

Bankers



&

Millennials



Strategise to win in the new private banking world

Master the Art of Attracting and Retaining Millennials



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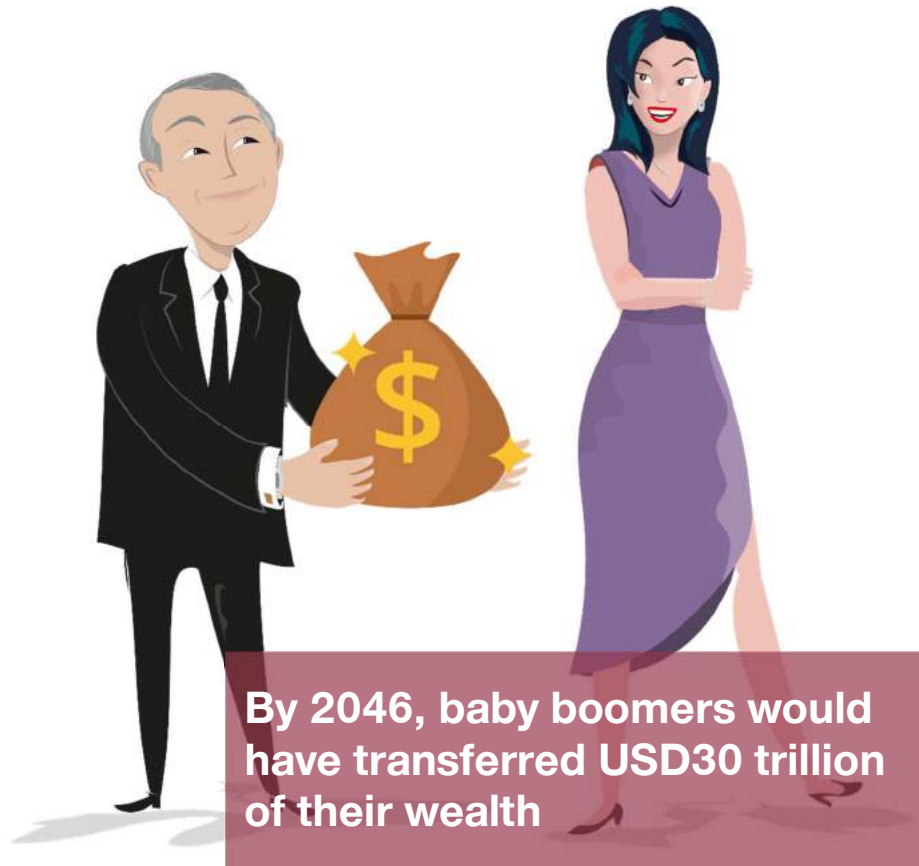
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Why is it important to target millennials? They will be the future clients that banks have to retain

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The greatest wealth transfer is about to happen, putting advisers at risk



New wealth creation will be driven by millennials, but are banks ready to serve?



Why should banks act now?

Banks need to grab this generation before it's too late

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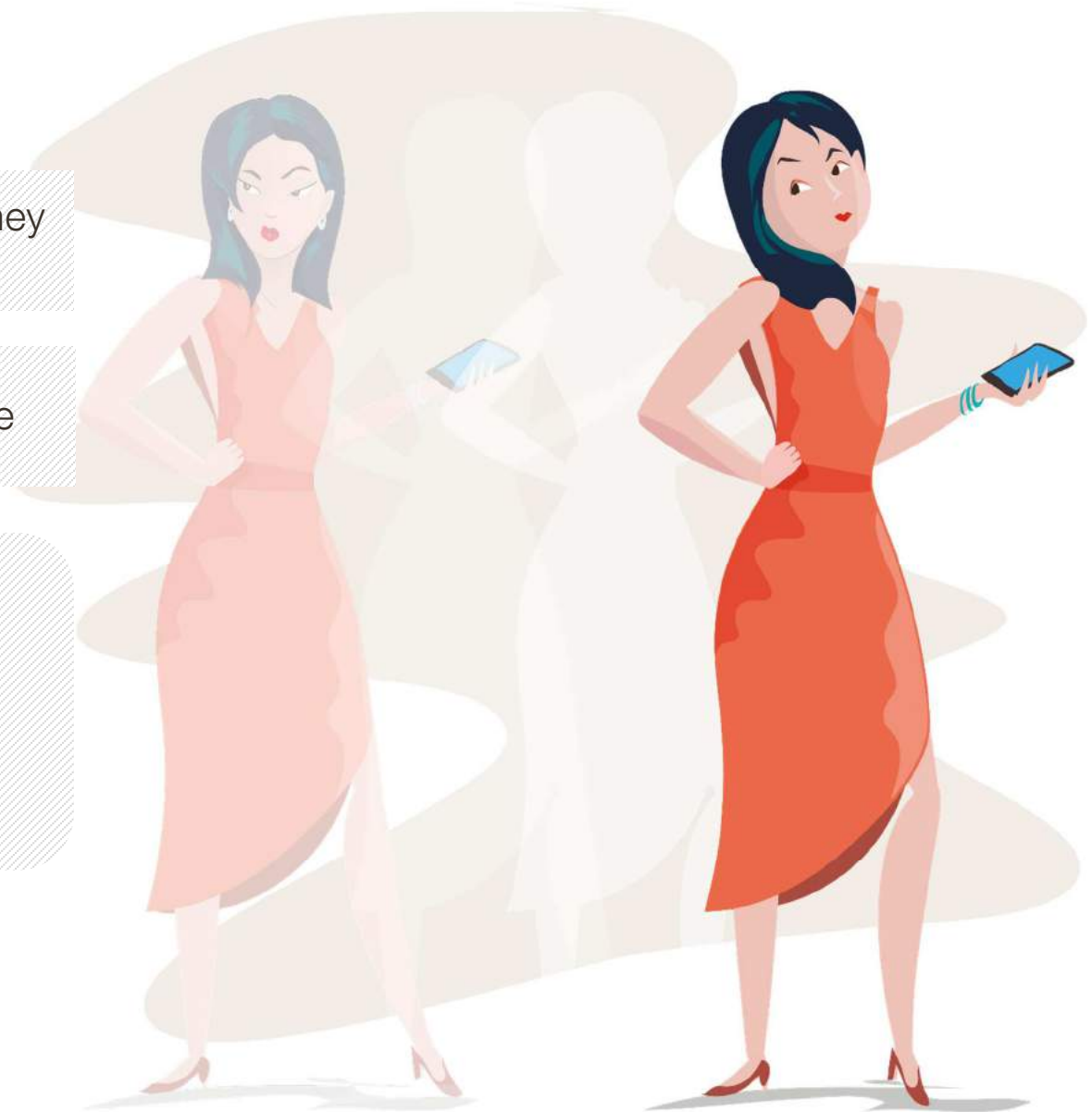


