Celebrus for Retail Banking

Laying the Foundations for Customer-Led Digital Transformation

Digital Big Data: Because customers are individuals

Under Pressure

Sandwiched between strengthening regulation and scrutiny by government and regulatory bodies, and growing business demands to break down internal silos and maximise overall profitability per customer, retail banks face a multitude of challenges. Add to that the pressure of customers' heightened expectations for an enhanced, consistent and more personalised experience across multiple touch points — web, mobile, apps, call centre, social media and in-branch — and it is understandable why retail banks are turning to advanced technologies to help them overcome those obstacles and become truly customer-led.

> **FACT: 11m Banking app logins a day** during 2015 - a 50% rise from 2014.
> *(BBA - June 2016, CACI - June 2016).*

Today's "always on always connected" consumer expects the same type of easy, prompt and personal self-service from their banks' digital channels as they get from their other preferred brands such as retailers and airlines. Those companies have often shown a more innovative approach to dealing with omni-channel consumers and whilst they don't get everything right, they have set the bar high in terms of creating an engaging customer experience, increasingly in real-time.

> **FACT: 47%** of customers **prefer to bank online.** *(Retail Banking International).*

Modern time-poor customers rarely spend time browsing banking sites for pleasure...it's not most people's window-shopping of choice. They usually want to get their banking tasks done as quickly as possible or, if considering new financial products, rapidly assess the market, make a decision and then get on with their lives. They do, however, want to execute those tasks via the channels of their choice at the time that works for them, which could entail hopping between several channels and devices on one day. As banks have a limited product set compared to many companies, they have less time and opportunity to engage existing customers, as well as new prospects, with relevant offers for that individual at their current life stage...so they must make sure that every single one counts.

If retail banks are to meet customers' and prospects' expectations, and in doing so strengthen loyalty and extend the product suite sold to each one, the key will be building complete profiles of each individual and then using this information to drive insight and actions that truly engage customers and enhance their experience during every interaction and across every channel. If the same insight can be used to deliver business efficiencies that improve processes and maximise return on investment that's even better: those types of benefits may be the key to securing the investment that will deliver value in multiple ways.

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A retail bank's ability to meet and balance these consumer demands is often hampered by legacy systems, lack of relevant data and a somewhat conservative mindset. Increasingly fickle consumers, the poor brand perception of banking and an influx of innovative financial services providers, however, makes the pressure to solve these issues even more acute. Couple this with the rise in account switching and a more open-minded approach to purchasing financial services, and it's clear that banks can no longer rely on relationship marketing and inertia to keep their customers and generate new ones. Differentiation through the quality of the customer experience and personal engagement will become key, not only in binding customers to their existing banks but also in acquiring new ones.

> **FACT: 71** Average branch visits per day in 2016 - **a 32% fall since 2011**.
> *(BBA - June 2016, CACI - June 2016).*

The Three Es of Transforming Digital Marketing

Whilst there are numerous ways that the right data foundations can help retail banks grow customer loyalty, maximise marketing effectiveness and increase revenue, they can be split into three key objectives:-

- Enhancing the customer experience

- Maximising business efficiencies

- Increasing customer engagement

Let's look at each in turn and how having the right data foundations and technologies in place can help organisations transform their digital marketing to deliver outstanding results.

Enhancing the Customer Experience

Ensuring that customers have the best possible customer experience is no longer a nice to have; it's an absolute necessity. Consumers have grown to expect the type of fast and personalised experience they receive from some of the world leading brands from all their chosen providers, whether that is retailers, telcos, travel companies or banks. An added pressure is that consumers usually don't want to linger when dealing with financial planning and arrangements; they simply want to get the job done. With this in mind here are some ways that organisations are transforming the customer experience, both digital and offline:-

1. Customer journey issue identification: Today's websites are so vast and so dynamic that there are often glitches. No matter how tiny they are however, these can impact the customer experience which today's consumers are not willing to bear;

there are simply too many opportunities to go elsewhere to find what they need. The real nitty gritty of these issues can be very hard to identify with aggregated or trending data; really granular data is required to track individual customer journeys and identify problems and specific drop-off points, e.g. inaccurate search results being delivered or problems with an online form. Smoothing out these hidden bumps in the road will help maximise conversion rates and optimise the customer experience.

2. Individual channel preferences: All consumers have preferred channels, devices and times of day for their interactions with banks and other suppliers. A one size fits all approach to pushing out communications and driving everyone down the same path is not being customer-led. Today it's essential to understand each individual's channel preferences and tie those individuals together across those channels and devices. Only by creating this comprehensive customer view can brands deliver ongoing one-to-one communications and journeys that are coherent, consistent and meaningful to that customer via their preferred devices at their preferred times of day.

