

Why an Effective Offer Management Solution is Crucial for Lasting Customer Loyalty

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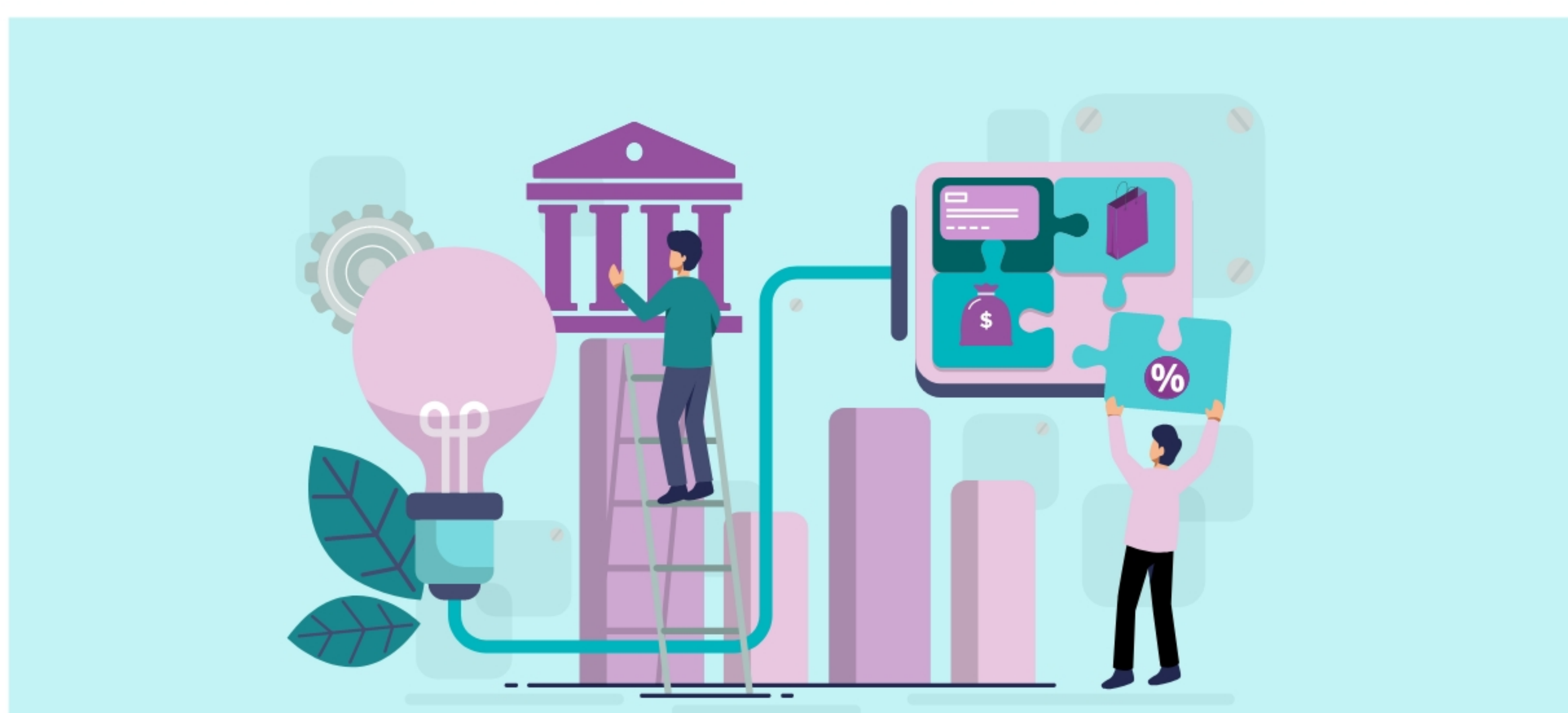
Customer centricity is the new business mantra for the banking sector. The advent of digital technology powered solutions transformed the way services and products are used and engaged with and banking is no exception. Today a customer engages with a bank across multiple touchpoints and expects superlative service and experience across each of them. Banks now have the opportunity to provide customers with hyper personalized offerings and keep them engaged with value-driven, relationship-based strategies that will ensure long-term loyalty. Individualized pricing, bundles of products, and offerings including those offered by partners are an excellent way for banks to implement customer-centric strategies and increase revenues. But a 2020 report by PwC says that while customer centricity is top priority for banks in the coming decade, less than 20 percent are actually prepared for it.¹ At this critical juncture, banks need to prioritize technology solutions that can analyze customer data in real time to create, present and deliver personalized and contextual offers.



A Powerful Offer Management Solution is the Need of the Day

Banking offers are products and services built from the bank's core capabilities like deposits, withdrawals and more. These are custom created bundles of offerings that are designed to meet individual customer requirements and they can be measured and priced differentially. Offers are usually targeted towards specific markets, target audience or geography and includes the exact pricing for the product or service as well as optional features that may be available. Offers are a good way to engage customers and increase share of wallet. For example, banks offer credit card customers discounts on partner brands, or a high value customer can be offered discounts on laptops or mobile phones. For instance, banks can create a tailored package of products and services for entrepreneurs or SMEs that meet their specific requirements.

But this requires capital investment in data analytics, and supremely agile offer management solutions. Without an agile digital platform in place, banks cannot roll out and manage hyper personalized and contextual offers. The platform must be able to effortlessly create, track and manage all offers across multiple business lines and channels without manual intervention. It must be able to analyze large volumes of customer data from across the banking ecosystem to provide quick insights and prioritize offers based on customer lifetime value. The kind of offers being made available will also depend on the sales channel and the platform being used to include the unique attributes of a particular sales channel when formulating the offer.



Choosing the Right Offer Management Solution

With the right offer management solution in place, banks can leverage advanced data analytics technologies like AI and ML to come up with unique and differentiated offers. The solution will complement contextual marketing efforts to help facilitate better cross-selling and up-selling and deliver the right product through the right channel at the right time. Such an automated platform will be able to break down organizational silos to gain a comprehensive view of customer history across business lines and understand their requirements. The platform must be able to use predictive analytics to devise personalized and relevant bundles and offers.

Developing such capabilities inhouse can be an expensive and time-consuming proposition. Banks can work with third-party solution providers who can implement an agile middle layer by seamlessly integrating with the existing technology stack. Such platforms can provide scalable and configurable offer management capabilities. Banks must deploy solutions that can orchestrate the complete lifecycle in real time using data, simulation, offer testing and roll out across multiple distribution channels.

The banking sector is at a critical inflection point. Modern customers are not afraid to experiment with newer more digitally advanced options for their finances if they offer the agility and personalization they want. And yet, retaining customers and increasing share of wallet is more important today than ever before. Banks must accelerate their customer centric transformation journeys and must have the digital capabilities in place to treat each customer as a unique entity with innovative custom created offers. Better data analytics, better segmentation, and personalized engagement is the only way forward. And to achieve this, banks must look beyond traditional solutions and adopt innovative, powerful third-party technology solutions.