Millennials grew up in a different era. They have different expectations and needs.



Millennials will only give you one chance

**If you lose millennials now,
they will never come back!**
**Banks need to comprehensively
understand millennial's needs**



Simon-Kucher has surveyed private banking needs of over 600 High Net Worth (HNW) millennials across the globe

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We have clarity on how to attract them, provide what they want, and how to keep them

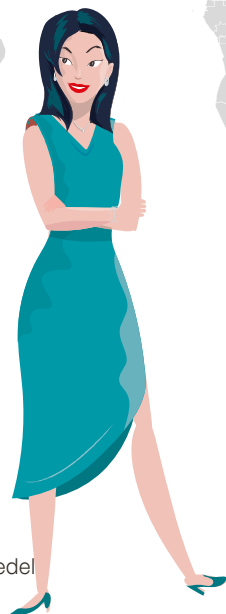
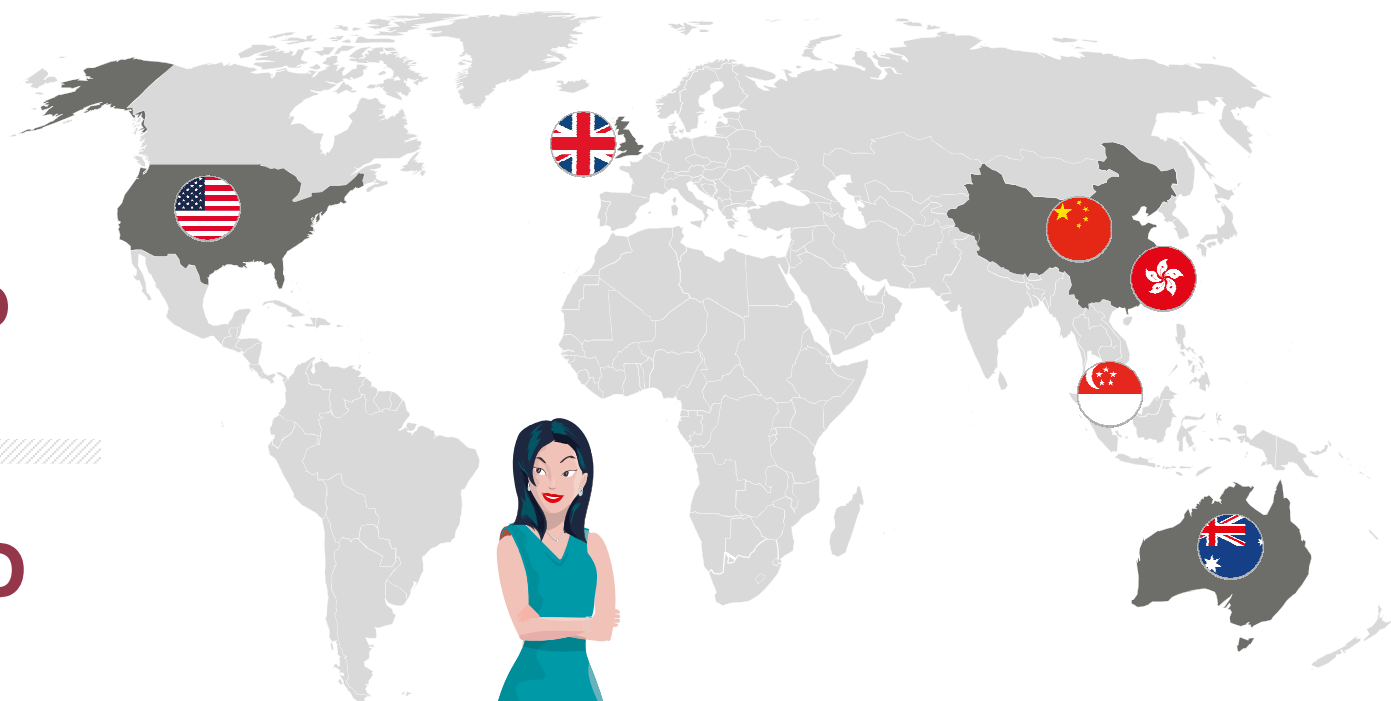
Surveyed HNW millennials fulfill at least one of the following criteria:



At least
**one private
banking
relationship**
in the family



With
**at least USD
500k**
of investable assets in
their personal bank
account



So what did the survey find?

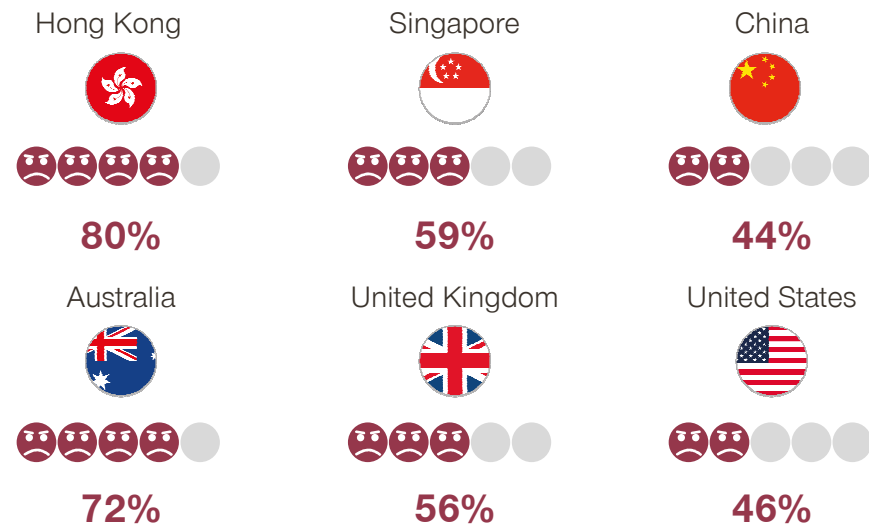
A significant revamp is required to attract millennials



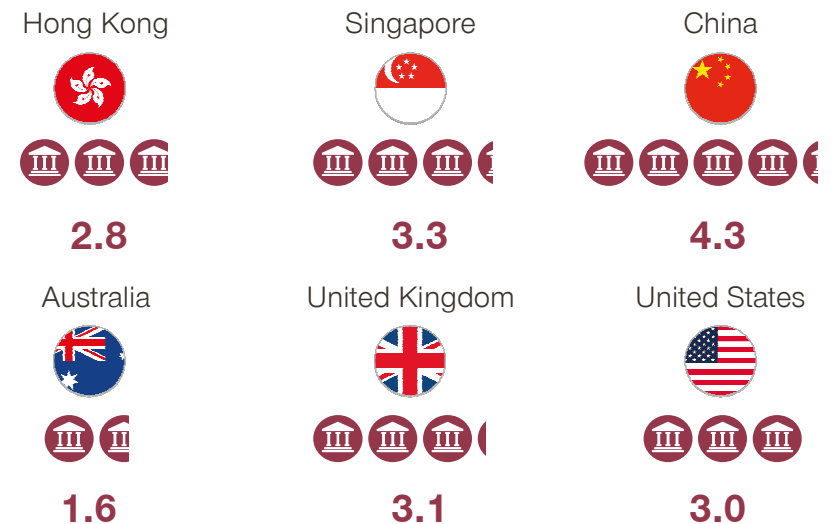
60% of millennials are **not happy** and **they're not loyal** to their current wealth management services



% of millennials that are dissatisfied



of private banking relationships per millennial



... or they will shift their money into alternative solutions

3 out of 5 millenials
are not satisfied with traditional Wealth Managers



But...why are Millennials so dissatisfied?

