



EBOOK

The Future of Customer Engagement is Already Here

What banks and credit unions need to know about how to create customers for life through meaningful engagement



Is your investment in digital transformation paying off?

Retail banking is facing a radical upheaval in customer expectations. In today's financial market, customers are spoilt for choice when it comes to the brands and services they patronize, low barriers to entry and disruptive fintech players present unique challenges to established financial institutions. With these circumstance, how does a traditional bank foster trust and create loyalty among its customers, especially as the digital age persists?



One in three customers will churn after just one bad experience¹.

85%

of your customers feel they are not receiving value²

56%

of customers who leave banks rank poor service as their number one reason for leaving³

54%

of U.S. consumers say customer experience at most companies needs improvement¹

Today’s customers want—and expect—to be known and understood. They want things to be relevant, timely, and above all, **easy**.

Is your institution falling short?

¹Experience is everything: Here’s how to get it right, Tom Puthiyamadam & José Reyes, PwC
²Eighty-Five Percent of Your Customers Feel They Are Not Receiving Value: How Do You Fix It?, Deborah Alvord, Brent Adamson, Cassandra Nordlund, Gartner
³Qualtrics Banking Report, 2018, Qualtrics

Most businesses are just scratching the surface of customer engagement

There is significant business value in creating more engaged customers, so it's no wonder that business leaders—from the CEO on down to marketing, experience, information, and product officers—are trying to leverage digital transformation tools to create a more meaningful experience for customers. In fact, Gartner found that 56% of respondents in their 2021 Board of Directors survey ranked significantly enhancing customer engagement as the top expected outcome of digital business investment.⁴ Yet, IDC analysis estimated that 70% of digital transformation initiatives do not achieve their desired business outcomes.⁵

⁴ Survey Analysis: Executive Leaders Should Align to Board Priorities for 2021, Gartner

⁵ IDC FutureScape: Worldwide Digital Transformation 2021 Predictions, IDC

Global digital transformation spend is growing at a **CAGR of 15.5%** from 2020 to 2023, approaching **\$6.8 trillion**.⁶

But are those investments—
are ***your investments***—
delivering the outcomes you
need to grow and succeed?

Are CEOs and CMOs and CXOs
doing enough to solve the real
problem that's most crucial to the
continued survival of established
financial institutions in the face of
digital-native competitors?

