

# Simon-Kucher Global Sales Study – Banking & Financial Institutions

Part 1 : Complete the digital transformation

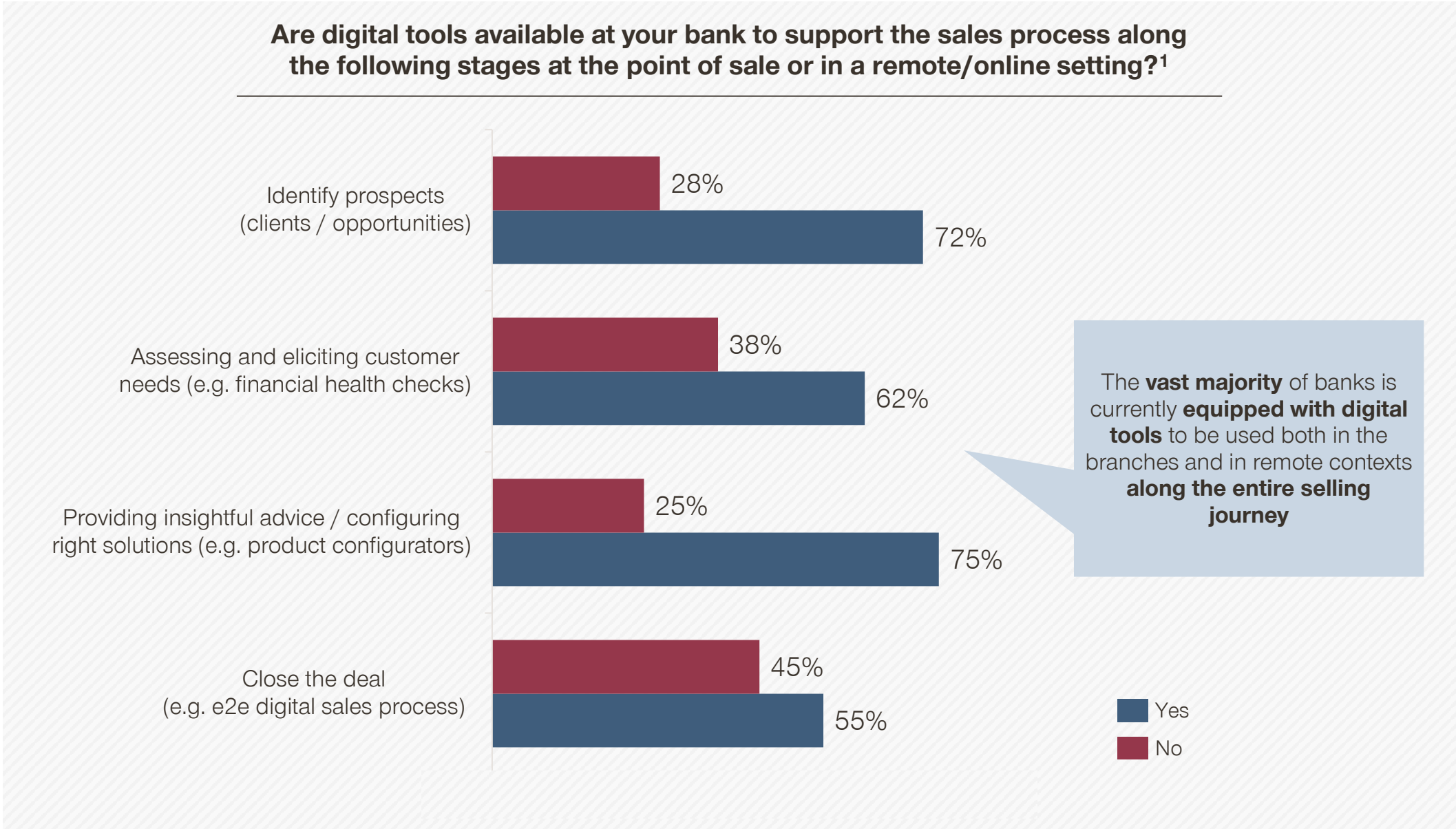
## Case for action



- **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**

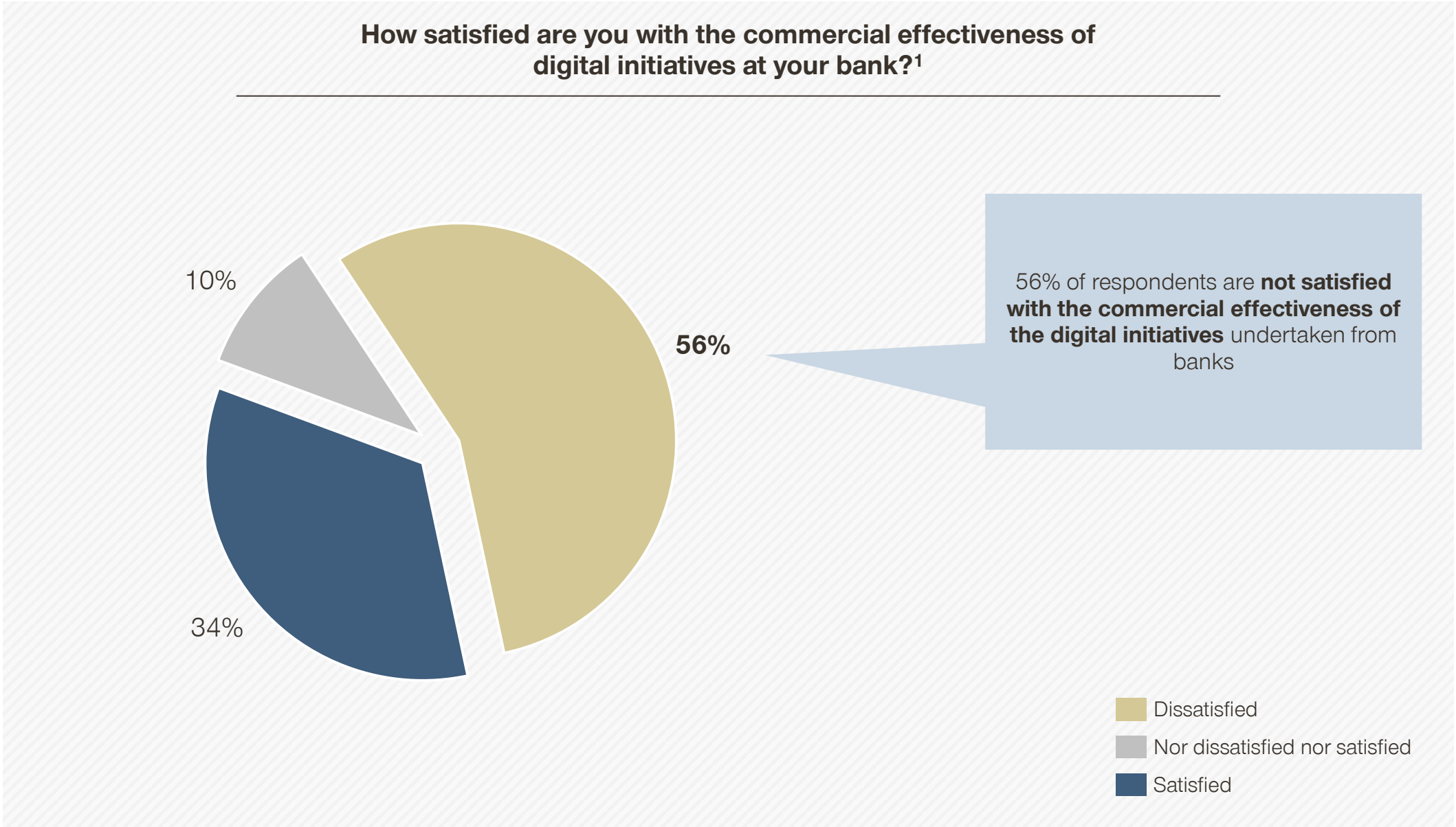


# Digital tools are currently widely available throughout all of the sales journey



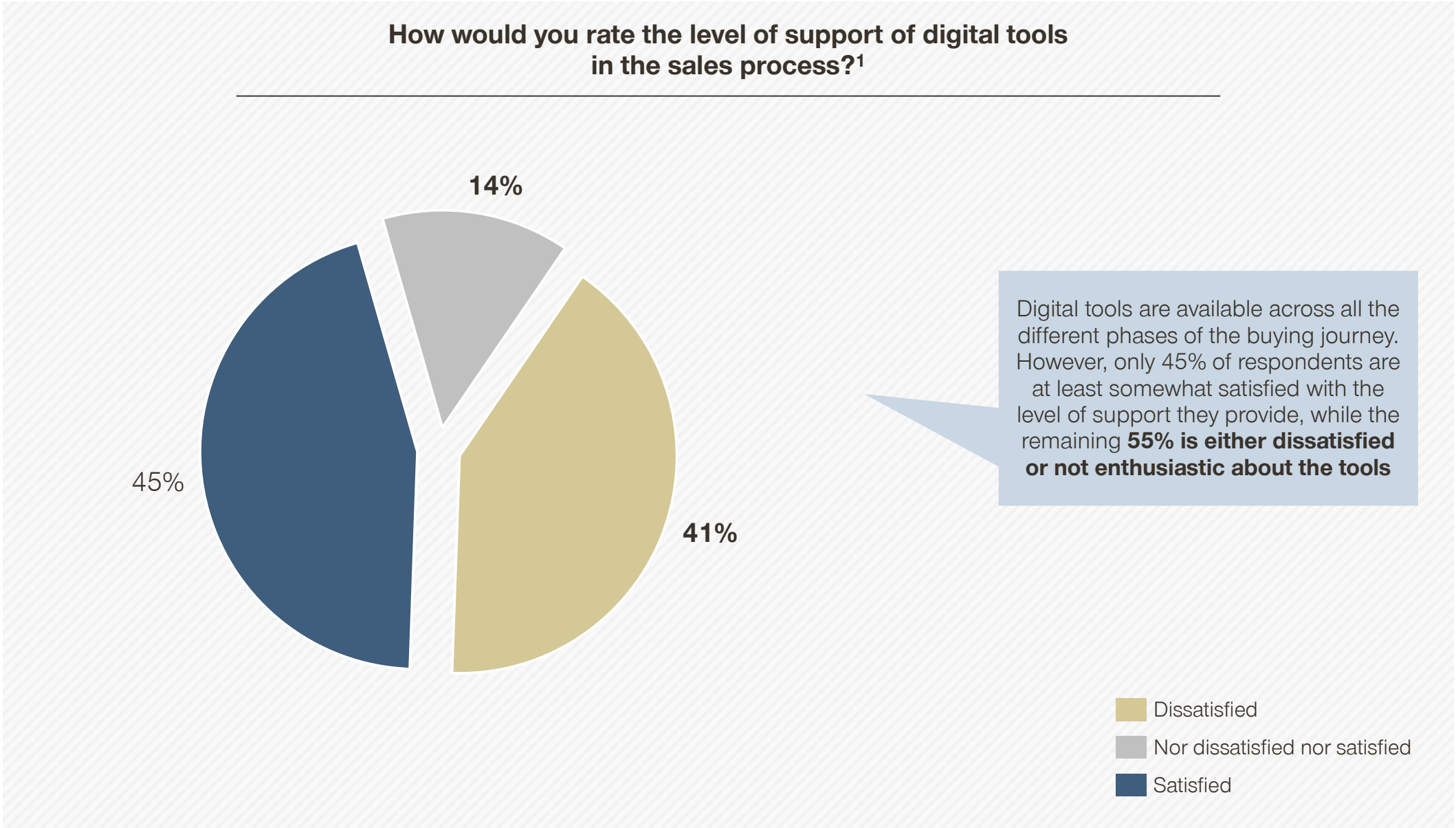
Source: Simon-Kucher Global Sales Study 2020. <sup>1</sup> N = 213.

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



Source: Simon-Kucher Global Sales Study 2020. <sup>1</sup> N = 159.  
Global Sales Study 2020 - Complete the digital transformation

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



# 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

## 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

...

...

**Initial measures**



## Build strong digital skills across the organization

### 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)

...

...

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

...

...

**Initial measures**

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

**SIMON • KUCHER & PARTNERS**  
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.

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

## Customized offering document – Mortgages

ABC Bank

You are just one click away from your mortgage

ABC Bank customer ☒ Done  
Personal documents ☒ Done  
Financial analysis ☒ Done  
One click

1 **IKEA effect**

Surname: **Martin**

Amount: **£300,000**

Length: **20 years**

☒ Skip an installment ☒ Reduce installments ☐ Change interest rate

We have the best offer in the market

2 **Easy references**

3 **Goal proximity**

4 **Commitment**

We will call you on... 17/05/2017

...If you have any doubt!  
**Paul Gilbert**  
**Paul.gilbert@abc.com**  
**0774 9257 114**

