




YOUR GUIDE TO AI-POWERED CUSTOMER ENGAGEMENT IN BANKING

Strategies for Personalization and
Frictionless Digital Banking Experiences





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**AI integration could cut costs and
increase productivity across the
financial services industry by**
\$1 trillion
by 2030.¹

84%

of frontrunners in financial services recognize AI adoption as very important or critically strategic, while only 55% of starters agree.²

INTRODUCTION

We live in a highly connected customer reality, with consumers' expecting personalized 1:1 interactions across all channels. Where the financial services industry was once immune to this change, with interactions centered on in-person appointments, ATM transactions, or online banking, today's consumers are increasingly engaging with their banks via mobile devices. In fact, over 75% of Americans used a mobile device the last time they checked their account balance.³

In conjunction with this movement, consumers are more frequently initiating banking activity on one device, and completing activity on another. This challenges financial institutions to offer frictionless experiences across channels, allowing consumers to start and complete engagements on their own timetable and on the channel—or channels—of their choice.

Beyond this, consumers have a high expectation for the companies with which they interact, expecting highly personalized and relevant offers, promotions, and benefits. For financial institutions, this requires contextual insight into a consumer's activities in order to offer timely intervention with relevant engagement and next-best interactions based on consumers current and past behaviors. **With this in mind, how can the banking industry incorporate new and innovative methods to better engage customers?**

It all starts with implementing a new technology stack that breaks down data silos and uses Artificial Intelligence (AI) to determine the best way to engage banking customers with highly relevant experiences. By taking into account a 360° view of customers, banks can leverage personalization to meet the rising expectations of a technology-driven consumer base and optimize the everyday banking experience.

42%

of financial services executives believe their AI efforts will result in better customer experiences.⁴

1:1 Interactions in Action

A woman travels frequently for her job, often placing flight and accommodations purchases on her credit card. At her bank, she is a high net worth customer, but has never shown interest in engaging the bank's wealth management services. By viewing the customer's historical data, the bank is able to see the woman's recent actions: she bought a car and took out a loan with the bank. Aware of this as well as her travel spending patterns, her bank determines that the next-best action to keep the customer engaged is to make her travel experience easier and more rewarding. The next time she uses her credit card, her mobile banking app pushes her a notification stating that she has been pre-approved for their premium travel rewards card.

What does a 1:1 interaction mean in banking? For financial services, memorable customer experiences rely on the bank's ability to deliver the right message to the right person at the right time.

To do so requires financial institutions to strategically position engagements to a segment of one—personalizing offers, promotions, and services to boost their consumer acquisition, retention, and satisfaction. This entails understanding relevance for each customer, and when one action fails to spur engagement, intelligently interpreting past behaviors to determine the next-best action. **In this eBook, we will explore the top strategies that financial institutions are leveraging to drive 1:1 interactions.**

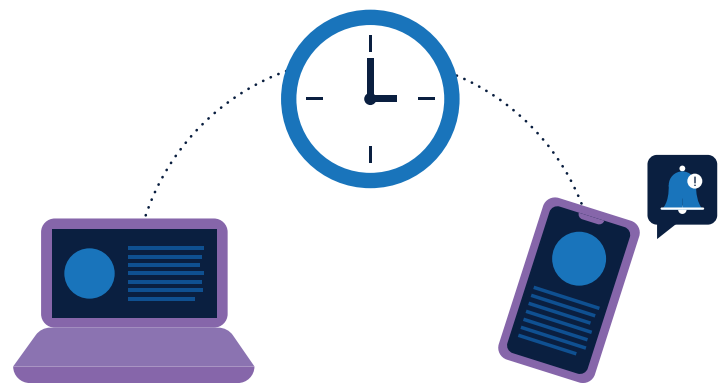
STRATEGY #1:

EMPOWER SEAMLESS OMNI-CHANNEL TASK COMPLETION

The first key strategy to achieving intelligent 1:1 interactions in banking is to trigger continuous engagement across channels. There are many digital touchpoints in banking, including web, mobile applications, chatbots, email, and more, with customers often using multiple channels to complete a single task. In order to maximize convenience and satisfaction, banks must ensure the customer journey remains fluid across channels.

