

# How to Gain Customer Loyalty in Retail Banking: Customer Experience 2.0

by **Alex Arabey**,  
Head of Business Development  
at Qulix Systems

For the past several years the term 'Customer loyalty' has become a real trend almost in all spheres where business interacts with a customer: banking, retail, telecommunications, insurance, etc.

Every business understands that the more new customers attracted and old ones retained the higher the ARPU.

The rush began with the world's largest banks in the USA, Europe and increasingly spread across the globe. Banks' management was heavily investing the field, thinking whether this initiative is worth the money spent.

Despite those doubts, the potential of Customer Experience products is enormous.

**Less than 40% of customers globally reported positive customer experiences with their financial institution\***

\* World Retail Banking Report 2014

The clue is however in the right concept and implementation of the the customer experience products.

Here are some of the examples successfully integrated into the existing banking ecosystems:

- Digital Marketing System
- Personal Finance Management (PFM)
- P2P transfers
- Multichannel approach

## Digital Marketing System

This solution provides bank employees with effective tools for monitoring and management of remote user behaviour. It also allows to create targeted promotional marketing campaigns and manage ad banners for each particular user.

# Digital Marketing System

This solution provides bank employees with effective tools for monitoring and management of remote user behaviour. It also allows to create targeted promotional marketing campaigns and manage ad banners for each particular user.

Making the communication more personalized banks segregate audience by most basic factors: demographic, income, gender criteria and engagement level. This basic approach and terabytes of useful information allow banks to determine customers' behavior and create more personalized offers.



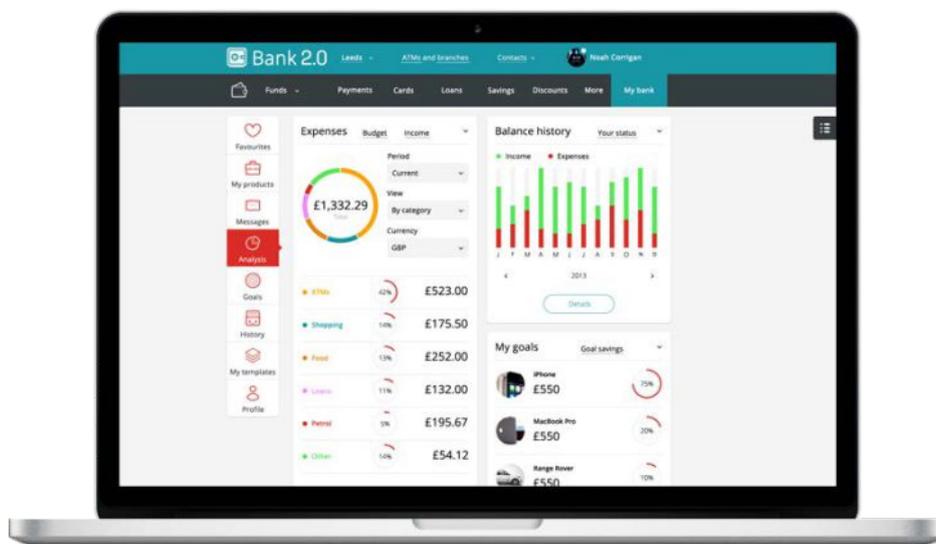
## Core Functionality:

- Digital Marketing System
- Segmentation
- Creation of promotional campaigns
- Tracking of marketing campaign performance
- Management of ad banners
- Management of content display settings
- Construction of user behavior profile
- Marketing reports

## Personal Finance Management (PFM)

How many people manage their budgets? What tools do they use for that? Most likely few people have time for that or do it manually thus spending lots of time for paper work.

PFM is an easily integrated system into any banking system can become a goldmine for your customers giving them an opportunity to automatically manage their budgets. It helps bank customers to track and categorize their expenses, set up goals and plan savings to reach them. And for a bank to provide the customers with a more personalized offerings.



## Peer-2-Peer (P2P) transfers

Transferring money with a tweet or via Facebook messenger is a new reality of payments. In fact, UK Barclays Bank, Japanese Rakuten Bank and a few other pioneers have enabled such a possibility already.

What about security concerns?

Before money is transferred user makes two-level authentication: FB User ID + password and One Time Password (OTP). After that both sender and receiver get SMS and Facebook notification.

This solution is easily integrated into any banking system and makes payments a way simpler and natural for your clients.



How to Gain Customer Loyalty in Retail Banking: Customer Experience 2.0

# Multichannel Approach

Communication channels play quite important role in growing the level of customer loyalty. How banks talk to their clients and where they do it defines their level of customer engagement.

Banking customers now handle more of their banking interactions via mobile devices, however personal interaction remains quite valuable for customers.

According to the study by Ernst & Young when it comes to important and costly initiatives customers still prefer to contact brick-and-mortar offices and talk to real people.

**When it comes to important and costly initiatives customers still prefer to contact brick-and-mortar offices and talk to real people.\***

\* According to the study by Ernst & Young.

## Go Mobile!

Mobile has become the dominant means for consumers to interact with their banks and a key element in the bid to earn customer loyalty. Customers completed more interactions with their banks via smartphones or tablets than through any other channel.

## Social Media

Social media have many faces: Facebook, Twitter, YouTube, Instagram, Tumblr... Your Customers use them when they procrastinate or relax after a long working day and even at night watching cat videos. Why not take a chance and promote bank products there?



Thus applying the multichannel approach helps banks to address customer needs of any taste at any place. This is critical for effective service, marketing and selling, because customers expect to be able to hop from one channel to another

## Conclusion

I guess you know that it costs 5-10 times more to get new customer than to sell to a current one.

Embracing a comprehensive Customer Loyalty Program is a smart investment to bank's stability. Happy (read loyal) customers are the valuable business asset that can and should be nurtured.

All it takes is a sound strategy and vision of the bank's capabilities.

---

What are your thoughts on Customer Loyalty?

I'll be glad to hear your ideas and plans for Customer Experience 2.0

## About Qulix

Qulix Systems is the global provider of software design, development, QA and IT consulting services. Since the year of 2000 we deliver high-end software solutions to meet our clients' needs across multiple business domains.

The research raised your concerns? Feel free to contact us:  
[info@qulix-uk.com](mailto:info@qulix-uk.com)

The research raised your concerns? Feel free to contact us:  
[info@qulix-uk.com](mailto:info@qulix-uk.com)