⁶ IDC FutureScape: Worldwide Digital Transformation 2021 Predictions, IDC

Want to know the real problem? Customer engagement is fundamentally broken

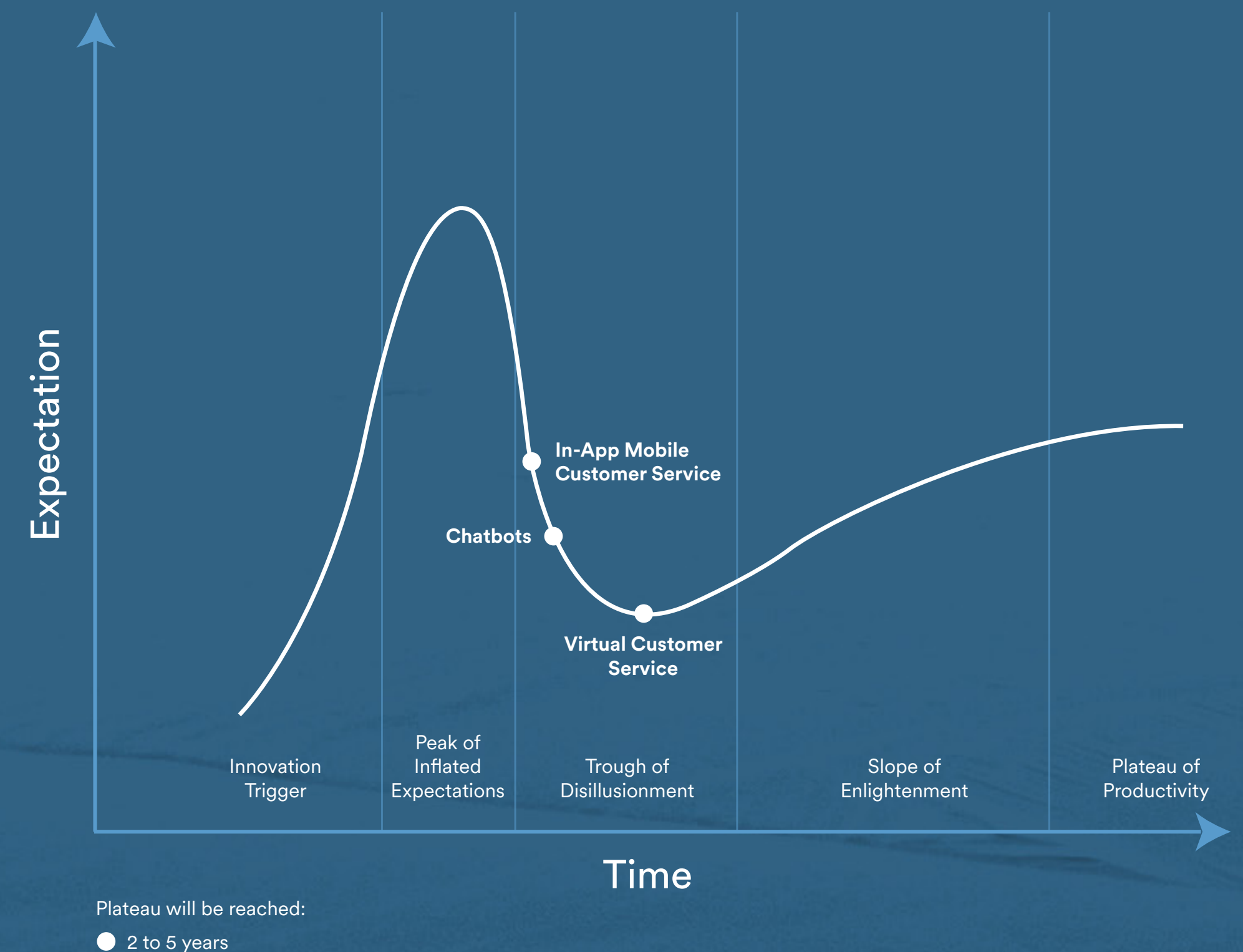
Most digital businesses rely on CRMs and various automation tools to make the entire customer-facing operation more efficient and value-driven. But these tools were not built for engagement that fosters trust and builds customer relationships.



Gartner’s latest Hype Cycle for CX technologies⁷ places many of the tools you’re likely using—chatbots, virtual assistants, in-app service—as well within the “trough of disillusionment”, producing dwindling impact on better customer engagement. And now that customers place experience ahead of price and product as the key brand differentiator⁸, it’s time to evaluate the ROI on those investments.

Having spent millions, if not billions of dollars on various digital transformation initiatives and technology, why do many financial institutions still struggle to get customers to engage?

Hype Cycle for Customer Service and Support Technologies



⁷ Hype Cycle for Customer Service and Support Technologies, 2020, Gartner

⁸ Customers 2020: A Progress Report, Walker

First things first:

The cost of losing a customer is greater than the cost of acquiring a new one

Customers want to feel known, understood and appreciated. At the root of these things is better customer engagement—that demonstrates a deep understanding of the customer and their personal needs through 1:1 experiences that are timely and relevant to their lives. They want detailed and individualized information about their investment plans, or to find out how they can restructure their mortgage to take advantage of changing interest rates.