3. Improving customer help and support: Consumers are increasingly expecting to be able to self-serve online. If, unfortunately, they hit a problem however, they expect it to be resolved as soon as possible. By developing insight such as the previous interactions of individuals who end up resorting to the Help section, as well as their customer profile, enables organisations to improve their online processes so that fewer people hit that barrier in the future. Additionally, by combining that data with their customer profile, a brand can prioritise the timing and channel for contacting specific individuals who have had an issue, to make them feel appreciated and supported, especially if they are a loyal, high value customer.

4. Opening up partner opportunities: The use of data with partner organisations can deliver joint value e.g. by understanding that individuals always uses their debit card to buy lunch in a certain store on specific days gives an opportunity to push offers via text to them for that store or nearby locations at that time. This could also be matched with geolocation data to gain a truly accurate picture of when the customer is in that vicinity in order to push extremely timely offers.

> **FACT: Users of online banking** in China: **221M**.
> *(Retail Banker International).*

5. Increasing acquisition rates: Whilst it's essential to keep existing customers and maximise up- and cross-sell opportunities, new customers are essential to future growth. Understanding whether individuals have visited your website before, the products they have browsed or searched for and any interactions with forms, in particular pre-completion drop-offs, can help you deliver highly appropriate and enticing offers to them. These could include your current customer satisfaction feedback, your best value interest rates offers or simply a welcome message to potential new customers.

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Maximising Business Efficiencies

Business efficiencies are an ongoing must with all organisations under constant pressure to control costs and maximise the effectiveness of their investments. There are considerable efficiencies which can be driven through having the right customer data and applying it creatively to develop analytics and insight that maximises investments and improves processes. These include:-

1. Customer analytics: Detailed data is essential in delivering really rich customer understanding and discovering previously hidden insights. This starts with creating a complete and trusted single customer view of individuals across all banking products, interactions and channels. By having this individual-level insight banks are empowered to extend the product suite purchased by each customer, thereby maximising profit per customer and breaking down the internal silos that currently hold them back. Building on the groundwork, more advanced analytics such as golden pathing to understand the optimal routes through a website, or product affinity analytics to understand which products are commonly investigated together, provide even more actionable insight that analysts and marketers find extremely valuable.

> **FACT: 67%** Dutch banking customers agree that it's **OK to use data to offer personally relevant products or services.** *(Capco).*

2. Product development planning: You know which products are your most popular and the audience that most frequently buys them, but do you know which products are most commonly browsed but not purchased and what types of customers are looking at them? By having the data about online search and browse behaviours and matching that with individual customers to understand more about the types of people those products appeal to you can identify possible pent-up demand and the potential value of making those offerings more enticing. For example, product development would be very interested in knowing that high value customers in their sixties are looking at investment fund planning information online but going no further; perhaps the offering needs adjusting, the messaging needs changing or more communication is required.

3. Maximise return on marketing investments: Whilst digital channels make it much easier to track metrics in terms of click through rates and conversions, it's an accumulation of numerous marketing activities and messages over time that drives someone to purchase, especially in the case of major life stage financial services purchases such as mortgages and investments. It's only by having the data about individuals' online behaviours and experiences over time that a full customer lifecycle attribution model can be developed which gives true insight into the role and effectiveness of different marketing investments in driving profitable sales. Without individual level historic data there's a reliance on last or first click attribution which is proven to be flawed. With this data however, it will become clear which activities are driving sales and which lead to website visits but ultimately no revenue or low value customers.

> **FACT: 250% Annual rise in spending** using contactless cards with £1.1bn spent in March 2016. *(BBA - June 2016, CACI - June 2016).*

4. Optimise channel efficiencies: Some channels are lower cost to run than others, so the more effectively the high cost channels can be used to best drive sales, boost loyalty or enhance the customer experience the better. Being able to identify common channel jumping off points, for example when people start a credit card balance transfer process online but complete it via a call centre, enables adjustments to the online journey so that the more costly channels can be made best use of. The insight from individual customer data will also inform which customers are always likely to want to complete their journey via a non-digital channel so they can be pro-actively contacted to ensure they complete their purchase with their current bank and don't defect to a competitor.

5. Risk and fraud profiling: Minimising risk and combating fraud are never-ending battles for financial services providers and something they are extremely experienced at. Detailed digital channel behavioural data can be another weapon in the anti-fraud armoury. For example, seeing if a single IP address has completed multiple online credit card application forms under different names is very useful data input into sophisticated fraud and risk management tools. Having this data in real-time will help uncover new potential fraud patterns and identify problems for which early intervention is necessary.

