

Simon-Kucher Global Sales Study – Banking & Financial Institutions

Part 1 : Complete the digital transformation

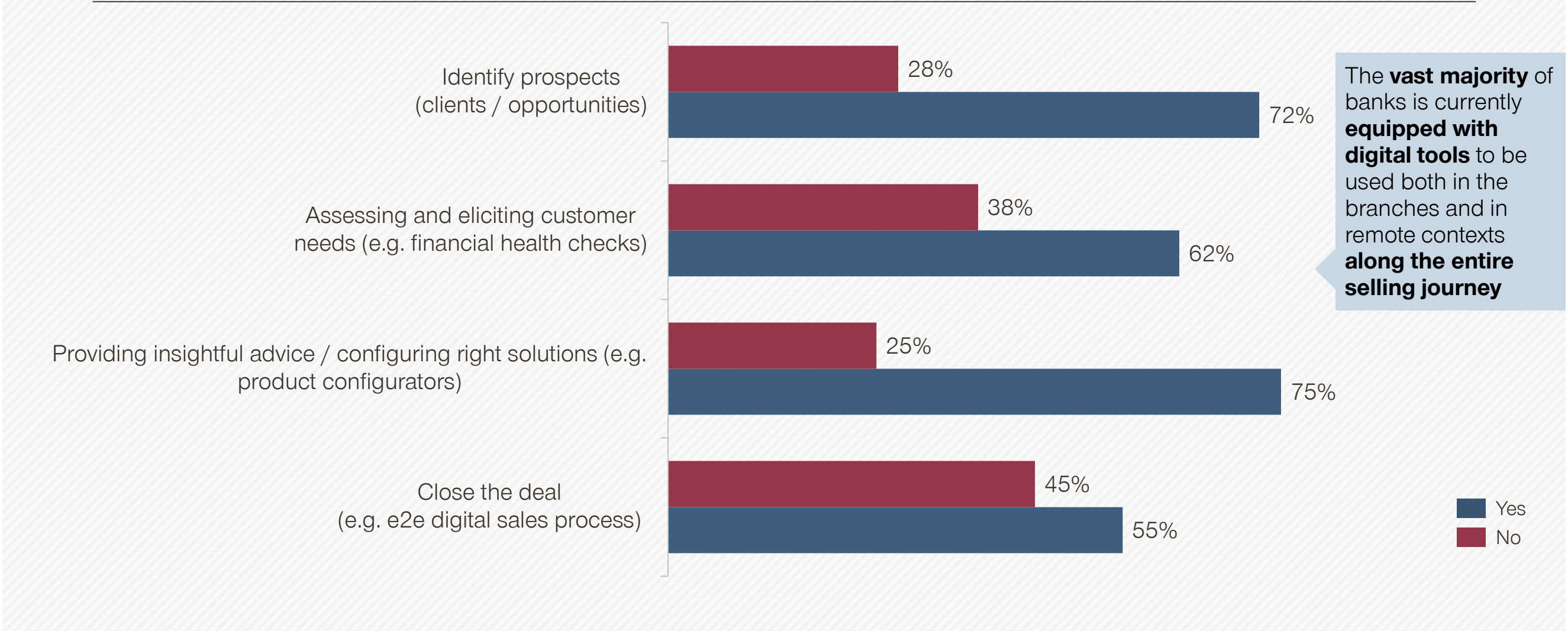
Case for action



- **The sale** of banking products and services **through traditional channels is gradually being reduced**, with Covid-19 further accelerating the trend
- **Digital sales are expected to gain importance** in the future, with a combination of **online only and omni-channel sales approaches**
- Although **digital sales tools** now are available throughout all the phases of the buying journey, bankers are **not satisfied with their commercial effectiveness**
- Banks need to **develop sales solutions** to enable a smooth transition toward a more innovative and more digital sales path, and to enable sales professionals to **build the right set of digital skills**