They believe today's customer journey is poor across banks

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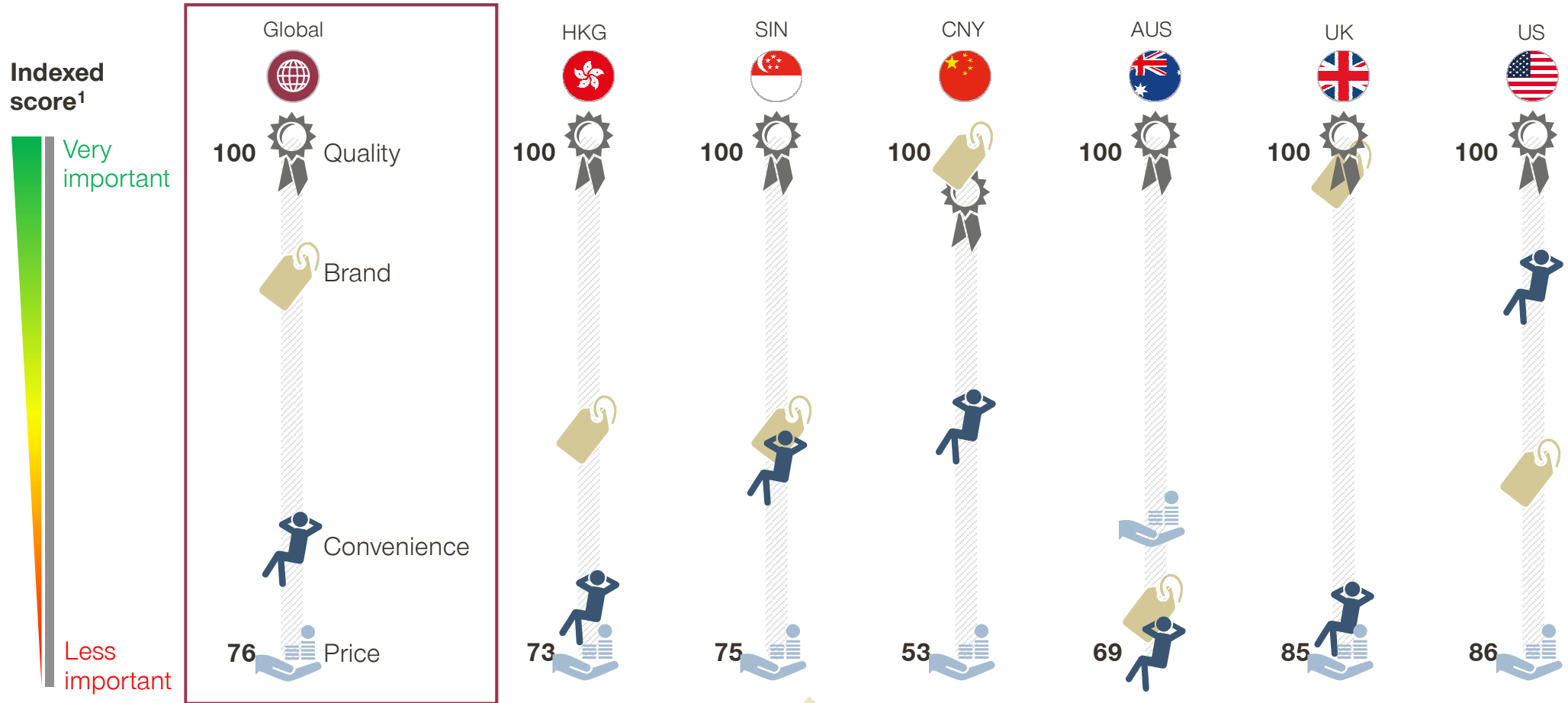
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What do they want? What values should banks focus on?

Millennials highly value exceptional quality and brand

The survey reveals that the key characteristics that HNW millennial customers value the most are:



Today we spend a significant amount on luxury goods such as watches, handbags...
When the quality is right, millennials are also willing to do the same on financial services

Price is not the most important factor for millennials!

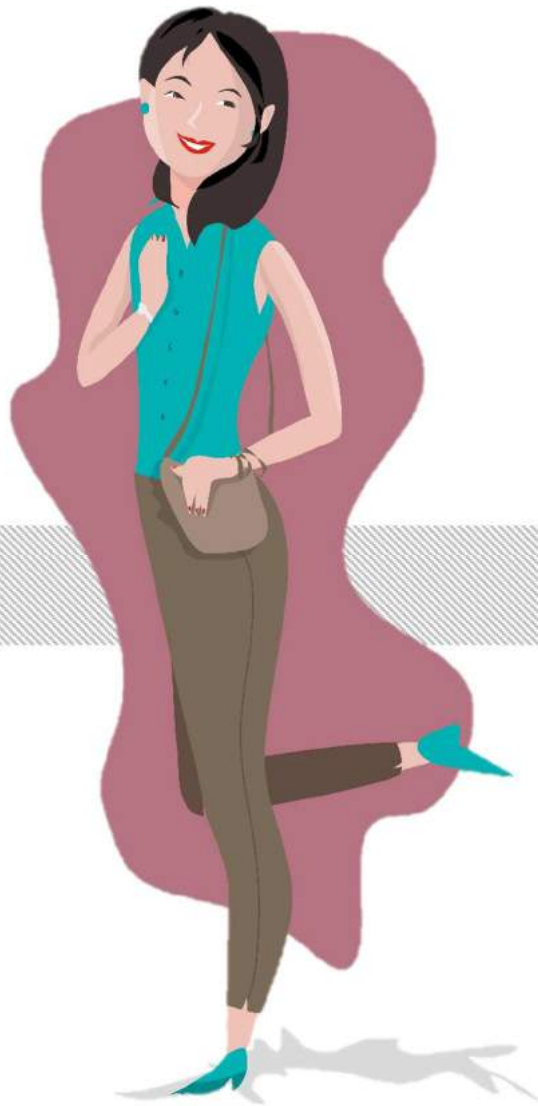
Source: Simon-Kucher & Partners; n = 645;¹ Average ranking of each dimension is indexed against the average score of the highest ranked dimension
Stratigise To Win In The New Private Banking World

What's missing currently?