The Challenge

Today's customers live in an omni-channel reality, where activities are often started on one channel and completed on another—with mobile playing a particularly important role in the customer journey of younger generations. In order to adapt to consumer's lifestyles, banks must ensure that cross-channel experiences remain frictionless.



1:1 INTERACTIONS IN ACTION

Omni-channel Task Completion

A customer begins filling out a loan application for his son's college tuition on his laptop, but is soon interrupted and so abandons the form. Two days later, when the customer finishes paying a bill on his mobile app, the bank pushes him an in-app reminder that urges him to complete the loan form. When he taps the notification, it brings him back to the form right where he left off, where he quickly finishes the final few fields and submits.

STRATEGY #2:

ENABLE LOCATION-BASED ENGAGEMENTS



Driving highly contextual 1:1 interactions often comes down to a bank's ability to understand a customer's **current context**. Through location-based tracking, banks are empowered to recognize when customers are in the proximity of relevant locations, and then deliver alerts or pertinent information. With a 360° view of the customer, financial institutions can pair current location-based data with historical activity to determine when outreach would be beneficial.

The Challenge

Real-time 1:1 interactions require financial institutions to gather highly specific data from customers' in-the-moment context in order to determine if intervention is necessary, and if so, what kind of engagement would be most appropriate.

1:1 INTERACTIONS IN ACTION

Location-Based Engagement

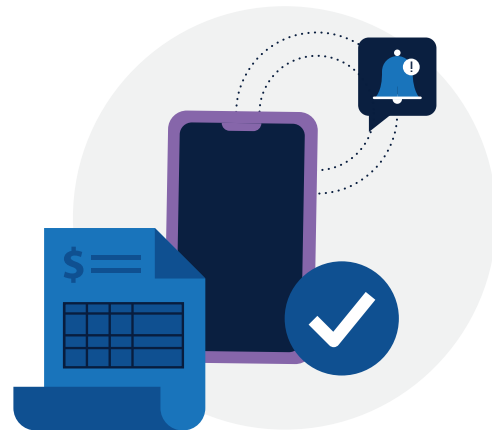
Over the last few days, a customer browsed online for auto loans, but didn't take action. When the customer walks into a car dealership, his mobile device—aware of his earlier search for an auto loan and triggered by a geo-fence—notifies the bank of his presence at the dealership. He has a high credit score, and so his mobile app pushes him a notification based on his in-the-moment context for a pre-approved car loan.



STRATEGY #3:

DELIVER TIMELY FINANCIAL GUIDANCE TO CUSTOMERS

Timeliness is integral for the financial service industry's ability to support 1:1 interactions with its customers. Through the intelligent use of timely reminders and outreach, banks can nudge customers to take necessary steps (e.g. make payments before due dates arrive). This increases customer satisfaction as they avoid accidental fees, as well as enables the bank to keep delinquency rates low.



The Challenge

Every customer's financial history and payment plan varies, presenting banks with a vast quantity of data to consider and intelligently interpret to drive timely reminders and outreach.

1:1 INTERACTIONS IN ACTION

Timely Financial Guidance

A payment due date is approaching, but a customer has not opened her bank's mobile app in a few weeks. The app sends her a push notification with a message as a friendly reminder of the upcoming bill's due date. Once the customer taps on the notification, she is taken directly to the billing page in the app, where she easily completes the payment on time.

STRATEGY #4:

SUPPORT CONTEXTUAL, IN-PERSON INTERVENTION

While many 1:1 interactions take place online, it is critical for banks to recognize when human intervention is required. Through AI, banks can understand a customer's actions in the context of traditional behavior in order to recognize when human agents are required to support more complex tasks.



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The Challenge

Frustration is often an impetus for consumers to abandon an activity when banking. In order to drive positive customer journeys, an intelligent ML model must be able to interpret customer activity—and the motivation behind their actions—and intervene when further assistance is required.

