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Reverse Disengagement With Contextually Relevant Content

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY RELAY NETWORK | JULY 2022

Customer Engagement Is A Priority And A Pitfall For Banks And Credit Unions

While customer engagement is a key priority for retail banks and credit unions, they continue to face disengagement and opt-outs from existing customers. Product-driven marketing, underspending on existing customer engagement and disparate, complex communication strategies are getting in the way of boosting the engagement that decision-makers need to drive growth. With the right partners and technology, retail banks and credit unions can and should build contextually relevant content that keeps customers engaged and satisfied.

In a study commissioned by Relay Network, Forrester Consulting surveyed 154 customer engagement strategy decision-makers at retail banks and credit unions in the US about customer engagement, why disengagement is happening, their reengagement tactics, and looking ahead: what role contextually relevant content can play in driving growth.

Key Findings



Building and maintaining customer engagement is a high priority for banks and credit unions, but they are struggling to do it successfully, and disengagement is rising.



Difficulties with opt-outs and with delivering contextually relevant messaging persist, and 79% of respondents agree that reengaging disengaged customers is increasingly challenging.



In adopting a customer engagement platform, respondents believe their firms could drive customer lifetime value, increase revenue, build trust, and create communication strategies that drive outcomes.

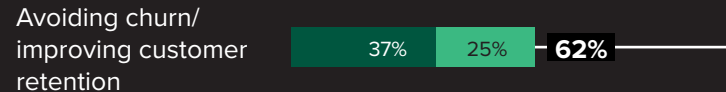
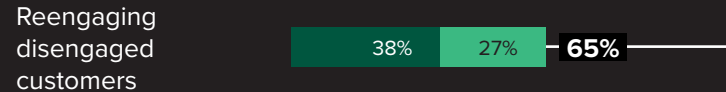
Customer Engagement And Trust Are Critical For CX Strategy

Customer engagement strategy decision-makers know how important engagement and satisfaction are to the success of their organizations. As expected, when asked about their top priorities for the next 12 months, these were the top two with building and maintaining customer trust close behind. In answering subsequent questions, it is apparent that though these initiatives are important, respondents' organizations may not be connecting them with their current engagement strategies. In addition, when considering engagement strategies, respondents' organizations are focused more on new-customer acquisition and engagement rather than spending time on efforts to engage or reengage existing customers.

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“How important will each of the following be to your organization’s customer engagement initiatives over the next 12 months?”

● Important ● Very important



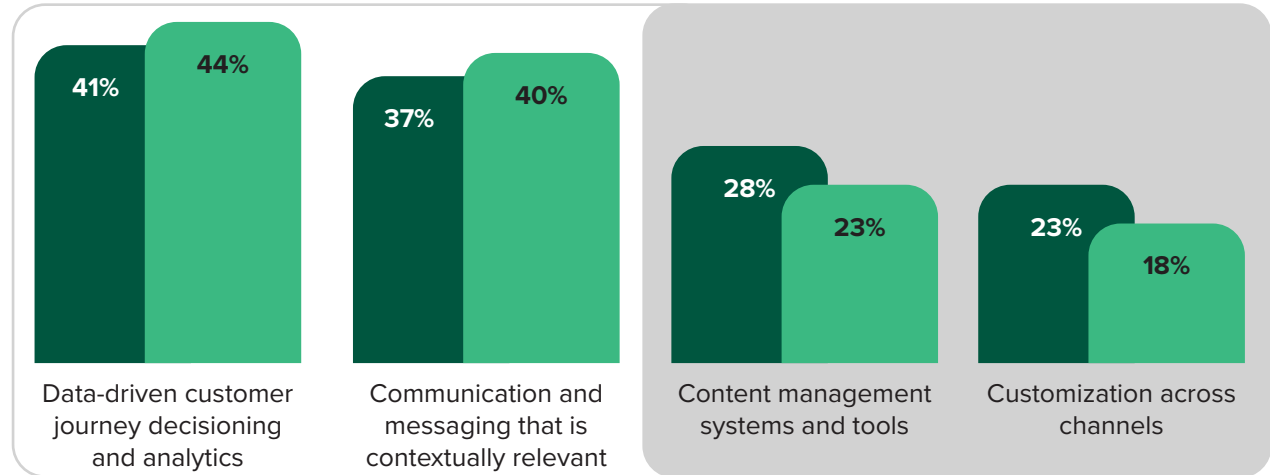
Base: 154 US banking customer engagement strategy leaders
 Note: Total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Relay Network, May 2022

Focus On New-Customer Acquisition And Customer-Journey Technology Overshadows Engagement Efforts

When asked about the current tools and strategies their organizations have in place to improve customer engagement, responses showed that banks and credit unions are spending less time on content creation relative to new-customer acquisition. Of the 12 options given to respondents, they said only two are in place more for existing customers than for new ones — both pertaining to content and customization and both least used overall. Perhaps even more interestingly, banks and credit unions are prioritizing targeting and customer-journey technology rather than investing in content that keeps existing customers engaged, and prioritizing content less overall relative to using back-end processes like analytics and data modeling to attract new customers.