Banks need to offer **WOW factors** in order to attract clients

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We need to WOW clients in order to hook them with our products!

Case in point: iPhone X

- "Face ID leads a revolution" - Sina
- "The front facing camera is reborn" – CNET



- US\$1,000 phone
- Captures 87% of industry profit
- From only 18% of industry volume sold

We've identified the 8 extraordinary 'WOW factors' that will win millennials' hearts

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Make it personal

No spam. I only want to receive customised service recommendations that I actually need

24/7 Access Anytime, anywhere

I want to be able to stay up-to-date with my money and manage my banking needs anytime



Super like my RM

I want committed and competent bankers who speak my language

Goodbye hidden fees, hello transparency

I want to know exactly what I am paying for



Fuss-free subscriptions

I can easily subscribe to my preferred banking services anytime, anywhere

Make me feel special

I want to get access to exclusive services that make my friends jealous



Easy-peasy product choices

Too much info. What are my product options?
Make it simple.

Make an impact

I want to take actions that will sustain our planet & improve the local economy



What would the ideal banking world look like to a millennial?

Vision of a millennial's 'Most Loved' private bank

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Can private banks provide an experience that millennials love?

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What experiences do these brands provide that attract Millennials?

Private Banks need to adopt certain features that leading brands provide

Learn from brands that millennials love...








Banks need to learn from brands that millennials love (1/2)
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Wow factor	Best practice	Implications for banks
1 Make it personal	Netflix: recommends movies that would attract users based on their recent usage behaviour	Customer engagement <ul style="list-style-type: none"> Exploit customer data to improve client experience Develop recommendation engines/sales support tools to empower the frontline and customers
2 24/7 access anytime, anywhere	Wechat: platform that encompasses every	<ul style="list-style-type: none"> Enhance existing service model with mobile channels

Banks need to learn from brands that millennials love (2/2)
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Wow factor	Best practice	Implications for banks
3 Super like the RM		
4 Goodbye hidden fees, hello transparency		
5 Fuss-free subscriptions	Amazon Prime: enjoy the benefits of a service at the click of a button, and cancel anytime!	Product bundling <ul style="list-style-type: none"> Offer new hybrid service models (flexible switch between advisory and DPM) Create flexible contracts that allow clients to switch between offers
6 Make them feel special	KrisFlyer: best-in-class in rewarding loyalty with luxurious customer experience	Loyalty <ul style="list-style-type: none"> Develop smarter rewards programs for private banking clients Form exclusive brand communities for clients
7 Easy-peasy product choices	Apple: offers easy to understand product catalogue of only the best-in-class products	Product catalogue <ul style="list-style-type: none"> Simplify the product catalogue & restructure overall offering/bundles Use behavioural economics to improve customer decision process
8 Make an impact	Tesla: business model that is built around renewable energy related products	Sustainability <ul style="list-style-type: none"> Enrich the core value of investment products with up-to-date topics Use trends in corporate social responsibility for product marketing

...and transfer the practices into their offerings

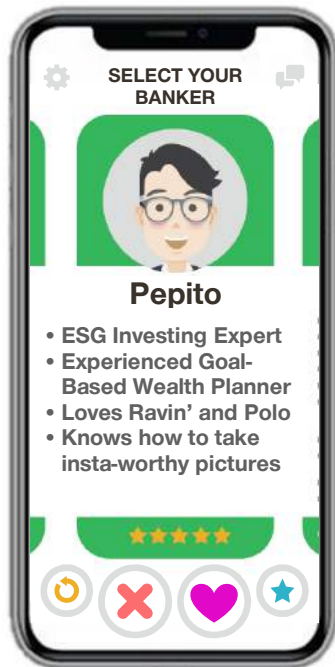
-  **Value Proposition**
-  **Offering design and packaging**
-  **Client interaction and behaviour**
-  **Sales process support and digital tools**
-  **Monetisation and Fee transparency**
-  **Employee behaviour and skills**
-  **Process/Operations /IT**
-

We need to initiate a cultural change to positively influence the current private banking mindset!

We have developed several groundbreaking customer experience initiatives that millennials love