1:1 INTERACTIONS IN ACTION

Contextual Intervention

A customer conducts research for an ideal home loan rate. He then logs into his bank account on his laptop, where he scrolls through available options. He begins a loan application, exits out, and continues to scroll online for further information on loans. Sensing his confusion, his bank sends him a message providing the phone number of a live agent who is available immediately to discuss loan options.

STRATEGY #5:

LEVERAGE RELEVANT, EVENT-DRIVEN PROMOTIONS

Another core approach for interacting with customers on a 1:1 basis and driving greater satisfaction is based on proactive, event-driven outreach. This requires banks to use predictive AI technology to anticipate customer needs before they occur, and preemptively intervene with relevant and value-added offers, rewards, and promotions.

The Challenge

In today's fast-paced environment, providing greater value often relies on a financial institution's ability to react in the moment to consumer's activities, triggering timely outreach efforts based on online and spending behaviors.

1:1 INTERACTIONS IN ACTION

Event-Driven Offers

During the holiday season, a customer in a good credit standing racks up a higher number of bills than normal, nearing her credit card limit. After completing a pricey transaction at a store, her bank pushes her a notification informing her that she is nearing her limit and offering her an upgrade to a higher credit limit. She taps the link, and increases her limit while still on-the-go.

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STRATEGY #6:

PRIORITIZE CUSTOMER ENGAGEMENT & RETENTION

As customer participation turns lackluster, with once-active customers interacting with their banks' value-added programs on a less frequent basis, 1:1 interactions can be leveraged to revive involvement. While many banks focus on engaging customers at the early stages of their lifecycle, nurturing customers' journeys on an ongoing basis is integral to retention and satisfaction. By tailoring outreach to each customer's unique preferences, financial institutions can both provide value to the steady customer and re-engage the waning customer.

The Challenge

In order to re-engage customers, your bank must find a technology solution with ML models that understand the patterns of not-so-engaged customers, triggering proactive and personalized outreach efforts to increase engagement.

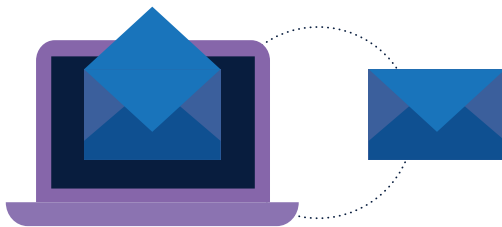
1:1 INTERACTIONS IN ACTION

Engagement & Retention

A once-engaged customer modifies her use of her credit card, rarely logging on to view rewards and offerings. Recognizing that this pattern of behavior often indicates a customer's intention to open a new card elsewhere, the bank sends her a push notification reminding her that she can cash in her points for gift cards to a retailer where she frequently shops. Excited, she redeems the points for gift cards. The next week, she heads to the mall, penetrating the retailer's geo-fence. Aware of her location, the bank sends a real-time push notification informing her that the store is a partner retailer and that if she uses the bank's credit card here, she will be privy to additional discounts.

STRATEGY #7:

SIMPLIFY THE CUSTOMER ONBOARDING PROCESS



Interacting with customers on a 1:1 level is critical in the first 90 days after opening an account as financial institutions seek to foster an active relationship with customers. By monitoring activity— noting which services they engage with and which they do not—banks are empowered to reach out with helpful and relevant content geared to assist customers in maximizing their banking experiences.

The Challenge

No two customer journeys are identical, and so personalized 1:1 interactions require banks to understand each of their customers as a segment of one, rapidly and accurately identifying the programs they are most likely to engage with, and reaching out with relevant engagement.

1:1 INTERACTIONS IN ACTION

Customer Onboarding

A new customer opens a checking and savings account with his local bank. The next day, he manually pays a bill, but does not set up a direct deposit. At the end of the week, the bank sends him a welcome email thanking him for choosing the bank and providing a link to an easy step-by-step guide to set up automatic billing.

