategy combined with a thoughtful usage of existing technologies will result in a number of business results:

- Real personalization or even individualization of financial products proposal
- Truly individualized advice and support and this via a digital platform
- Reduced operational and support costs
- Increased cross and up-selling opportunities
- Enhanced customer experience thanks to convenience and relevancy
- Enhanced brand perception thanks to real partnership-based approach



SAMPLE CUSTOMER JOURNEY – SCENARIO 2

Question: How to build personalized customer journeys to drive engagement?



LAURA
Age: 34

CUSTOMER JOURNEY

Here is Laura. Laura is a young lady, who likes working and enjoying life. She recently became a mom of twin baby girls and now struggles a bit as she is used to spend all of her money entirely, has no savings and her costs have grown significantly. Although she likes fashion, she recently forgets to take care of herself.

Laura just went out for a walk with her newborns. She is sitting on a bench in a park. While having some time on her hands, she checks MY BANK App. She sees that she has already gathered 140.000 points, yet she is still waiting to reach 150.000 points. Why? Because that is when she will be able to exchange them for a 10% discount card at her favorite retailer of her choice. She is currently a “Silver” customer, waiting to be promoted to “Gold”. As a Gold member, she can have free tickets for cooking events organized by one of her bank’s partners. Also, she is often sharing her activities with other bank’s customers on social media (mainly because she can gain additional benefits by doing so).

Based on her activity, she is also collecting badges – and that makes her feel appreciated. As she walks back home, she passes by the shopping mall and she receives a push notification from the My Bank app with a special offer at her favorite clothing store. Since babies are still sleeping tightly in the buggy, she goes there right away and gets a nice jacket with 25% discount. As she paid with the My Bank credit card, she reaches 150.000 points with that purchase and so becomes a Gold member. She is really happy; this made her day! She is glad her Bank is always there for her, whenever she needs support in her daily challenges.

COMPANY BUSINESS OBJECTIVES

Selling the products and services is, of course, extremely important, but not enough if we want to build a long-term relationship with the clients. The above focuses more on the added-value and **complementary tools and services a bank can offer its customers via digital platforms, loyalty program mechanics, and strategic partnerships.**

By doing this, a bank can achieve a number of positive effects. Within the most important, we have:

- **Enhanced Brand Perception:** as the bank becomes a real-life daily partner
- **Increased Sales:** as the credit card spending is incentivized via special offers and benefits
- **Customer Retention & Long-Term Loyalty:** via personal recognition, special attention and long-term benefits.

TOOLS & TECHNIQUES

Please see below a guided outline on how to make the above story happen.

1. LOYALTY PROGRAM

Loyalty Programs remain the best marketing tool to incentivize customers to identify themselves across all available channels (amount of them keeps on growing). They also are the best tool to increase the frequency of interactions. And again, they do help generating a massive amount of valuable customer insights. If well designed, and powered by a real-time omnichannel business rules engine, the loyalty program truly has an impact on customer retention and the brand perception.

A high level of personalization (or even individualization) is hard to achieve without a loyalty program connecting all the dots.

2. GAMIFICATION

Gamification mechanics, added on top of traditional loyalty program rules, offers plenty of extra ways to engage with your target audience of all ages. Also, they enable an extra layer of personalization beyond the core banking offering. Educational contests or some charity activities are just a few examples. Some customers might be motivated in activities that challenge them, such as quizzes, games, and duels. Some might love testing latest technologies, virtual or augmented reality, voice recognition tools, etc. Some might want to prove themselves as financial market experts. Some just want to be a good

mom or a good grandpa. All of these can be used in a properly defined engagement path.

If you do it right, you will be able to go from a very low-frequency interaction scheme to many positive experiences that will end up in a vast loyalty customer database.

3. COMMUNITY BUILDING

Let's take our friend, Michael, who claims to love spending time in his garden, taking care of his vegetable patch, and enjoys alone time. In reality, he feels lonely and disconnected from his friends and family, as his grandchildren rarely come to visit. So, when he was offered tools that enabled him to reconnect with his family via the My Bank App, with a virtual garden shared with his kids, he felt delighted. He used the virtual world to get a fresh start and now his loved ones are visiting him regularly to see the real garden.

Coupled with game mechanics, community building tools within the My Bank App, might generate lots of positive emotions that can result in viral marketing, testimonials and new bank customers!

