REDPOINT GLOBAL

Solution Brief

Empowering Credit Unions to Take the Next Step in Delivering a Superior Customer Experience

New Competition in the Customer Experience Wars

Credit unions have always prioritized exemplary customer service, in part to distinguish the experience from national or regional banks. For today's credit union members, expectations for what constitutes a superior member experience have changed. The empowered consumer expects a consistent, highly personalized experience across all digital and physical touchpoints, and it has become a strategic imperative for financial institutions to meet that expectation or risk members moving to an institution that does.

Financial institutions are keenly aware of the challenge in delivering this experience. In fact, nearly all financial marketers (95 percent) believe consumers expect more personalized banking experiences than they are currently getting.[1]

A survey by Boston Consulting Group found that 54 percent of customers said personalization influenced their decision to become a customer of a financial institution, and 68 percent said that personalization influenced them to buy more products or services from an existing one.[2] A personalized and consistent omnichannel experience has been shown to drive loyalty which is strongly tied to superior financial results including a higher ROI, net income per member, and membership growth.[3]

An acute challenge for credit unions in closing this gap is that many are in a game of catch-up with larger national and regional banks that have more resources at their disposal to deliver a superior, data-driven customer experience. Larger banks are incentivized to deliver this experience, as they draw more millennial and Gen Z customers who are more inclined to expect a frictionless, digital banking experience. Currently, just 15 percent of the millennial and Gen Z generations belong to a credit union.[4]

With so much at stake, credit unions cannot afford to fall any further behind in the race to close the gap between the expectations of the consumer and the experience that is delivered.

Challenges

Consumer expectations for a seamless customer experience continue to rise, and brands are engaging with consumers in new ways. The need for new consumer-facing business models is being driven by:

- Changing behaviors and attitudes.
- Changing demographics, including the need to serve millennials and demographic niches along with an aging population that has evolving needs for investments.
- Changing customer journeys, with new uses of mobile, IoT, and social media technology.

As financial products become more commoditized and traditional and non-traditional competitors proliferate, credit unions are facing an even greater strategic imperative to compete on customer experience than they have on the past. The imperatives are:

1. Attracting new customers.
2. Deepening existing relationships to improve customer outcomes.[5]

Leading credit unions organize themselves around the customer, creating customer-centric experiences that recognize individual retail banking members as a segment of one. In the 2018 Retail Banking Trends and Predictions, removing friction from the customer journey was identified as the most important trend in retail banking. Strategies to accomplish a frictionless experience included allowing members to open accounts digitally and providing real-time alerts with recommendations for future actions.[6]

Solution

A segment-of-one approach that drives a customer-centric experience while also improving operating efficiency ratios requires key capabilities:

- **A deep understanding of customers**: knowing all there is to know about your customers is key for credit unions to effectively meet customer needs in the context and cadence of the customer, to dynamically match products and services with customer behaviors and intent.
- **Resolving siloed data and processes**: flexible and efficient data and orchestration overlays that overcome typical product and channel silos.
- **Flexibility to provide product recommendations at different stages of a customer journey**: new configuration options at points of engagement across all customer journey stages – acquisition, expansion, loyalty, retention – to drive revenue productivity, e.g., wealth management and advisory services, are becoming a baseline service for most credit unions that need to be available ubiquitously, on a tier with deposit taking.
- **An omnichannel experience**: meet the always-on customer when and how they want to engage, leveraging the best of physical footprints and digital technology to create frictionless experiences.

The RedPoint Global Customer Engagement Hub™

The RedPoint Global Customer Engagement Hub™ (CEH) provides powerful insights into customer behaviors and preferences and enables organizations to deliver contextually relevant brand experiences across all interaction points in a way that optimizes customer engagement. The RedPoint solution taps into any and all data sources – structured or unstructured – while resolving anonymous-to-known customer identities using the most advanced probabilistic and heuristic matching algorithms available in the market today. The platform combines precise customer views, advanced analytics, and real-time intelligent orchestration, providing a customer engagement hub that orchestrates action across all touchpoints and integrates with the vast ecosystem of engagement technologies. All of this enables organizations to drive higher revenue and lifetime customer value while lowering interaction costs.

Connecting All Data into a Single Customer View

Precise data provides the foundation to drive highly relevant customer interactions. Data accessibility and quality are key to driving high levels of precision, and relevance also requires that it is available to keep pace with the speed of the customer. The RedPoint solution:

- **Supports all data sources**: Data is valuable no matter where or how it originates, which is why our solution is designed to handle data from any location, source, type (unstructured, semi-structured, structured), or format – XML, JSON, Hive, HDFS, social media, websites, CRM, and even transactional/ operational databases.
- **Provides advanced identity resolution and management**: Our sophisticated data transformation features and persistent key management includes complex processing rules, address standardization, geocoding, and spatial analysis to reconcile customer information across data sources and craft a single, precise golden record across anonymous-to-known customer engagements. All of this is done in real time, and complex tasks are completed at lightning speed.
- **Improves data quality and enriches customer profiles**: With RedPoint's data quality capabilities, you can easily discover data inconsistencies and anomalies as well as provide advanced data cleansing capabilities such as contextual matching, standardization, normalization, merging/purging, house-holding, parsing, de-duplication and validation. You can also leverage first-party data along with second- and third-party data to enrich and enhance customer profiles.