Increasing Customer Engagement

Engaging today's time-poor channel-rich consumers requires getting the right messages to them via the right channels at the right time... right for them that is, not the bank. That mantra has been heard by marketers many times before, however with the growing number of channels and increasing consumer demands for instant responses, having the right data at the right time to deliver those messages is more critical than ever. Get it right though and you'll see improvements in customer engagement in these ways:-

> **FACT: Total number of account switches** in the UK now stands at **3,077,444** since the service was launched in 2013. *(UK Payments Council).*

1. Next best action: Understanding and delivering the next best action via the most appropriate channel for that individual. This could be an immediate text message to reconfirm the interest rate on a short-term loan just offered via the online calculator, a triggered email to advise the terms and conditions on new credit cards or a follow-up call from a call centre agent to discuss re-mortgaging. The timing may depend on the product being considered or how much time the individual spent looking at it and the channel may depend on what is preferred by the client based on previous interactions; but without the data the bank is poorly equipped to make any positive move.

2. Email and app personalisation: Personalising all or some email content and offers based on that individual's search, browse and interaction behaviour is a powerful way to improve engagement and encourage cross-sell. This technique could equally be applied to offers content within mobile apps. Moreover, if done well it could be a component of creating a more emotional connection with the brand which is all part of the loyalty mix.

3. Real-time website personalisation: There's no more critical time to put relevant offers and messages in front of customers than the moment they are already engaging with the website. Bringing together data about current and previous online interactions, e.g. loan calculations made or forms completed, online experiences e.g. the product reviews visible on the page, with other customer data such as current life stage and customer history, to power decisioning engines ensures that those messages are truly relevant for that individual. This takes personalisation way beyond the realms of "people who liked that also liked this" into true one-to-one personalisation.

4. Hot leads into the call centre: This is a well-proven technique across the insurance market who have a limited time frame in which to close deals as most policies are for a 12 month period and customer inertia often means that they are, in reality, much longer. By pushing information about purchasing indicative behaviours into the call centre for them to follow-up with a customer friendly call, conversion rates have been increased hugely, especially when the digital behavioural data is combined with customer data to decide how enticing to make the offer during the call. This technique, which is also proven to enhance the customer experience and increase average deal sizes, could also be applied to retail banking.

5. Multi-variate testing (MVT): Whilst MVT is not the core raison d'être of individual-level data, it is a use to which it has been put by several clients as it helps them better understand how to engage online visitors and maximise website effectiveness and conversion rates to gain even more value from their investment.

Strong Data Foundations for Customer-Centricity

In order to meet these growing challenges a new approach is required: time has proven that simply twisting existing tools to meet modern goals is painful, time-consuming and ultimately unsuccessful. Here's a list of the issues that clients from retail banking and other sectors have told us they are encountering when looking to transform their digital marketing using their current technologies:-

- *"My data is aggregated and difficult to get to the individual level."*

- *"I want to be customer led not product led and I can't do that with my current website data."*

- *"I have to run lots of separate projects in order to get data from different channels and devices."*

- *"Disparate data sets are hard and time consuming to join together."*

- *"I'm spending time and effort adapting solutions that were not built for the purpose."*

**PROVEN RESULT:
10 x increase** in revenue per email.

**PROVEN RESULT:
240% improvement** in click-to-buy ratio

In addition to these data-focussed problems, there are a number of other challenges with the technologies, tool sets and infrastructures required that decision-makers across organisations are trying to deal with:-

- *"I have too many point solutions which require a lot of expense, time and effort to manage."*

- *"Tagging is a never-ending effort."*

- *"Different platforms provide data in different formats, so I can't join them easily or reliably."*

- *"We are unable to react to our customers in real-time, because our data isn't real-time."*

- *"Our data is in a lot of external systems and services that we can't control."*

- *"We have a global business and we need a global view, but different tools provide different answers and we don't know why."*

- *"The off-the-shelf packages don't give us the flexibility we need."*

PROVEN RESULT:
30% increase in conversion rate in the call centre

PROVEN RESULT:
24% increase in online conversion rate

At its very foundation Celebrus Technologies took a fundamentally different approach to capturing and delivering data from the digital channels. Celebrus is all about enabling organisations to understand

PROVEN RESULT:
100% uplift in call centre average order value

each individual customer's interactions and experiences across their digital channels, including websites, mobile apps, social media, videos and kiosks, as well as card payments made, and delivering the data to them as the underpinnings of a consistent, trustworthy single source of truth. To achieve this Celebrus' award winning tagging-free digital big data software collects highly granular behavioural and experiential data and feeds it into a wide variety of big data technologies in real-time, including decisioning engines, data warehouses, big data analytics tools and document databases. This powers insight and actions which are transforming clients' digital marketing and business success.

TO FIND OUT MORE:

To find out how Celebrus can help your retail bank please visit **www.celebrus.com**. Alternatively, to see a demo of Celebrus on your website, call us today on **+44 1932 893 325 (UK), +1 508-308-7455 (USA)** or you can email us at **info@celebrus.com.**

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