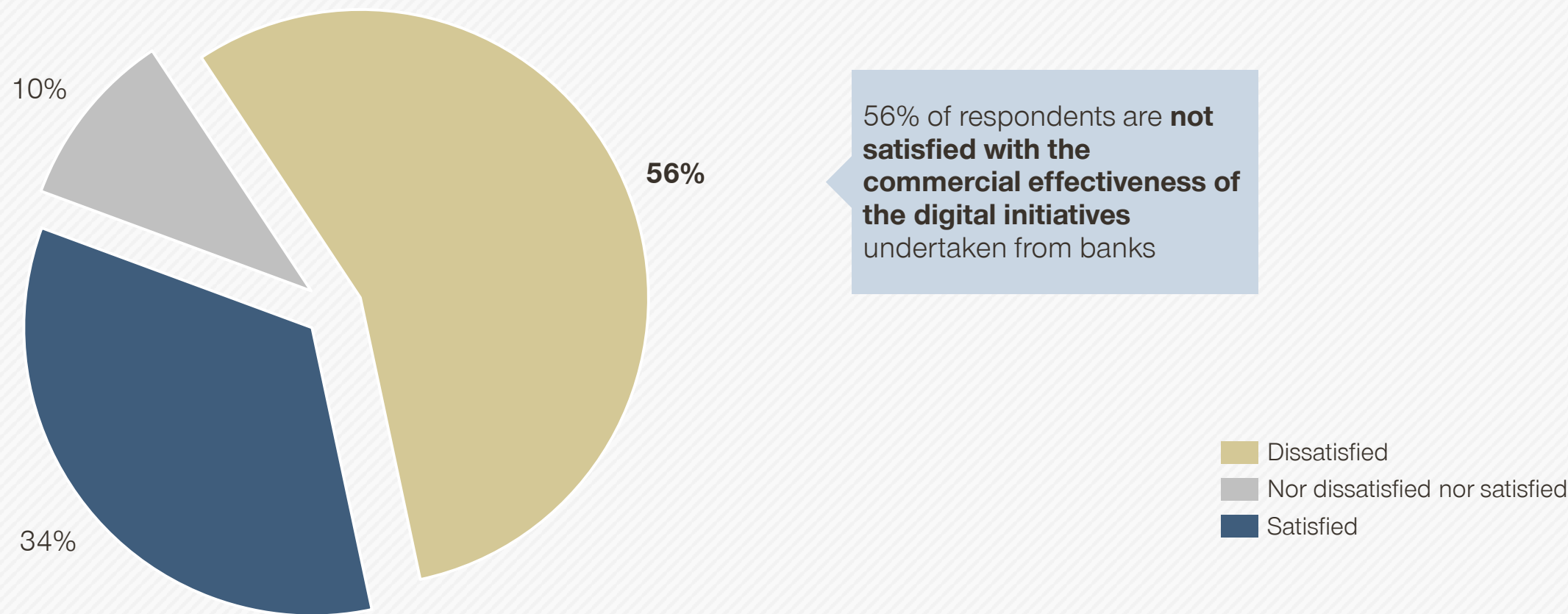
Digital tools are currently widely available throughout all of the sales journey

Are digital tools available at your bank to support the sales process along the following stages at the point of sale or in a remote/online setting?¹



