HOW TO DRIVE DIGITAL ENGAGEMENT WITH PERSONALIZED VIDEO

A Guide to Digital-First Strategies for Banks and Credit Unions
Financial institutions (FI) that adopt a digital-first initiative put digital at the forefront of their customer experience. They recognize the connected nature of consumers and have begun to digitize their customer journeys. In many cases, digital adoption is low because consumers are not aware that online tools and services are available, or they are not maximizing their potential use and benefit.

Digital-first strategies teach and encourage customers to choose digital channels as the primary means of connecting and transacting with the business throughout the customer journey.

“Digital is what we do now.”

- A banking executive, as quoted by Forrester Research

Read on to understand:

- The consumer and industry trends driving a digital-first transformation;
- Key considerations for successfully executing a digital-first strategy; and
- How marketers can use personalized video engagement to teach consumers to adopt digital behavior.
DRIVERS FOR THE DIGITAL EXPERIENCE

The strategic imperatives common to the nation’s top financial institutions include growing share of wallet while maximizing J.D. Power rankings. In order to realize that vision, FIs are prioritizing digital, mobile and customer experience initiatives, which Fiserv reports are among the largest points of focus in 2015.

Consumers have become inherently digital and more connected than ever. They now expect a digital experience from their financial institutions which mirrors other consumer-friendly industries such as retail, travel and hospitality. This leaves FI marketers to digitize the customer journey and push adoption of their digital channels to keep pace with consumer expectations. Banks still face pressure after the financial fallout to strengthen the brand-customer relationship in order to reconnect with and win back customers, elevating the importance of a strong customer experience.

While 74% of business executives (across industries) say they have a digital strategy, only 15% believe they can execute on that strategy, according to Forrester Research.

It’s clear FIs want to drive more customer engagement in the digital realm with a digital-first strategy. To deliver the experience consumers want, they need a plan to educate consumers and drive the behavior change necessary to increase adoption of digital services and features.

Sources:

Building a Digital-First Strategy

Elevating transactional engagement to personalized relationships

“Financial institutions have relied on transactional relationships, but now it’s more about relationship building and educating the consumer.”

- Pete Hilger, president of Allied Solutions

Many FIs have begun to map their ideal end-to-end digital customer journey (from acquisition and onboarding to service, support and retention). Journey mapping helps to analyze which digital profiles, traits, products and behaviors constitute the highest customer lifetime value (LTV). This creates an inherent need to change customers’ existing behavior to align with the optimal digital path and increase LTV. To enact this behavior change, FIs can use customer transactions as an opportunity to further the engagement and recommend actions which, over time, lead to a behavior shift.

For instance, if a bank finds frequent users of a premium money transfer product have a higher LTV, then it may prioritize adoption of that product. As dormant or non-users complete a money transfer at a bank branch, the bank can follow up with a message confirming transaction completion and recommending the next best action for the customer to take - in this case, using the money transfer tool already available within their online account to more efficiently complete the transaction in the future.
At this “moment of truth,” it’s important not to leverage the interaction simply to upsell or drive marketing-only messaging, which leaves a bad impression with customers. Rather, FIs should be focused on a “service-messaging approach” to get customers to take the next best action by adopting the digital tools or features that will most likely benefit them. These are often tools with no cost to the customer, but which will accelerate digital adoption and increase stickiness and advocacy. If the average customer becomes more like the best customer, FIs reap the benefits in loyalty, advocacy and subsequent growth through additional product and service purchases.

**Personalization is imperative** as companies deliver relevant, timely recommendations designed to enhance the customer’s experience. Not only are customers more likely to act on personalized recommendations, but new generations actually expect them.

“With greater insights into customer transactions, the channels customers use and even where the customer is at any point in time, there is the potential for a highly custom and personalized experience. By showing the consumer that you know them, will look out for them, and will reward them, satisfaction will increase as will cross-sales and loyalty.”

- **Jim Marous**, speaker, author and co-publisher of *The Financial Brand*

Using video – the most engaging digital medium – for personalized communication only enhances the experience and increases the odds for initial and sustained behavioral change. **Personalized video engagement has proven to deliver top-line, bottom-line and customer experience improvements** across the customer lifecycle.
**Considerations for success**

Successfully implementing a digital-first strategy based on personalized video communication hinges on a few key factors:

1. **Centralized data:** Personalizing videos requires both accessible and addressable first-party customer data. This enables FIs to engage customers with unique stories based on each individual’s profile, interests, transactional history and current behavior. Creating a centralized data source that pulls data across the organization allows companies to create a seamless digital experience at every touch point.