Selection

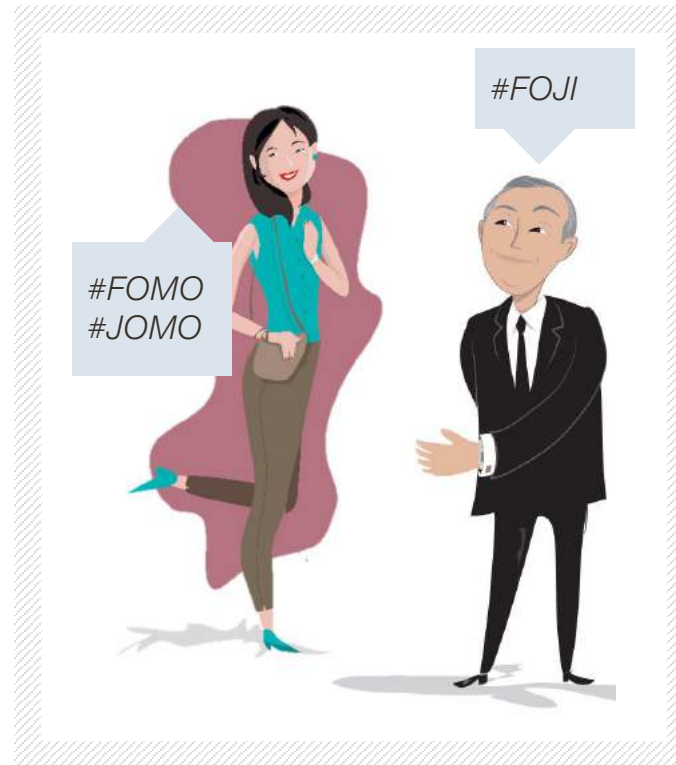
Client – RM Match



Match customers with the right banker:

Strengthen customer relationships by allowing customers to choose their own banker based on background, expertise & interests through an app

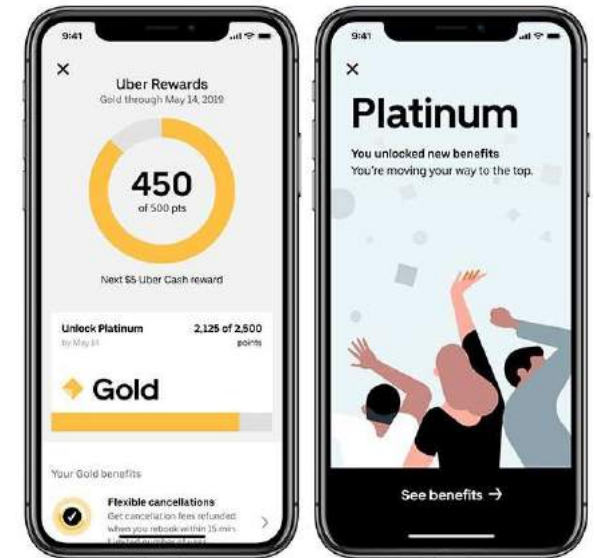
Marketing to Millennials



How to speak to a Millennial 101:

Improve salesforce effectiveness by providing sales coaching to bankers and equip them with effective ways to communicate with millennials

Loyalty Program Design



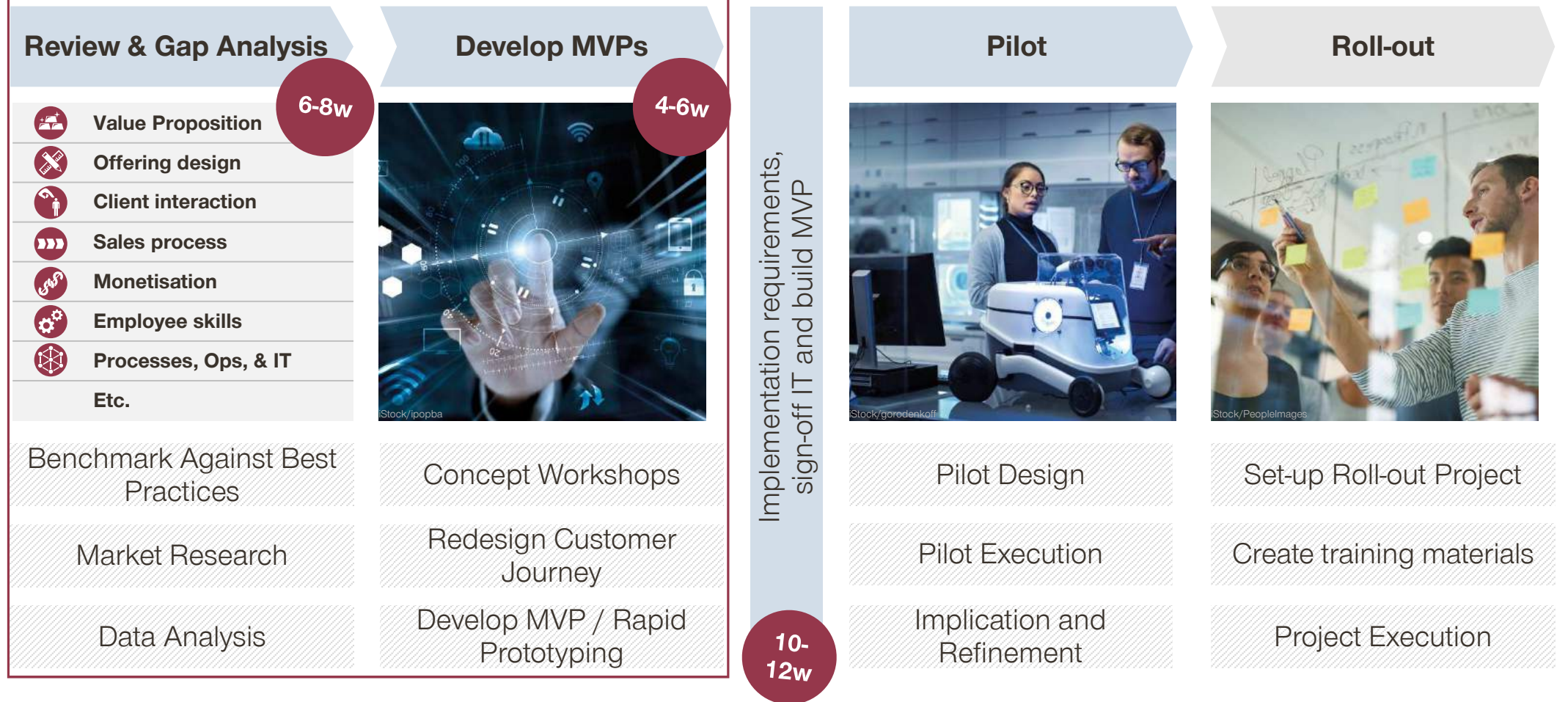
Reward systems that enhance loyalty:

Encourage usage by providing customers with points that give them access to exclusive services

How to deliver an exceptional customer experience:

Work together as a joint “customer experience factory” that continuously develops prototypes

Assess overall gaps and opportunities, and then focus on mapping specific customer journeys



A close-up photograph of a person's hand holding a white business card. The person is wearing a dark suit jacket and a white shirt. The background is blurred, showing another person in a suit. The business card has the company name and title printed on it.

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About the study...

Study authors



Silvio
Struebi

- Partner in the Singapore & Hong Kong offices, heads the company's banking operations in APAC
- Over 12 years of consulting experience in providing strategy and pricing consulting to various national and international wealth managers throughout APAC, Switzerland and the UK
- Silvio advises clients on topics such as international private banking, monetisation and product management, and assists in the market-specific implementation of growth strategies



Desi
Soetanto

- Spearheaded this millennial study and innovated the WOW factors that attract millennials
- Strategy consulting has been applied around the globe, primarily in the internet and financial services space throughout Australia, Indonesia, Singapore, Thailand, and the US
- Desi helps clients to reliably deliver top-notch customer experiences. This includes redesigning customer journeys, creating campaigns that catch fire, and setting new trends before they are visible to the rest of the industry



Ryan
Lim

- Consultant in the Banking Division based out of the Singapore Office
- 2 years of consulting experience with a focus on pricing and strategy. He has advised international banks, payments firms, and technology companies throughout Singapore, UK, and US.
- Ryan primarily advises financial institutions on top-line growth strategies such as value-based strategic pricing, monetising innovation, and identification of new revenue opportunities









De
Liu

- Senior Consultant in the Banking Division based out of the Singapore Office
- 3 years of consulting experience and focuses in pricing and strategy consulting. He has advised international banks throughout Singapore, Hong Kong, Switzerland and the UK
- De advises banks in top-line growth and profitability measures, such as discount management, digitisation & innovation monetisation, and pricing

Simon-Kucher & Partners at a glance

Best consultancy at topline improvement

<p><i>Financial Times</i> </p> <p>Marketing, brand, pricing</p> <p>1 Simon-Kucher & Partners on par with McKinsey & Company Boston Consulting Group</p> <p><small>Source: Financial Times, list of the UK's Leading Management Consultants, January 2018</small></p>	<p><i>brand eins/Statista</i> </p> <p>Marketing, sales, pricing</p> <p>1 Simon-Kucher & Partners Boston Consulting Group McKinsey & Company</p> <p><small>Source: brand eins Thema special edition: Consulting – industry report from brand eins Wissen and Statista, online survey, 2014 - 2019</small></p>	<p><i>Capital</i> </p> <p>Marketing, sales, pricing</p> <p>1 Simon-Kucher & Partners on par with Boston Consulting Group McKinsey & Company</p> <p><small>Source: Capital, survey of the best consultancies in France, 2016, 2018 (conducted every two years)</small></p>
<p><i>Forbes</i> </p> <p>Marketing, brand, pricing, sales</p> <p>Simon-Kucher & Partners </p> <p><small>Source: Forbes, survey of the best management consulting firms in the US, October 2016, 2018 (conducted every two years)</small></p>	<p><i>MT Magazine/Erasmus University</i> </p> <p>Strategy consulting</p> <p>1 Simon-Kucher & Partners Boston Consulting Group McKinsey & Company</p> <p><small>Source: MT Magazine/Erasmus University: MT1000 2018, survey of the best strategy consultancies in the Netherlands, December 2018</small></p>	<p><i>Bilanz Magazine/WGMB</i> </p> <p>Marketing and sales</p> <p>1 Simon-Kucher & Partners Boston Consulting Group McKinsey & Company</p> <p><small>Source: Bilanz Magazine/WGMB: survey of the best management consultancies in Switzerland, January 2019</small></p>

World leader in pricing

<p>World leader in giving advice to companies on how to price their products</p> <p><i>BusinessWeek</i></p>	<p>The world's leading pricing consultancy</p> <p><i>The Economist</i></p>
<p>Pricing strategy specialists</p> <p><i>The Wall Street Journal</i></p>	<p>In pricing, you offer something nobody else does</p> <p>Professor Peter Drucker</p>