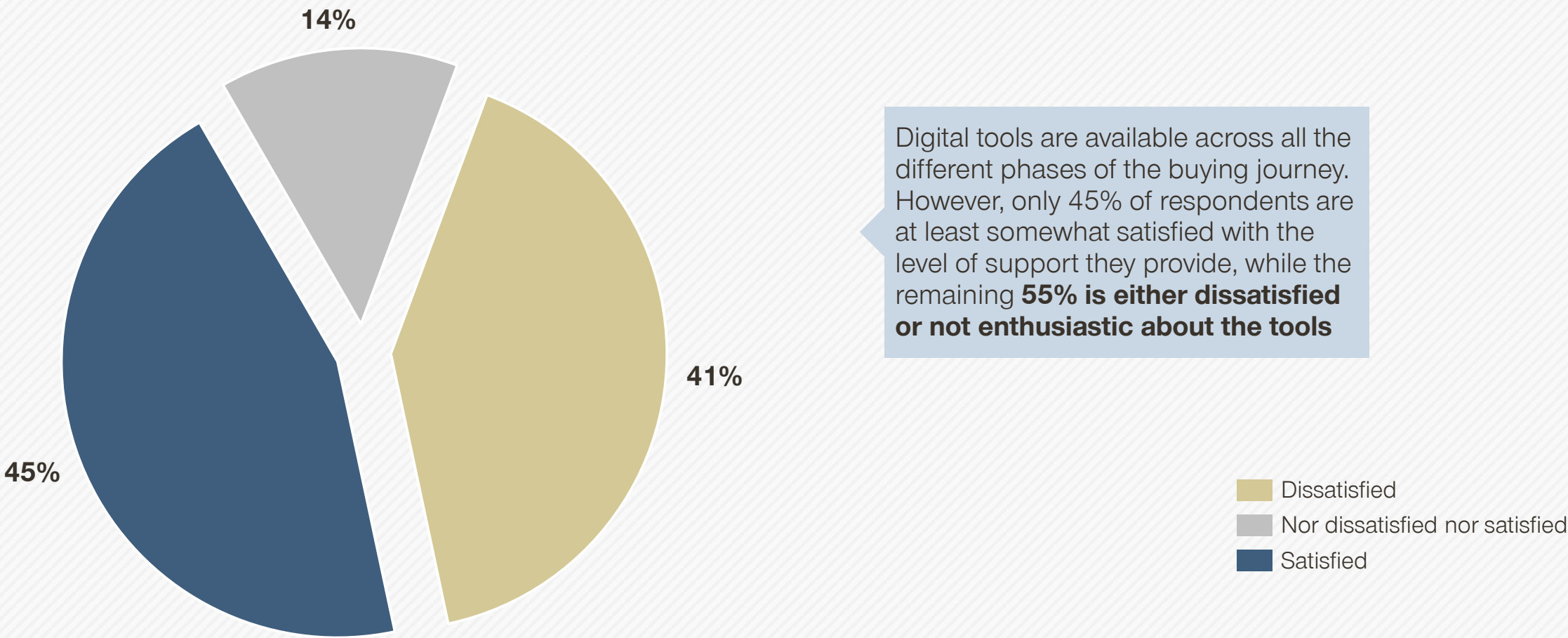
However, satisfaction with the effectiveness of digital initiatives is generally low

How satisfied are you with the commercial effectiveness of digital initiatives at your bank?¹



... as the available tools fail at providing the right support along all sales phases

How would you rate the level of support of digital tools in the sales process?¹



To develop more effective digital sales processes, we focus on 4 key areas

1

Optimize the customer journey

Re-imagine the entire sales and service process from awareness and acquisition to closing and post-sales from the customer perspective, focusing on the most important touchpoints and moments of truth

2

Develop effective digital sales tools

Develop automated sales tools that work effectively for do-it-yourself customers who prefer a self-guided digital experience, support advisor-customer interaction for customers who prefer professional guidance and allow customers to navigate seamlessly across channels

3

Build strong digital skills across the organization

Redefine the roles of relationship managers, advisors and customer service representatives and develop the skills necessary to acquire and manage customer relationships successfully in a digital or omni-channel environment

4

Define a resilient distribution strategy

Redefine the physical network, migrating from legacy branches to digital solutions centers, and make strategic choices on closing/relocating/reformatting branches to support cost-effective omni-channel customer experience

Optimize the digital customer journey

Initial measures

How to streamline the digital experience



Remove each barrier related to elaborating new contents and memorizing information in the digital space (webpage, home banking, app), thus reducing the cognitive effort required to the clients



Optimize the digital experience in terms of design (e.g. by using visual aids), content (e.g. by reporting the minimum content required for informed decisions) and navigation flow (e.g. by avoiding un-necessary layers)



Provide clear instructions in terms of next steps of the process in order not to leave the clients who operate autonomously online clueless regarding the actions to be yet performed

...

...

Initial measures

How to support sales through digital tools



Digitalize as many aspects of the buying experience as possible, by developing tools to be used by the clients both when interacting with RMs and when performing a purchase online through online banking



Assure greater levels of personalization of the buying experience e.g. by giving clients the possibility to dynamically simulate the impact of a purchase on their finances or to play with different product configurations



Facilitate the selling phase for RMs, by providing them with a constant digital support to address dynamically and in a timely manner the requests that could come from the client side

...

...

Build strong digital skills across the organization

Initial measures

How to change the role of branches and RMs



Reallocate RMs' activities toward the digital space as a consequence of the closure of branches expected in the coming years (e.g. create the role of digital ambassadors)



Train RMs to develop more digital skills required to use the new tools across the different the selling phases and to increase their confidence with the digital functionalities



Build a stronger digital culture across the entire organization and make sure the RMs promote the digital innovations with their clients (e.g. use the touch points with clients to explain ATM advanced functionalities)

...

...