In-Line Analytics to Move at the Speed of the Customer

The platform uses in-line analytics to achieve the speed and scale required to engage consumers in a segment-of-one fashion and create a next best action based on a customer's behaviors, needs, preferences, and intent at every interaction. Powerful artificial intelligence (AI) and machine learning capabilities understand individual and segment-based customer behavior at scale, and help generate customer-specific content based on predictions and goal-based optimizations across every engagement channel. The platform:

- **Understands customer intent**: AI and machine learning algorithms that are accessible to marketers automatically determine the next best action for a customer. In-line analytics drives personalization at scale and in-line with a segment-of-one customer journey.
- **Moves at the speed of the customer**: In-line analytics helps marketers keep pace with the customer along the customer's preferred journey. Real-time decisioning generates a next best action at the time of the next interaction.
- **Continuously optimizes engagement**: AI and machine learning layered on top of a persistent, consistently updated customer profile ensures that customer engagement is optimized throughout a personalized path-to-purchase. A recommended next best action always includes the complete interaction history based on an always-updated algorithm.

Intelligent Orchestration That's in Context

The modern customer experience is all about context. In the real-time world, the person, message, moment, cadence, offer, device, and channel decisions and actions all need to be aligned. Lack of alignment risks a disjointed customer experience that drives customer attrition. The RedPoint CEH orchestrates all your next best actions, including offers and messages. The platform:

- **Takes action across channels**: With RedPoint's intelligent orchestration functionality, you can interact with customers across all channels of engagement dynamically, to drive powerful experiences and bolster engagement.

- **Crafts powerful customer journeys**: With an easy-to-use drag-and-drop graphical user interface, users are able to sketch out interaction and data flows without complicated computer code. Our automated customer journeys also feature error-handling alerts and version control – overcoming the skills gap that has held back companies from taking advantage of powerful data-driven engagement.
- **Optimizes customer engagement in real time**: With the ability to ingest data from myriad sources, you create a unified customer profile and a single source of truth for data, decisions, and interactions. This gives you the ability to leverage powerful customer insights directly in your engagement streams and decisioning flows. RedPoint uses advanced analytics, paired with machine learning, to segment, predict, and optimize your customer engagement in real time.

Leverage Existing Technology Investments to Accelerate Results

RedPoint's platform is architected as an open ecosystem, enabling enterprises to leverage their existing data, models, systems, and technology already in place. It also provides an easy and open way to take advantage of new channels and technologies as they emerge. Getting started with RedPoint is simple and easy. We offer a range of flexible deployment options including cloud-only, on-premises or a hybrid of cloud/on-premises. These deployments provide the flexibility needed to drive the highest speed to value for your business. The RedPoint Customer Engagement Hub addresses key capability priorities for credit unions, including:

- **Customer data collection and integration**: Single Customer View, available in real time, i.e., the "Golden Record."
- **Customer centric metrics**: Closed-loop system to capture and report on engagement.
- **Digital channel orchestration**: Create and deliver customer journeys seamlessly across all channels, human and digital.
- **Customer segmentation**: Embrace the most advanced segmentation strategies.
- **Optimizing channel mix**: Optimize revenue and costs across all traditional and digital channels.
- **Personalizing self-directed channels**: Hyper-personalize engagement in real time.

Benefits

RedPoint's platform ***Optimizes Customer Engagement***, driving higher revenue and lifetime customer value while lowering costs. It is now possible to leverage one of a financial institution's most underutilized assets – customer data – to improve operating efficiency ratios.

This is key to support a financial institution's transformation to a customer-centric experience, one that is both more productive and less costly:

- **More productive** by providing information, advisory services, and other new products to customers at the most relevant point of engagement, while creating new styles of engagement and customer journeys.
- **Less costly** by lowering the costs of interaction, through matching the best, lowest cost channel with each customer and through orchestrating engagement to include new channels such as smart kiosks.

Optimizing and personalizing self-directed channels are key, as 61 percent of consumers now do research on their own, and 42 percent buy products on their own.[7]

To justify investments in digital technologies, customer data management, and advanced analytics and machine learning, a high ROI must be demonstrated. RedPoint technology has a proven ability to implement customer engagement hubs in as short as 12 weeks while surpassing ROI thresholds in the first year, realizing higher revenue productivity while improving the customer experience at the same time.

1 2018 Digital Banking Report
2 http://image-src.bcg.com/Images/BCG-The-Power-of-Personalization-May-2018_tcm98-193010.pdf
3 https://www.creditunions.com/articles/the-3-key-drivers-of-the-member-experience/#ixzz5c1WApJGn
4 https://www.cutimes.com/2018/11/09/digital-to-dominate-2019-credit-union-marketing-bu/
5 Source: PwC
6 DRB Research: https://www.digitalbankingreport.com/trends/2018-retail-banking-trends-and-predictions/?article
7 Source: PwC

About RedPoint Global Inc.
RedPoint Global's software solutions empower brands to transform how customer experience is delivered. RedPoint Global's solutions provide a single point of control to connect all customer data, determine next best actions in real time, and orchestrate interactions across all enterprise touchpoints. Leading companies of all sizes trust RedPoint Global to deliver highly personalized and contextually relevant experiences that optimize customer engagement. For more information, visit www.redpointglobal.com/accelerator or email contact.us@redpointglobal.com.

REDPOINT GLOBAL

US Headquarters: Wellesley, MA | Tel: +1 781 725 0250 EMEA Headquarters: London, UK | Tel: +44 (0)20 3948 8170
www.redpointglobal.com

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