The Disengagement Dilemma

While engagement is a top expected outcome for banks today, the top financial institutions also recognize its less popular yet related metric: disengagement. Banks have to balance their focus on improving engagement while also reducing the number of customers who are disengaged. This dilemma is growing, given **66% of banking customers are disengaged**⁹, and the impact can be significant:

63%

customers who are not fully engaged bring 63% less revenue¹⁰

21%

disengaged customers had deposits and assets that were 21% lower than those of fully engaged customers¹¹

56%

disengaged customers who are likely to churn¹²

When a customer is disengaged, their cost to the business is dangerously close to that of a churned customer. However, the disengagement dilemma can be overcome with a re-engagement strategy that focuses on relationship-building through meaningful engagement. And once customers are more actively engaged, the outcomes are exponential both for the bank and the customer.

⁹ The Reacquisition Imperative: Why Financial Institutions Must Reacquire Customers Through Digital Engagement, Cornerstone Advisors

¹⁰ Gallup Examines the State of the American Consumer, Gallup

¹¹ The Engagement Imperative, Gallup

¹² Experience Leadership in Financial Services, Qualtrics

When a customer is engaged, they deepen their relationship with your brand, leading to better business outcomes. Meaningful engagement should be **mutually beneficial** for the customer and the business.

1 Retail banking customers who are fully engaged **bring 37% more revenue per year** to their primary bank compared with those who are actively disengaged.¹³

2 Customers who are fully engaged represent an average **23% premium** in terms of **share of wallet, profitability, revenue**, and **lower relationship growth** over the average customer.¹³



The new battleground for banks is not how digitally transformed an institution has become but how effective that institution is in building meaningful digital relationships with its customers.

¹³ Gallup Examines the State of the American Consumer, Gallup

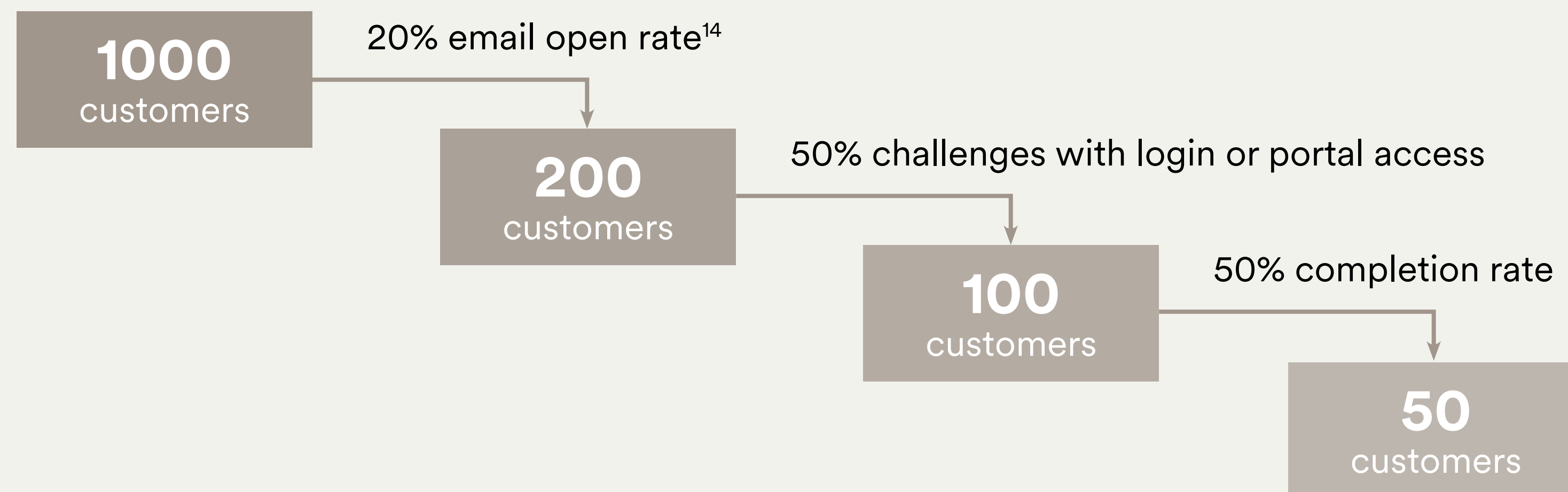
If you want meaningful customer engagement, get rid of friction

Friction is an inevitable side effect of channels used today to communicate with the customer. When they hit inconvenience or complexity, they can't or won't take the steps throughout their lifecycle that drive outcomes. The customer experience needs to be seamless, but also painless.