Define a resilient distribution strategy

Initial measures

How to optimize branch network



Conduct a distribution diagnostic based on the current physical presence in the territory, in order to size possible opportunities and define a clear vision for the organization



Establish priorities based on value and feasibility in order to lay out a roadmap to effectively implement the newly-defined customer coverage plans



Refresh branch format and optimize the network footprint, upgrading branch processes and capabilities and simultaneously promoting in-branch digitalization

...

...

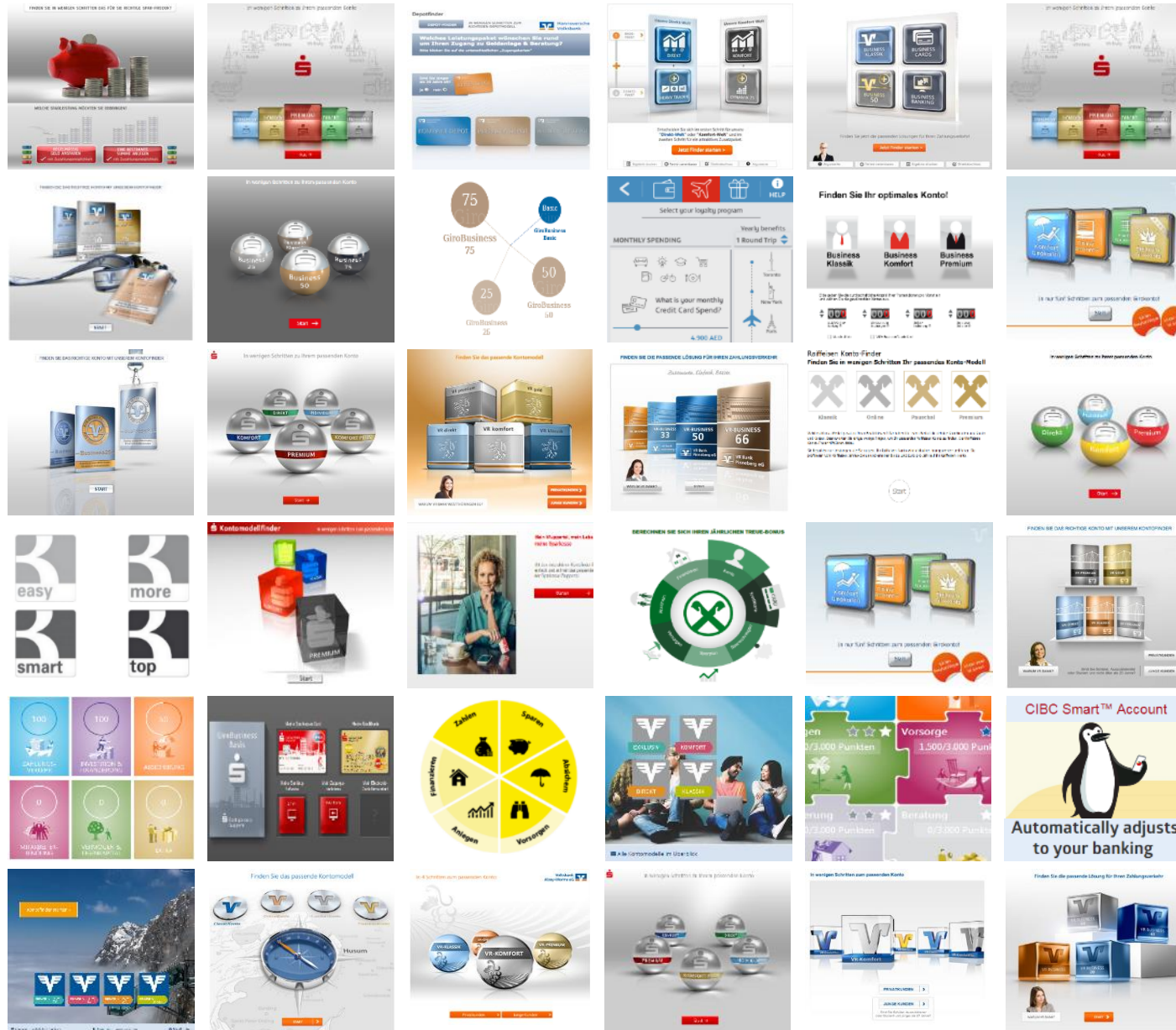
In the last years, we have developed more than 500 digital tools for the banking industry ...