## Message generator for RMs – Personal loans

Loan

3 **Ease of use**

1 **IKEA effect**

2 **Personalization**

Type of client: ☐ Standard ☐ Recently acquired

Formality level: ☐ Colloquial ☐ More formal

Credit pre-approval status: ☐ Pre-approved credit ☐ Not pre-approved

Product knowledge: ☐ Loan in the past ☐ Loan about to exp. ☐ Never owned

Generate e-mail

Hello @Customer,  
I am @Manager, your Bank's relationship manager. I hope everything is going well!  
I am reaching out to you as you are one of the customers to whom we can offer a loan at advantageous conditions.  
Let me show you the offer: you can apply for a loan at a promotional interest rate of \_\_\_\_\_% which compared to the standard rate of 9.40% is an excellent opportunity. Among other things, by requesting up to € \_\_\_\_\_, we are able to provide you with an extremely fast response time.  
Since you have already had a loan in the past and you already know this product well, why not take this opportunity to realize a new project? A little extra liquidity is always handy and this is definitely the right time to apply for it.  
If you like, I'll wait for you at the branch to explain the details of this offer, clearly without obligation. Best regards and see you soon.  
@Manager,  
+99 333.12.34.567

Copy text Generate new e-mail Back

## Sales-product sheet – Life insurances

1 **Dialog path**

A. What is this?  
It's a simple and immediate way to protect the future of the people you love. Should you pass away, the people you love will receive up to €1,000,000 for all their needs.

B. Why buying it?  
It's a deed of love...  
...toward your children  
...toward your partner and your whole family  
It's incredibly simple

2 **Recalling**

C. How to define the amount to insure?  
Avoid any change in lifestyle to your family

4 **Mental accounting**

5 **Double anchoring**

3 **Default option**

6 **Emergency exit**

1. Think about the monthly income that your family would lose without you (e.g. your monthly salary).  
2. We recommend you insure the value of this income for at least 2 years (24 months)

Monthly income	Months	Recommended amount
€2,000	24	€48,000

Final insurance amount: €50,000

D. How does it work?  
1. In any case of death: €50,000  
2. Additionally, in case of death due to car accident: €50,000  
For a total up to: €100,000

Isn't this the product you were looking for?  
Check out our other solutions to protect the people you love the most at ABCbank.com/insurances/life  
Or, speak to our advisors, they will know how to counsel you on what is best for you and your family  
Also, you can call our call center, operating from 9 AM to 6 PM

## Digital sales tool – Personal loans

Find out how the loan adapts to your financial situation

Your financial situation: Income 2,300 € Expenses 1,700 €

1 **IKEA effect**

2 **Needs recalling**

3 **Mental accounting**

Amount: 15,000 €

Tenor: 2 anni 3 4 5 6 7 8 9 10 anni

How much money do you need?

Do you want to transfer your salary in the bank? ☐ Yes (-1,50%)