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In 2020,

23.51 million

U.S. households are projected to use mobile banking at their primary bank.⁶

STRATEGY #8:

DRIVING CUSTOMER ENGAGEMENT TO THE NEXT-BEST ACTION

Key to effective 1:1 interactions is recognizing when one course of action does not suit a customer and identifying what the “next-best action” is to take. Doing so requires banks to continuously monitor customer behavior, understanding patterns and translating this information into actionable steps that can be taken to elevate value for your customers.

The Challenge

Determining the next-best action requires banks to employ an intelligent technology solution that not only understands customers past behaviors—and why behaviors may change—but can recognize future courses of action that may appeal to customers.

1:1 INTERACTIONS IN ACTION

Next-best Action

An established customer who once actively participated in a college saving program for her children now rarely logs online beyond checking her account balance. Recently, the bank released an update to their retirement planning program, which the customer is eligible to participate in. Aware that the customer is no longer likely to participate in a college-saving program, the bank’s virtual assistant takes the next-best action, sending her a notification the next time she logs in to check her balance, announcing the update to the retirement planning program and encouraging her to explore more.





CONCLUSION

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CASH-IN ON TIMELY, 1:1 INTERACTIONS

Although these strategies may feel like a lofty goal for today's financial institutions, they are not a distant dream, but a near-term reality. Not only this, but they do not require bankers to engage in the timely and costly process of building a full data lake or integrating with a customer data platform (CDP)—which oftentimes may not be agile enough in the coming years to continue driving the value that banks require.

With an advanced personalization platform in place, however, banks can optimize both in-person and online customer interactions, allowing for frictionless, cross-channel experiences that are highly relevant and timely. All of this and more can be achieved with an intelligent, AI-driven solution that provides flexible, personalized insights into each and every customer—**ZineOne's Intelligent Customer Engagement (ICE) platform.**



POWERING A NEW PARADIGM FOR 1:1 INTERACTIONS

Increase transaction completion by

20%.

ZineOne marries intelligent personalization with historical and in-the-moment views of each customer to empower financial institutions to connect with every customer in a highly relevant, timely manner. Recognized as a Gartner “Cool Vendor”, our AI-powered Intelligent Customer Engagement (ICE) platform enables banks to connect customers with the right message at the right time on the right channel in order to delight consumers, foster loyalty, and increase revenue.

By enabling frictionless, omni-channel task completion, the ZineOne ICE platform ensures the continuity of experiences across web, mobile, voice engagements, and other channels for greater convenience and consistency. Our platform leverages continuous learning models to deliver intelligent customer experiences during key moments of the banking experience.

Further still, ZineOne’s patent-pending machine learning models provide banks highly accurate predictive intelligence, allowing financial institutions to determine patterns in customer behavior in order to suggest next-best actions that increase satisfaction of existing banking customers and drive greater value for recently on boarded members.

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90%+

accurate predictive models based on in-session user behavior.

Ready to enable relevant, timely 1:1 customer interactions in your financial institution? Visit www.zineone.com to learn more, or get in touch to request a no-obligation ICE platform trial.



Visit **www.zineone.com** to learn more, or get in touch with a technology expert to experience the power of ZineOne's ICE platform.

ABOUT ZINEONE:

In the realm of digital transactions, predictive responses need to be immediate and accurate. ZineOne's Intelligent Customer Engagement platform enables business users to understand and respond in-the-moment with relevant 1:1 customer engagements to encourage desired outcomes. Recognized by Gartner as a "Magic Quadrant for Personalization Engines" provider, ZineOne's platform has quickly positioned the company as a leading AI personalization provider that is delivering nearly \$1 billion dollars in new revenue while respecting and preserving margins for companies who seek to provide consumers with superior shopping experiences. The patent-pending platform and its continuous learning models provide deep insights into each and every visitor across digital and physical channels while delivering intelligent customer experiences in key moments that delight customers, foster loyalty, and increase revenue. Learn more at www.zineone.com.

SOURCES:

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- ² <https://www2.deloitte.com/us/en/insights/industry/financial-services/artificial-intelligence-ai-financial-services-frontrunners.html>
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