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Strategy & Marketing Consultants

Based on the latest findings in behavioral psychology

Effects of our digital sales tools:

- ✓ Better customer understanding
- ✓ Increased cross-selling
- ✓ Higher customer satisfaction
- ✓ Increased relationship manager satisfaction



Source: Simon-Kucher & Partners.

Global Sales Study - Complete the digital transformation

... and supported many banks in streamlining the purchase journey for customers

Customized offering document – Mortgages

The screenshot shows a 'Mortgage set-up' form for ABC Bank. It includes fields for Surname (Martin), Amount (£300,000), and Length (20 years). A 'Goal proximity' bar shows progress for 'ABC Bank customer', 'Personal documents', and 'Financial analysis'. A 'Commitment' section shows a call date of 17/05/2017 and contact details for Paul Gilbert. Behavioral nudges are highlighted: 'IKEA effect' (thumbs up icon), 'Easy references' (comparison bar showing '2% ABC 1 3'), and 'Goal proximity' (progress bar).

Message generator for RMs – Personal loans

The screenshot shows a 'Loan' message generator interface. It includes sections for 'Ease of use' (Type of client, Formality level, Credit pre-approval status, Product knowledge) and 'Personalization' (Hello @Customer, I am @Manager, your Bank's relationship manager...). Behavioral nudges are highlighted: 'IKEA effect' (thumbs up icon), 'Personalization' (personalized greeting), and 'Ease of use' (clear navigation buttons).

Sales-product sheet – Life insurances

The screenshot shows a 'Life insurance' sales-product sheet. It includes sections for 'Dialog path' (A. What is this?, B. Why buying it?, C. How to define the amount to insure?, D. How does it work?), 'Recalling' (help them to finish their studies and find a good job position to start their career), 'Mental accounting' (Monthly income, Months, Recommended amount), and 'Double anchoring' (Final insurance amount, For a total up to: € 100,000). Behavioral nudges are highlighted: 'Dialog path' (clear navigation), 'Recalling' (help them to finish their studies), 'Mental accounting' (Monthly income, Months, Recommended amount), 'Double anchoring' (Final insurance amount, For a total up to: € 100,000), and 'Emergency exit' (Isn't this the product you were looking for?).

Digital sales tool – Personal loans

The screenshot shows a 'Find out how the loan adapts to your financial situation' digital sales tool. It includes sections for 'Your financial situation' (Income, Expenses), 'How much money do you need?' (Amount, Tenor), and 'Do you want to transfer your salary in the bank?'. Behavioral nudges are highlighted: 'IKEA effect' (thumbs up icon), 'Needs recalling' (help them to finish their studies), and 'Mental accounting' (Monthly income, Months, Recommended amount).

BNEs (Behavioral Nudging Elements) should be applied throughout **each phase of the customer journey** to create a **frictionless buying experience**

Study overview

Type & scope

- Online study by Simon-Kucher & Partners
- 15 questions on the effects of COVID-19 on the sales process in the banking sector

Timing

- October 2020

Participants

- Worldwide professionals in the banking industry
- Executives of all functions and areas were interviewed

