



THE NEW ART OF CROSS-SELLING IN RETAIL BANKING

The Return of Relationships

A PEGA FINANCIAL SERVICES EBOOK



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INTRODUCTION

2016 left us with a slew of news and investigations into cross-selling practices. Add to that the advent of the digital banking age, the rise of non-traditional/FinTech competition, and the Millennials — the largest generation in the Western economy. Retail banks globally are revisiting what their next steps should be to grow their business. The answer? Banks aiming to be successful in today's rapidly evolving market need to flip their focus back to the customer, or risk being left behind. They must revitalize their approach to “relationship banking” through a tech-forward lens.



PUTTING THE CUSTOMER IN THE CENTER


Making the Right Offer at the Right Time — Every Time

Cross-selling is a foundational source of revenue — a pillar of the business model — and an element of strategy that banks cannot afford to eradicate.

The good news for financial institutions is that the practice of selling products to the customer does not need to end – but it does need to be redirected to a more customer and relationship focused mindset.

Product pushes are no longer viable or acceptable. Success calls for personalized offers, with banks genuinely taking the needs of the customer into consideration. This then ensures not only customer satisfaction and loyalty but should also keep the regulators happy.





Customers are one and a half times more loyal to providers that help them with managing the pivotal financial steps in their lives. And the capabilities for financial institutions to truly make customer needs the driver of interactions with the provider now exist. Personalized offers that build relationships with the customer can be created through the use of analytics and delivered through “next-best-action” solutions. These offers may be sales, but they should also include customer-centric messaging like recommendations for needs analysis conversations or tips on how to use mobile banking. This enables the provider to move away from strict product sales and towards customer engagement as a key metric.

CEB TowerGroup

Nicole Sturgill, Principal Executive Advisor

A close-up photograph of a woman with dark hair, wearing a dark blazer over a white polka-dot top. She is smiling warmly and looking down at a document she is holding. The document has several colorful sticky tabs (orange, pink, yellow, red, green) attached to it. Her hands are clasped together near the top of the document.

CONVERSATIONS DRIVE RELATIONSHIPS

Creating Value Without Selling

Every interaction with a customer is critical. However, when making the strategic shift towards a relationship model, every interaction with the customer doesn't mean you have to make a sale — it's about having conversations and creating shared value.

This might include needs based analysis to ensure that you are meeting and exceeding their financial desires. It could be ensuring the customer is happy with their new product or service. You may even choose to simply wish them happy birthday.

These simple acts and conversations strengthen relationships and create loyalty. Then, when customers give you that tiny window of opportunity in the future for cross-selling or up-selling, you're ready with something relevant.

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Rather than seeing engagements as an opportunity to push more products, the industry needs to seize the opportunities available from personalization to add value to the customer. Do this well and customers will not only welcome interactions with their bank but will find them increasingly indispensable.

MEETING CUSTOMERS WHERE THEY ARE

Making Omni-channel Work in Banking

Embracing digitalization allows financial institutions to provide exceptional service on their customers' terms. Banks with "silos" can't share data, analytics or learning. Strategies and messages often collide with each other and result in a disjointed experience. Even banks that have integrated parts of their marketing, sales and service programs experience delays and latency which keep them from making intelligent decisions fast.

Customers want to be in the drivers' seats of their banking journeys. By giving them the ability to shift seamlessly between channels while still arriving cohesively at their financial destinations, banks are handing over the keys.

In addition to increasing convenience and empowering customers, it helps banks increase transparency in their selling decisions, an area where there is increased scrutiny.



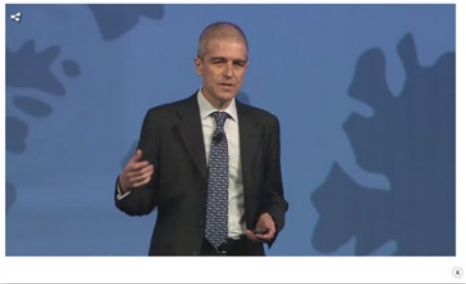
“Today’s customers expect a flawless end-to-end experience across all channels, yet fewer than 4% of FSIs have achieved full omni-channel integration.

The Future of Retail Financial Services
Cognizant, Marketforce & Pega

CONCLUSION

While the science of cross-selling is unique to each bank, this is an opportune time to shift the focus from a product push to a relationship deepening and customer focused strategy for all banks globally. Moving forward, banks should focus on personalized connections, relevant product offers, and providing the means and tools for staff to have meaningful conversations and insights, all while investing in digital channels to ensure that all channels are seamlessly connected. Products like Pega’s Customer Decision Hub offer crucial support for financial institutions looking to maintain an edge in today’s evolving marketplace.

Pega Customer Decision Hub and AI datasheet



The Always On Customer Brain video — Christian Nelissen, RBS



Build for Change: Next Best Action



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