Additionally, the internal siloed employee effort necessary for financial institutions to engage with their customers using tools not built for that purpose is high, resulting in negative overall customer experience.



Let's say you have a group of customers who've previously expressed interest in your student loan offering. You send them email to kick-start the application process. Considering the average email open rate, at best only 20% click through to the dedicated landing page, and that's only the beginning of the process. Now they're faced with complex forms to fill, requiring all kinds of financial data and multiple documents to attach, and most consumers—especially younger ones—are accessing content via mobile devices. Does your portal require creating a username and password for access?—details they may forget later? Allowing for a generous completion rate of the process, you're lucky to get 5% of customers to successfully complete a loan application.



That outcome is nowhere near good enough. It's time to explore something different—a customer engagement channel that can remove friction and deliver more outcomes for businesses.

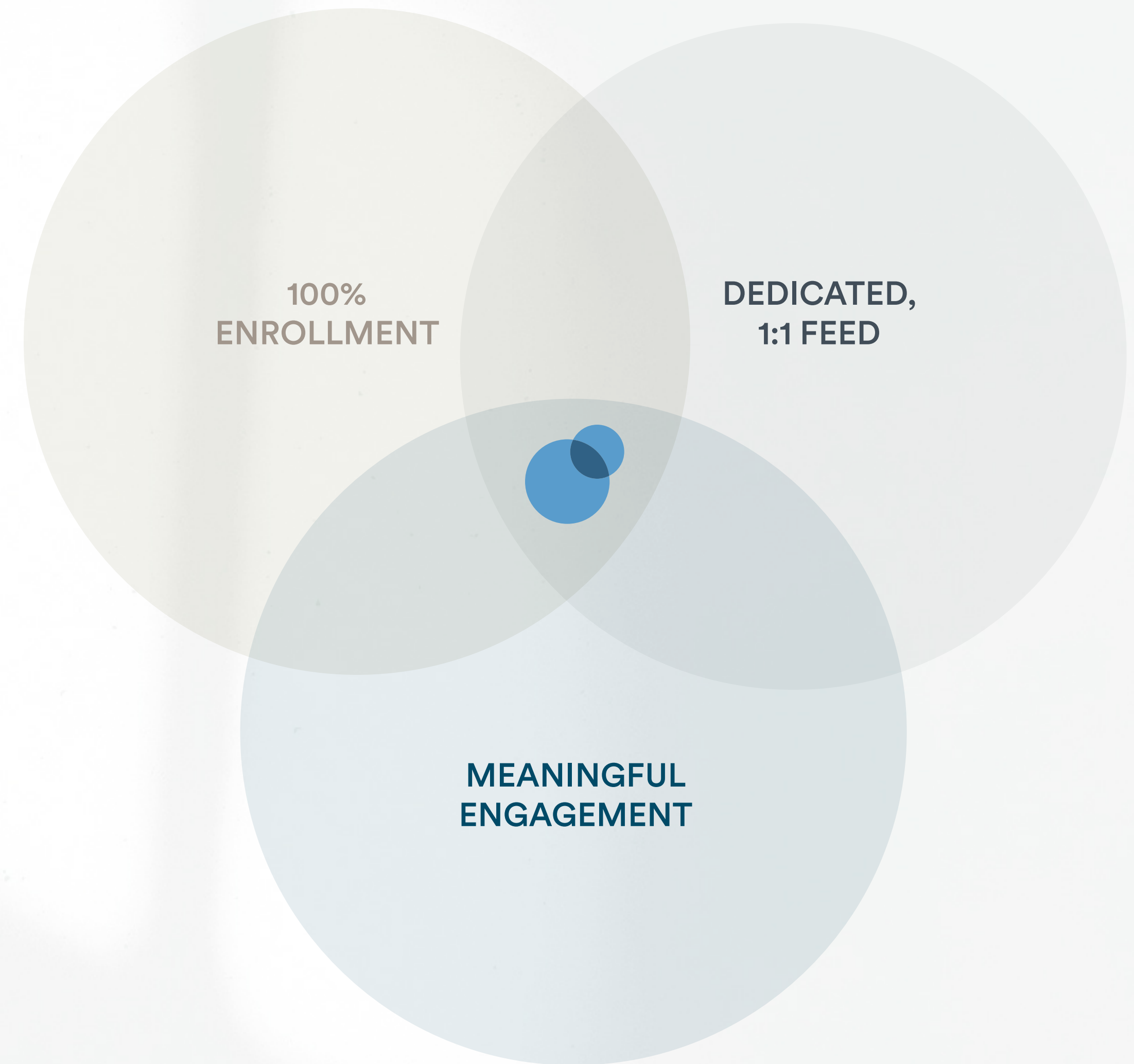
¹⁴ Email Marketing Benchmarks and Statistics by Industry, Mailchimp

