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A New Era of Customer Engagement

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Consumer engagement is a key driver of growth, profit and retention for community financial institutions (CFIs). It's central to the way consumers—and specifically millennials—shop. Unfortunately, the overwhelming majority of consumers believe their bank does a poor job when it comes to experience and engagement. The challenge is creating great experiences in a way that compels consumers to not only engage with the brand, but also to learn how the products and services offered by a brand can meet their needs. The multi-channel nature of these experiences is difficult to deliver but expected by consumers seeking new financial relationships.

To turn consumers into brand advocates, community banks have to embrace the needs and expectations of consumers. They must also think of all the projects they are working on not as independent initiatives, but as integral pieces of an ecosystem—what we call a relationship platform.

With such a platform, community banks can engage consumers at all touchpoints, from marketing through account opening and servicing. The bank's ultimate goal is to create a compelling experience that motivates the consumer to move from one stage of the experience to the next by self-selecting their next action.

5 Steps to Effective Customer Engagement:

1. Get Connected

First, banks have to consider that consumers don't just shop. They shop for something specific, and usually for a product they encountered via advertising, referral, or personal research. To get connected, community banks must be where the consumer shops in order to compel them to learn more about the services they offer. Targeting promotions to specific audiences ensures that the institution is top of mind when the consumer decides to switch. Banks have to be clear with consumers about why they should switch, while at the same time making it simple for them to start the process. Bank marketing programs often only market their name or how long they have been in the community, which is an area for improvement. Banks should be generous with their marketing and tell consumers what they can get from them that they can't get elsewhere. Include some solid product features and attributes in the marketing message because most consumers today shop for more than a single benefit. They want it all, so they have to hear that the bank can provide it.

2. Introduce Yourself

When consumers shop, they want to learn. But before they begin learning, they want to know they have arrived at the right place. A community bank's web presence needs to validate why a consumer should stay for more

than the two seconds it takes to hit the back button. Having a mobile presence that makes it easy to find the most popular acquisition products while also validating that the institution is credible and reliable is table stakes. This ensures consumers identify the value the community bank is offering and motivates them to continue on beyond page one.

3. Build a Relationship

This is the moment of truth for most community banks. When new consumers walk in the door, they are giving the institution an opportunity to nurture an in-person relationship right there in the branch, where still over 90% of new account interactions take place. Depth of relationship (measured by the number of products in a household) is extremely important for both profit and retention. The best time to increase product depth is at the point of purchase for initial products or in close proximity to that time. To go beyond the setup of a single new account, community banks must create compelling rewards and offers that make it simple to open accounts and add additional services.

Consider that 93% of consumers want no fees or few fees on accounts, more than half want rewards, and 47% want cash back options, according to the most recent [Consumer Banking Insights Study](#). And rewards go beyond cash back or interest checking. It is also viewed as a reward if you are helping the customer save by offering a great savings account, or if you have amazing add-on products for doing business with the community bank. Things like AD&D, identity fraud protection, or even cell phone insurance can deepen relationships and indicate that the bank knows what a consumer needs.

4. Strengthen the Relationship

Relationships grow over time, but the honeymoon phase is really critical. When a community bank has the attention of a new consumer, they must market to them. The customer probably doesn't know what you offer in areas they did not ask about, so take the time and make the effort to let them know.

Millennials consistently indicate that they want to be "courted" throughout the relationship with new offers. Even if the customer doesn't take the bank up on it, the fact that they make the offer indicates the bank knows them and is staying relevant. That way, when the next online banking service like Moven or Simple comes along, they are not tempted to jump ship. Exceeding consumer expectations and offering new services they want can be a true game-changer. To create loyalty, community banks must expand the product relationship and consistency of engagement through marketing or by offering additional services that will exceed their expectations.

5. Inspire Fandom

Finally, we are at the point of true organic growth! Think about the last time you really recommended a company to a close friend. You must have had an amazing experience to do that. Consumers will consistently recommend their bank if they're confident that their referred friends will get the same great experience they received. It's easy for community banks to reinforce the brand by asking consumers to share it with their friends. Influenced by their own experiences and incented to tell others, account holders can be a bank's best new source of revenue. Leveraging "refer a friend" and incentive programs through social media, email

marketing, and live engagements is critical to encouraging consumers to include a particular bank in their next casual conversation with a friend.

Making the Right Investments

To drive profit and growth, community banks are actively looking for better ways to engage with consumers and provide true value. By following the aforementioned steps and making solid technology investments, banks can create a compelling experience that encourages the consumer to move on to the next stage. By focusing on each touch point made with a consumer, CFIs can turn account holders into profitable brand advocates who share awesome experiences with family, friends and everyone in between – a win for everyone.



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