“Which of the following tools or strategies does your organization currently have in place to improve customer engagement?”


- Existing customers
- New customers





Respondents Say Reengaging Existing Customers Is Increasingly Challenging


Despite prioritizing customer engagement, respondents said their organizations still face challenges accomplishing it, especially with existing customers. Difficulties reengaging disengaged customers, opt-outs, and delivering contextually relevant messaging persist. In fact, 79% of respondents believe that reengaging customers is more difficult than engaging new ones, and 68% said their organization faces challenges delivering contextually relevant customer communication. These difficulties are connected to the focus of banks and credit unions on product-specific messaging and new-customer acquisition rather than existing-customer engagement. This could also point to a hole in engagement strategy. While existing engagement tools and technologies give leaders a sense of the current state of customer acquisition and churn, they don't give insight into those who fall between these lines: disengaged customers.


“To what extent do you agree or disagree with the following statements?”

Reengaging customers that have opted out or disengaged is more difficult than engaging new customers.  **79%**

73%  Customers are increasingly opting out of marketing communications and other messaging year-over-year.

My organization finds it challenging to deliver contextually relevant customer communication.  **68%**

66%  Increasingly, customers are passively disengaging (not opening or reading) with communications/messaging year-over-year.

It is difficult to provide customers with experiences that drive outcomes and tend to their needs.  **62%**

Challenges With Gaining Trust And Anticipating Customer Needs Persist

When asked about challenging CX processes, respondents noted that meeting privacy expectations and gaining and nurturing customer trust are two of the toughest. Trust challenges are a result of concentrating on new-customer acquisition and product-focused messaging. There is not enough contextual relevance in product-specific messaging, and banks and credit unions are engaging with customers based on what they want to promote (e.g., products) rather than what existing customers want to see (e.g., relevant content). Respondents' organizations are also having trouble keeping up with customers' preferences across various platforms and channels. The "digital fluidity" of customers and the inability of banks and credit unions to keep pace is also creating both CX and trust challenges.

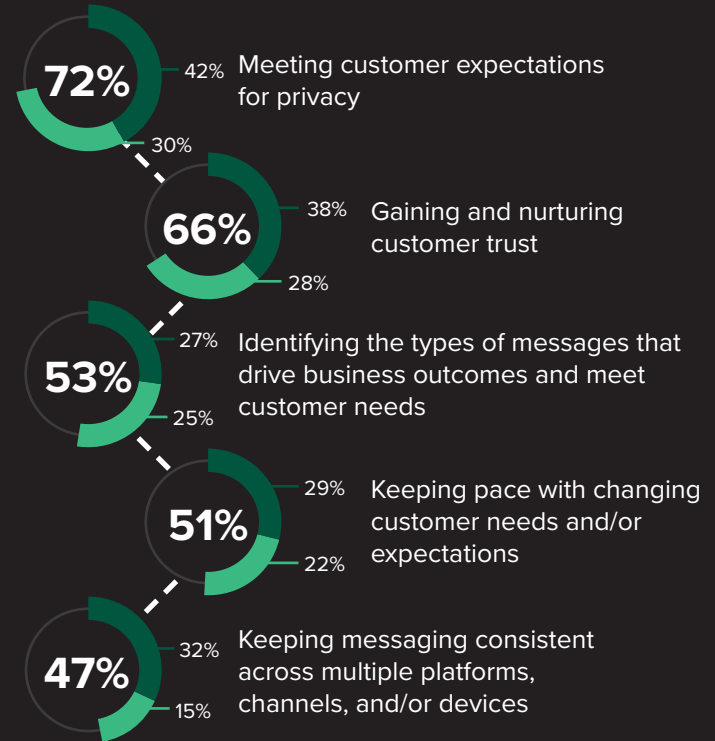
83%

of respondents' organizations primarily drive engagement through product-focused messaging.

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"How challenging are the following CX processes for your organization?"