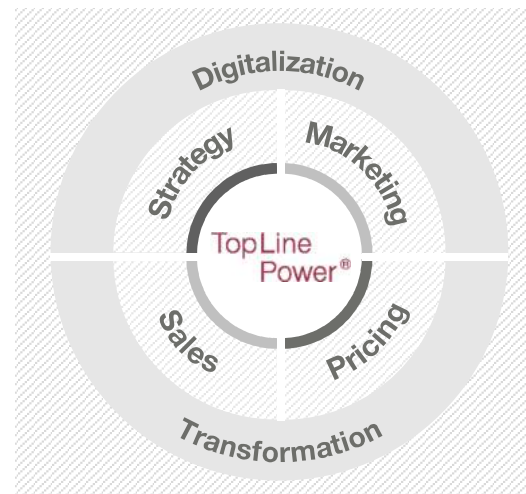
Global presence

38 offices worldwide, >1,300 employees, \$360m revenue in 2018

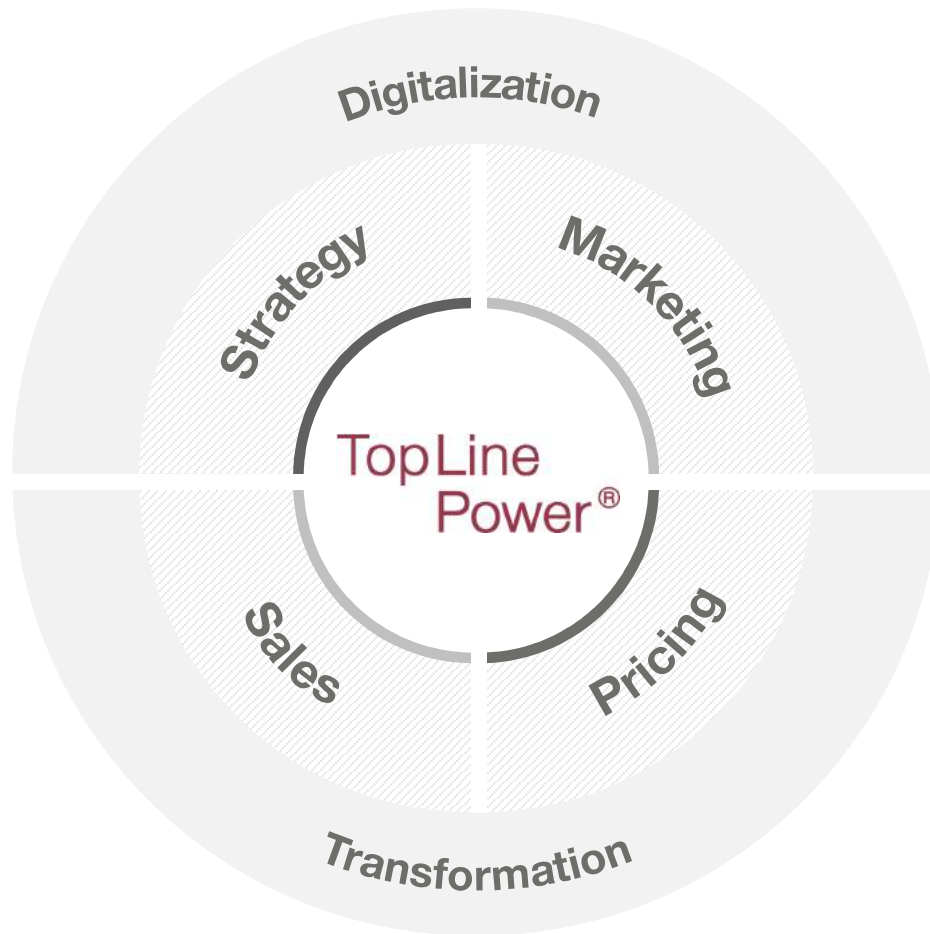


Source: Simon-Kucher & Partners
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>3,500 projects in the last three years



- Growth and competitive strategies
- Product portfolio (re-)design
- Pricing excellence
- Sales strategies and sales channel optimization
- Customer-centric digital approaches
- End-to-end transformation toward commercial excellence
- ...



Strategy

- Growth strategies
- Competition strategies
- New business models
- Monetization strategies
- Scenario planning
- Market due diligence

Marketing

- Market/customer segmentation
- Portfolio design
- Branding and value communication
- Digital marketing
- Marketing efficiency and effectiveness
- CRM

Pricing

- Pricing excellence programs
- Pricing strategies for products, business units and companies
- Innovative price and revenue models
- Launch and post launch pricing
- Pricing organization and processes

Sales

- Sales organization and efficiency
- Omni-channel strategies
- Sales force effectiveness
- Key account management
- Channel management, discount/bonus systems

Digitalization

- Digital strategies
- Business model transformation
- Customer-centric digital approach
- Digital offerings
- Digital monetization model and pricing
- Go-to-market strategies
- Big Data analytics

Transformation

- Effective and sustainable strategy implementation
- End-to-end corporate transformation toward commercial excellence
- Transformation of pricing and sales organizations
- Monitoring and KPI systems
- Change management

Get in touch to learn more!

Contact



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