Go on

**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

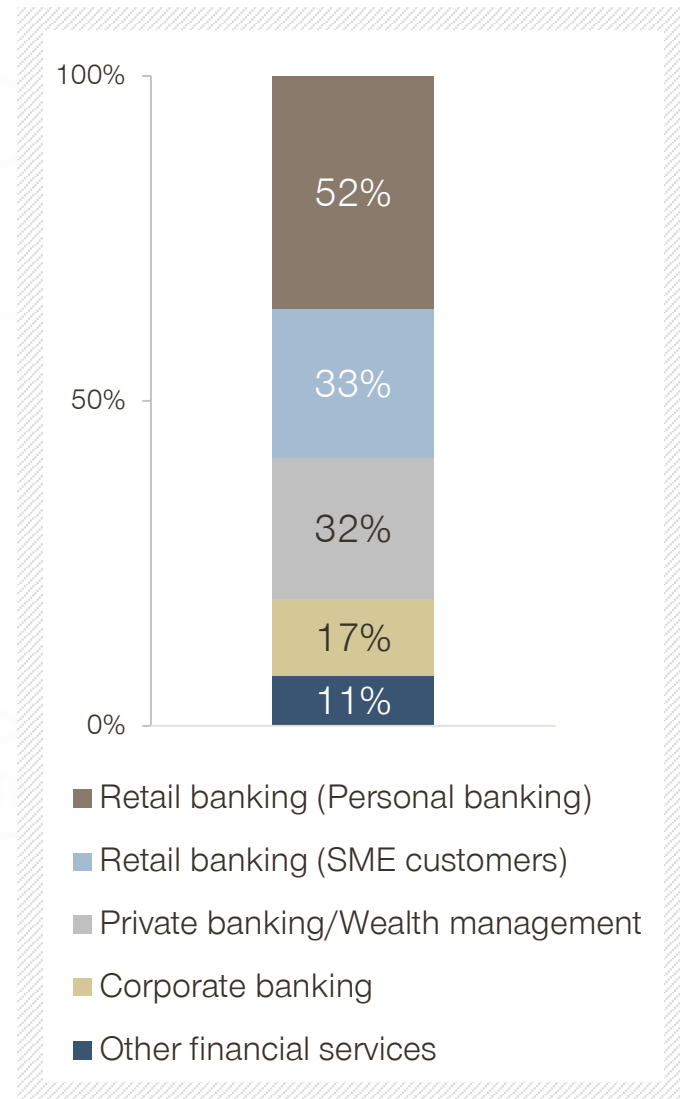
## Countries

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

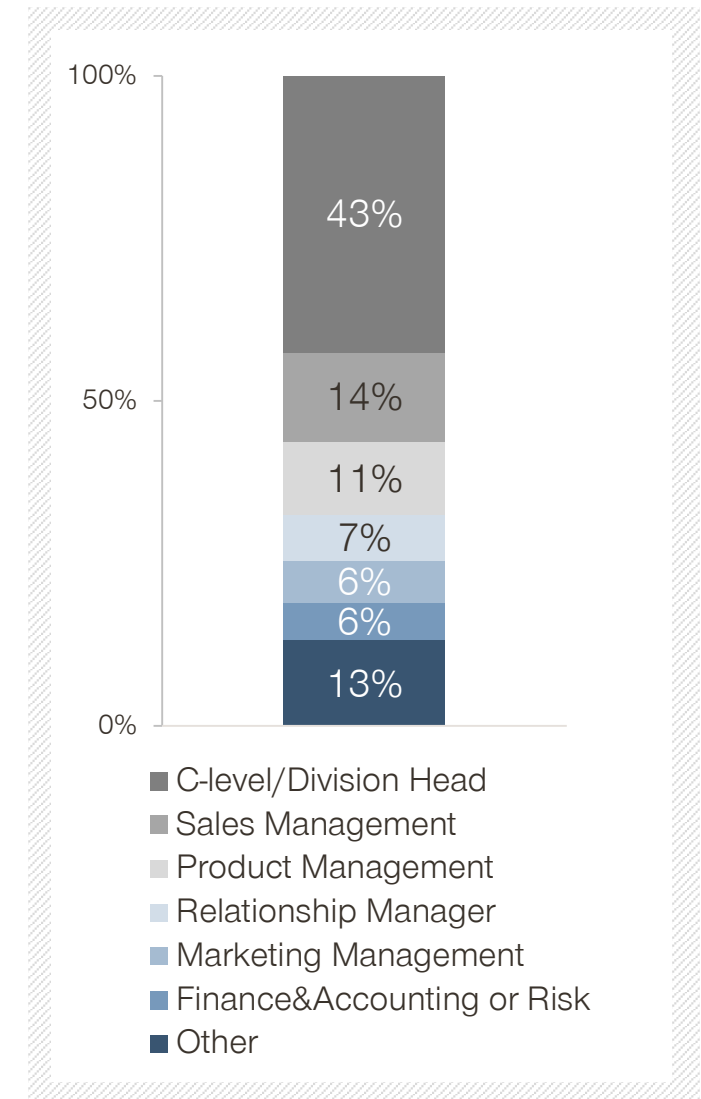
## Sample

- 329 participants participated in the survey

## Expertise<sup>1</sup>




## Function



1) Multiple entries possible

# Chapters of our Global Sales Study



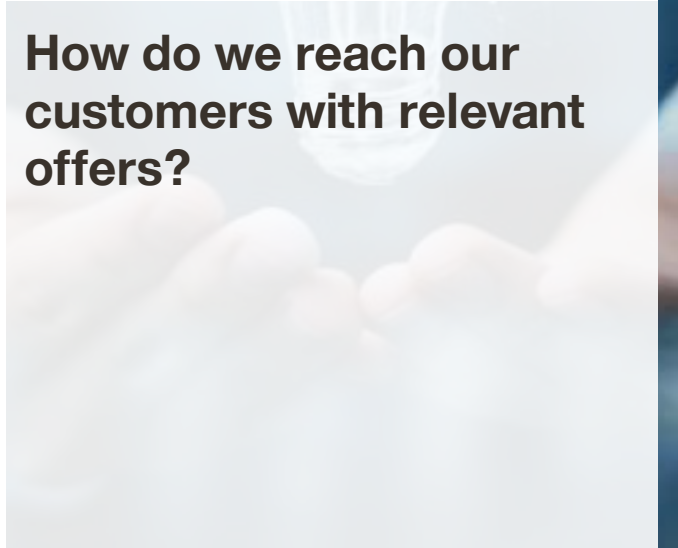
## Complete the digital transformation



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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