Want better outcomes? Change the channel

Almost three-fourths of all customers—71%—want a consistent experience across all channels, but only 29% say they get it.¹⁵ While omni-channel strategies can be effective when executed well, when experiences are disjointed across channels, it negatively impacts customer engagement.

Relay has leveraged the power of social media feeds and created the first customer-facing feed for business relationships—built for meaningful and mutually beneficial engagement.

No other channel is designed to create customers for life by enabling businesses to build customer relationships through personal and meaningful experiences delivered on a dedicated, 1:1 feed.



¹⁵ 2020 Customer Expectations Report, Gladly

On their Relay Feed, the customer sees what they need to do, and they're guided to the required outcome, whether that is to read and acknowledge new regulatory information, or sign up for electronic statements, or any other service you offer. The experience is rich and fully customizable, designed to drive any action with maximum ease and engagement.

With Relay, financial institutions can drive more outcomes by improving engagement. The Feed removes friction and gives customers a secure, individual, and feature-rich channel to self-serve and engage with the business.

The result?

5X engagement

5X outcomes*

*Relay insights

MORE OUTCOMES

- Onboarding Pull-through
- Increased Enrollment
- Call Deflection
- Reduced Application Completion Time
- Increased Application Pull-through
- Regulatory Disclosures
- Cross-sell Opportunities

Relay drives real outcomes

A Top 10 Bank was able to leverage the Feed to increase overall engagement and net conversions with deposit customers including a **58% increase in funding**, a **22% increase in direct deposit**, and a **33% increase in mobile app enrollment**.

Voya Financial drove 66% of clients to take action on Regulatory Best Interest disclosures, and used the Feed to get 58% of clients to enroll for eDelivery, netting an estimated **\$312,000 in annual cost savings**.

With Relay, for a comparably small investment—and minimal technical cost—you can amplify engagement by a significant factor. That instantly generates more outcomes, more transactions, greater customer satisfaction, and ultimately, more revenue and long-term growth.

And the future holds even more in store. By mapping all kinds of experiences in the backend, Relay is able to drive data connections across entire businesses. That enables seamless cross-product interactions, which is invaluable for large enterprises that have multiple customer-facing offerings. Imagine if your customer could instantly go from setting up their new checking account to browsing your auto insurance plans, and from there to any other service you offer.

Social media has shown the power of feeds—we believe it's time for businesses to tap into that and drive real outcomes.



Time to get on board

Relay helps more than 100 companies, including 10 banks and one credit union, communicate effectively with their customers to drive engagement and outcomes. Leveraging 10+ years of industry-specific data that has gone into the creation of 26 high value customer experiences, Relay engages more than 60 million end users on Relay Feeds. Our solution is built to ensure optimal performance for customer engagement, and has been recognized as an industry leader by top industry analysts.

Discover the new frontier in customer engagement today.

 sales@relaynetwork.com

 484-580-9907