2. **Organizational alignment:** Maintaining data from different sources – and managing a coherent and consistent messaging strategy across departments or lines of business – requires buy-in and effective processes across the organization. FIs have taken different approaches to assigning responsibility for the customer-facing digital strategy, creating positions such as the chief digital officer, chief experience officer or marketing technologist. Organizational alignment allows companies to realize the true value of a digital, data-driven approach to customer engagement. With the increasing importance of video as a storytelling medium and important part for any digital strategy, many companies are creating horizontal groups responsible for the strategy, creation and management of video across the organization.

3. **Cross-channel engagement:** Maintaining a centralized data source provides full visibility into the preferences and behaviors of the customer base across every interaction – from branch transactions to browsing history to support calls. Communications at every customer interaction should be informed by a single data repository so that messages reflect a customer’s most recent engagements and companies can consistently engage a customer across channels in a connected manner.

“One of the foundational components of a truly digital organization is a shared 360-degree view of the customer. Each potential customer touch point should be able to easily monitor the customer relationship as well as any communication stream from a central database.”

- Jim Marous, speaker, author and co-publisher of The Financial Brand
Personalized video engagement serves as the basis for a digital-first communication strategy

Following up every “moment-of-truth” transaction with a personalized video enables companies to deliver powerful content that specifically relates to the consumer’s transaction and recommends how it can be most appropriately executed via digital channels in the future. Combining video with data-driven personalization is more effective at driving the intended action because the information and recommendations within the video are created specifically for each individual with the highest degree of relevancy and timeliness.

These are some ways banks and credit unions use personalized video storytelling in support of digital-first strategies:

1. **Customer acquisition**: Personalized video ads are tailored to each individual consumer based on key data attributes, so they are incredibly effective at driving digital customer acquisition and conversions. For example, think of a consumer that browses a bank’s website for a new credit card, but abandons the site before applying. The bank can retarget that visitor with an ad that shows the product they browsed with current deals or a pre-approval offer or move up-funnel to target new prospects.

2. **New customer welcome**: By welcoming new customers with a personalized video, banks can teach customers to use digital channels to change account information, manage benefits or pay their bill. The personalized video greets customers by name, recaps the details of their new credit card, instructs customers on how to activate the card online, and then points customers to their online portal to learn more about earning reward points.
4. **Online bill pay:** Personalized video helps FIs drive adoption of their e-bill and e-payment services by recapping customers’ recent bill payments and explaining how to set up online bill pay to pay their existing recurring bills such as credit card statements, insurance or utilities. The video closes with calls-to-action to pay a bill or add payees through the bank’s mobile app or online banking.

3. **Insurance verification:** Credit unions can thank members for completing their new auto loan with a personalized video that reminds members to verify their insurance online, and explains why it is easier for the customer to complete that transaction through a digital channel. The video also includes account overview information and closes by promoting additional value-add digital services, such as online account management.
VALUE REALIZED FROM A DIGITAL-FIRST STRATEGY

A digital-first strategy reinforces the use of digital tools and channels as the primary approach for future interactions, while also recommending changes that lift the value of each customer and improve the customer experience. Taking a personalized, customer-centric approach helps deepen customer relationships and retain loyal customers.

Innovative financial institutions that execute a digital-first strategy should realize the following key performance indicators and sustainable business results:

- Increased adoption of preferred digital tools
- Accelerated and maximized LTV
- Reduced manual support and service costs
- Agility in adaptive customer experience
- Improved digital money movement
- Acquisition at lower cost and faster time to value

Successfully executing a digital-first strategy can be a financial institution’s biggest opportunity to seize market share. Those that don’t adapt, risk falling too far behind to ever regain significant traction. With relevant and timely digital experiences, financial institutions can expand customer relationships, drive incremental revenue and gain a strong competitive advantage.
About Allied Solutions
Allied Solutions is one of the largest providers of insurance, lending and marketing solutions for financial institutions and serves more than 4,000 clients nationwide. Founded in 1978, our corporate headquarters in Carmel, Indiana, is home base to a national network of service representatives throughout 18 regional offices and service centers. Allied Solutions is a wholly owned, independently operated member of Securian Financial Group. We offer a wide range of products services from a broad selection of providers. Allied Solutions is the exclusive partner for SmartVideo Cloud solutions in the credit union industry.

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About SundaySky
SundaySky is transforming the relationship between brand and customer through personalized video. Our platform, built on proprietary SmartVideo technology, combines the power of video with personalized storytelling at scale to foster long-term customer relationships. The SmartVideo Platform lets marketers communicate to an audience of one and easily create, manage and optimize real-time personalized video programs throughout the customer lifecycle. AT&T, Comcast, Allstate and other industry-leading brands partner with SundaySky to engage prospective and current customers, resulting in higher revenue, lower costs and deeper loyalty. SundaySky is headquartered in New York City with offices in Tel Aviv and Tokyo.

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