

# CREATING A MEMORABLE EXPERIENCE TO RETAIN VALUED BANKING CUSTOMERS

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The majority of traditional bankers believe that offering high interest rates is one of the most effective strategies for acquiring customers from their competitors. However, new customers with a “reward-seeking” mindset lack loyalty or long-term commitment to the bank. Up to 95% of reward-seekers withdraw their savings once the term deposit reaches maturity.

The bank’s regional CEO argued that an increasing number of reward-seekers would create irreversible problems for the bank. The customer acquisition approach that attracts reward-seekers is costly, involving low customer engagement and creating high fluctuations in the bank’s total deposit amount.

## Challenge Statement

How to create a memorable experience to retain valued customers.

## Key Performance Indicators

- Customer retention rate
- Volume of bank deposits

## Stage 1: Discover

The innovation team conducted different types of research with potential, current and lost valued customers. They explored unmet, hidden and potential demands for retaining customers after their preferential interest rate returned to the normal rate.

### Empathy Interviews

Discover customer pain points, expectations and aspirations for banking services in daily life, according to their lifestyle.

### Empathy Mapping

Determine the emotional state of customers by analyzing behavior, feelings and attitudes during their interaction with banking services.

### Customer Immersions

Stimulate the logical and emotional reasons behind customer decisions at different stages of interaction with banking services.

### Customer Message Analysis

Analyze customer compliments and complaints.

### On-site Observations

Observe critical scenarios between customers and the bank, such as opening/closing an account, interaction with customer services representative and branch relationship managers.

### Industry Benchmarking

Benchmarking customer acquisition and retention practices with those of other financial institutions and hospitality industries.

## Stage 2: Define

First, the innovation team collected hundreds of queries or needs from high-end customers that were either met, under-met or unmet. They also collected needs that customers did not express or could foresee.

Then, the innovation team identified three major sub-segments of high-end customers and developed a detailed Persona Map for each sub-segment. Based on the three different results at the end of the privilege period, the innovation team developed three sets of customer journey maps for each sub-segment.

The innovation team identified approximately ten disengagement scenarios and two critical disengagement scenarios (described below). They were further recognized as the most influential factors to stay or to leave a bank.

1. Insufficient or slow responses from banking services, for unexpected but urgent situations, regarding wealth management issues.
2. Uncongenial communication by bank representatives, either through face-to-face interaction, customer service hotlines or electronic messages.

## Stage 3: Develop

The innovation team, led key staff from different departments, conducted a series of ideation and iteration sessions. They generated hundreds of solutions. They prioritized the best possible solutions to eliminate pain points, and enhance the customer's experience, based on the following criteria.

1. Advanced real-time support for selected customers through mobile applications.
2. Relationship managers, service hotlines and electronic promotion systems to receive customized conversations, scripts and wordings, based on four types of communication styles.

## Stage 4: Deliver

After three months of creating new mobile applications, and equipping staff with new skills and communication methods, the first prototypes were launched in Q1 of 2017.

When the final solution was launched, customer retention rates rose to double digits and helped retain billions of dollars in bank deposits and investments.

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