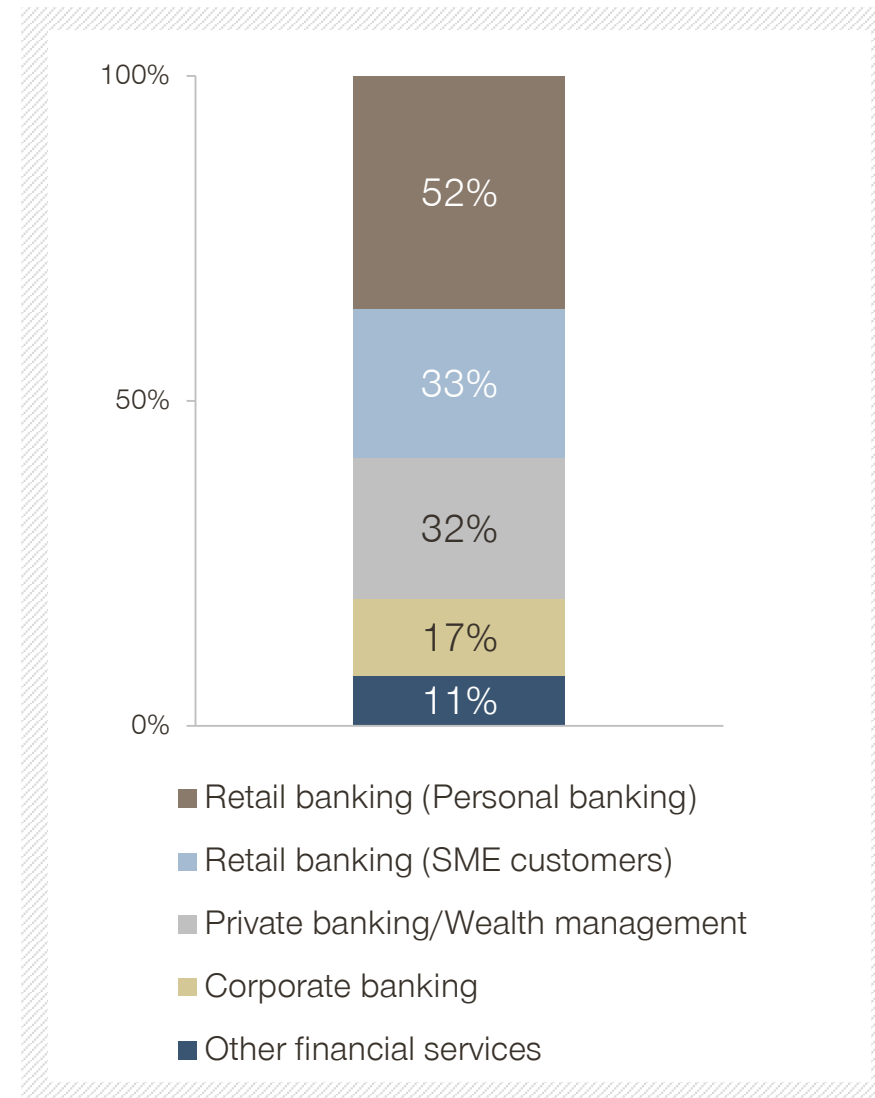
Countries

- Austria, Belgium, Canada, France, Germany, Italy, Switzerland, Spain, USA

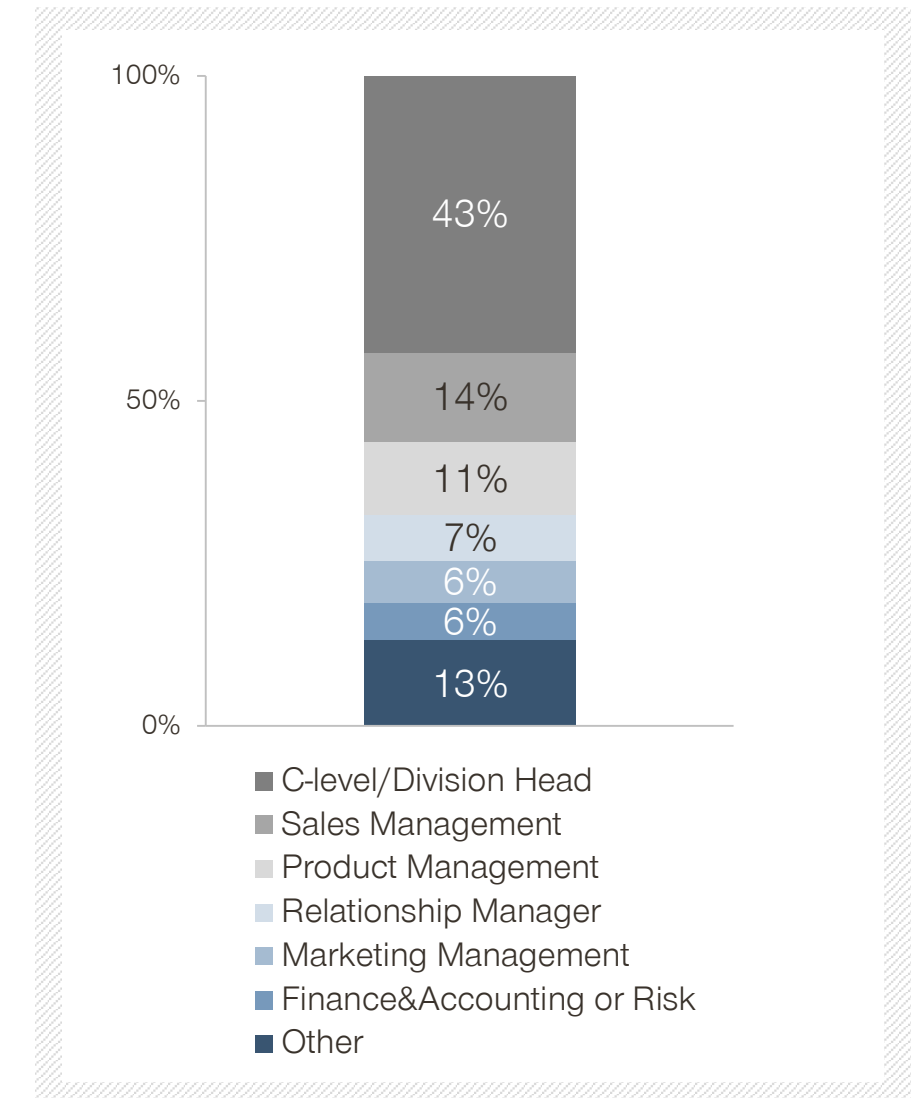
Sample

- 329 participants participated in the survey

Expertise¹



Function



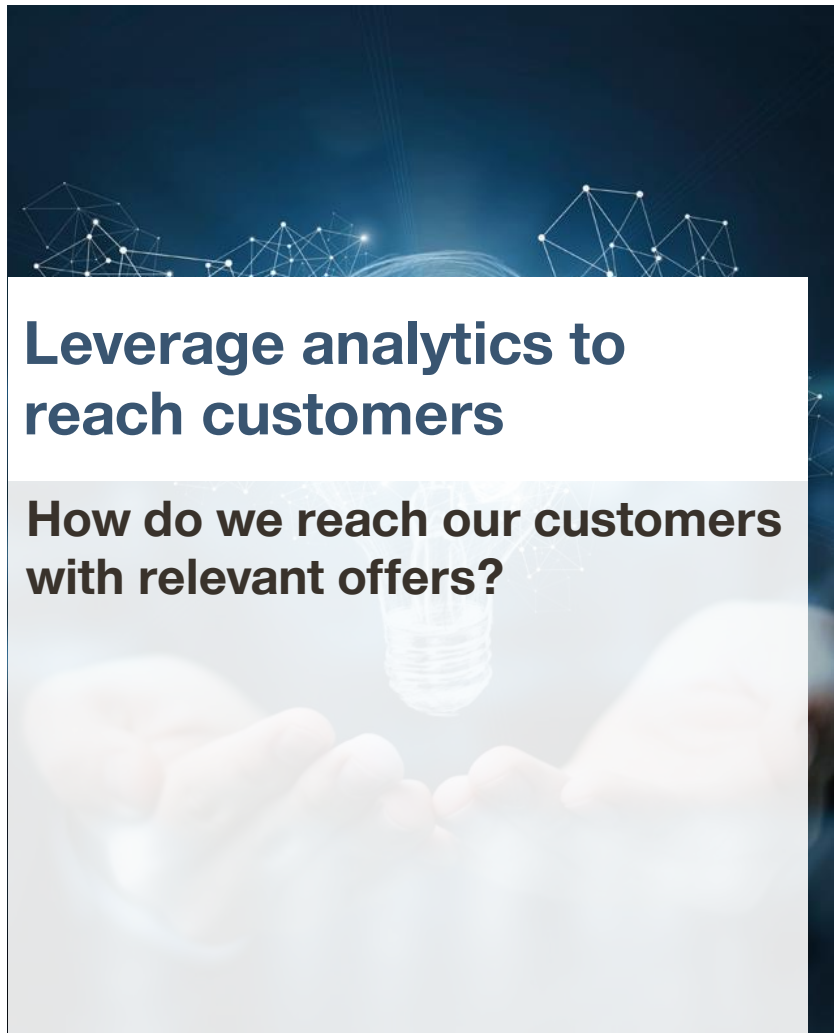
1) Multiple entries possible

Chapters of our Global Sales Study



Complete the digital transformation

How can banks transition toward more digital sales models?



Leverage analytics to reach customers

How do we reach our customers with relevant offers?



Define platform strategies

How can we react to the growing importance of third party platforms?

We are happy to share results along those 3 topics



**We are happy to discuss our
findings and solutions with you –
feel free to reach out!**

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