4. MOBILE APPLICATION

Mobile Application is often perceived as a threat or an entry barrier. Our customers are fed up with having too many apps, some of them serving only a limited scope of functionalities. However, they might become powerful tools and a real "friend" to our customers if only they bring enough value, if the delivered content is relevant enough and comes at the right moment. Mobile applications have the advantage of enabling location-based services meaning that we can finally serve our customers at the exact moment when they need us.

Mobile Applications enable a one-to-one dialogue we never thought was possible when dealing with millions of customers at the same time. Backed up with appropriate loyalty engines, BI or even AI tools they offer an unprecedented level of relevancy, personalization and customer value proposition.

5. STRATEGIC PARTNERS NETWORK

Adding a carefully thought a strategic partnership network is what will help banks to bring that extra added value and be present in customers' daily lives. Thanks to partners, banks can propose special

services adapted to various customer profiles. Again, it can result in a new set of data about our customers and their preferences.

Whether done in real time or in an asynchronous way, having an integrated partners' network allows a bank to become a partner rather than a pure financial service provider.

On top of the above, there are two extra tools that could be used:

- **Location Based Services:** to enable delivering the right content in the right moment
- **AI/ML Tools:** to aid with the preparation of the personalized content using AI tools

BUSINESS RESULTS

The above scenario illustrates how, with the use of a customer-centric approach and available technologies, a bank can create **a single, affordable and highly effective CRM strategy that will do justice for many different customer profiles.** Within one application, with one back-end loyalty engine, and one mobile application, the content we deliver (ex. offers, promotions, coupons, badges, messages, etc.) can be fully adapted to one's lifestyles and preferences.

In such an approach, there are essential elements that we are achieving while building a valuable relationship with your customers:

- **A Feeling of Customer Appreciation & Engagement:** customer feels recognized as a human, as a father, as a woman. With badges and leaderboards based on various customer activities. Customer feels motivated to engage with the app and the bank as it is relevant, surprising and beneficial for him/her.
- **High Frequency of Interactions & Valuable Insights:** this approach generates a high number of interactions (customer with the bank via digital tools) enabling building positive appreciation of the brand, but also, a lot of customer insights.

And once again, we are supporting the most important strategic objective being retention and long-term loyalty; and as we all know, gaining a new customer costs significantly more effort than retaining an existing one.



CONCLUSION

Taking the perspective of a service provider, personalized customer journeys are about approaching each client as a unique individual. We have seen that banks are making a significant effort to take first steps towards advanced customer personalization, while this process has been fully embraced by other sectors as a fundamental element of their marketing strategies. Still, banks are very much behind. And even though the whole digital transformation can be considered a tough challenge, it is more than possible, and not only for new players but also for well-established banks with their typical weight of old applications.

Talking about millions of customers banks are interacting with daily, solutions such as real-time omnichannel sales engines, loyalty programs, uncovering the hidden patterns in customer behavior or financial planning tools can help banks to reach every one of their customers with unique personalized content at the right time and place. It is fair to say that banks

actually have somewhat of an advantage over other sectors due to the large part of their clients already being users of their online & mobile platforms. Therefore, all that is left for them to do is to enrich their customers' experience and support them in going beyond traditional banking services and become part of their daily life.

As the banking sector is in full transformation into an eco-system and Open Banking is making its way, the battle for data is expanding its horizons. Will banks be able to find a new identity on this market where newcomers are well-equipped to change the rules of the game? Will banks find a way to play the card of trust built over the years and of strong feeling of connection towards their brand? The success of a new value proposition can only be measured after some time but what we do know already is that providing a better service, especially at key moments of clients' lives, makes loyal customers that want to stay with their bank for the long haul.

COMARCH

ABOUT COMARCH

Comarch has more than 25 years of experience in designing, implementing and integrating state-of-the art IT solutions. The most important aspect offered to the largest enterprises is a comprehensive suite of IT solutions and professional services, which can help to build and manage loyalty programs, create rich consumer experiences and personalized interactions across multiple touch points, automate marketing processes and boost profits. Our software supports the entire loyalty value chain. Comarch has multi-industry experience, gained through work with more than 90 clients (including airlines and other travel companies, telecoms, financial institutions, retail and consumer goods companies and many more) such as JetBlue Airways, London Heathrow Airport and BP. The offer also includes Big Data analytics and innovative customer engagement systems based on gamification, which increase profits and strengthen relationships between customers, partners and the brand.

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