● Important ● Very important



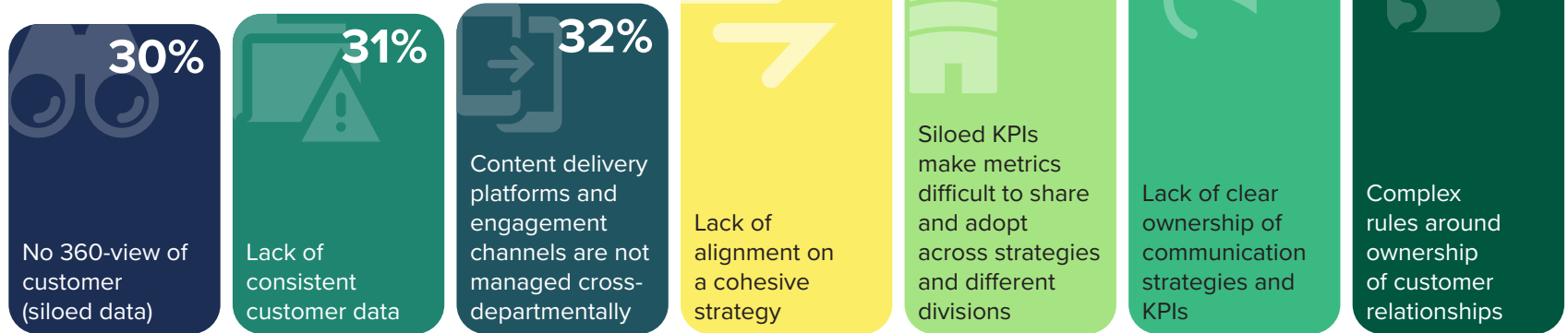
Base: 154 US banking customer engagement strategy leaders
 Note: Total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Relay Network, May 2022

Internal Silos And Complex Policies Stall Communication Strategy

The external and customer-adjacent challenges banks and credit unions must contend with are reflected in internal struggles. A lack of cross-organizational communication is affecting the abilities of banks and credit unions to develop a comprehensive customer communication strategy. Complex rules around ownership of customer relationships are affecting organizations' communications strategies. These silos in ownership and in customer data are fragmenting communications, leading to the CX challenges outlined earlier.

! Many respondents believe a **lack of internal communication** makes engagement efforts more difficult.

“Which of the following challenges affects your organization’s ability to develop and sustain a single, cross-organization communication strategy?”

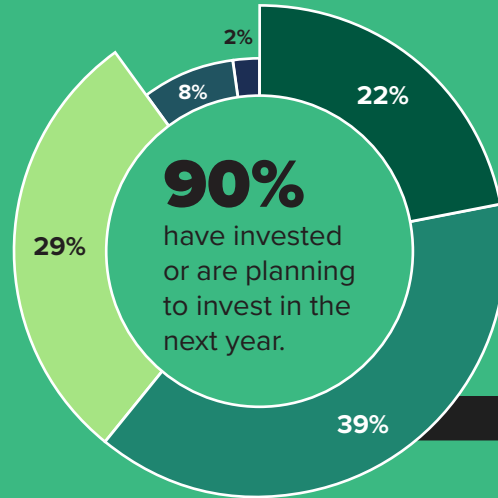


Interest In Customer Engagement Platforms Is Growing

One way that banks and credit unions are looking to alleviate the internal and external communication, engagement, and trust challenges they are facing is via the adoption of a customer engagement platform. Nearly all respondents (90%) said their organization has invested in or is planning to invest in these types of platforms in the next year. Those organizations are beginning to align their priorities with their actions, assessing their current tools, and realizing that a customer engagement platform may connect the customer-engagement dots that banks and credit unions are unable to connect due to the internal silos and subsequently fragmented output.

“How interested is your organization in investing/increasing investments in a customer engagement platform?”

- We already invested, and are planning to increase our investment in the next 12 months.
- We have already invested, and are not planning on increasing our investment in the next 12 months.
- Interested, and planning to invest in the next 12 months
- Interested, but are not planning to invest in the next 12 months
- Not interested in investing
- Don't know/does not apply



Customer Engagement Platforms Expected To Boost Growth

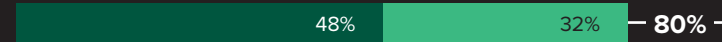
In adopting a customer engagement platform, respondents' organizations want to grow by maximizing revenue and customer lifetime value (CLV) by increasing customer trust and satisfaction. They also expect a customer engagement platform to help improve active engagement and customer retention and aid in the creation of cohesive communication strategies for customers. Decision-makers see the potential of customer engagement platforms to help alleviate the internal and external challenges at their organizations by helping to create a consistent, single view of the customer. Simply put, respondents said their organizations want happier, more engaged customers to drive growth, and they believe customer engagement platforms can help them get there.

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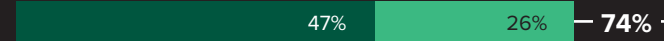
“Since you are considering investing in or increasing investment in a customer engagement platform, how important are the following business benefits to your organization?”

● Important ● Very important

Maximizing CLV



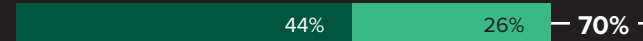
Growing customer trust



Growing customer satisfaction



Improving customer retention



Improving active engagement of customers



Enabling a consistent, single view of the customer



Creating a single communication strategy for customers



Reengaging existing customers



Base: 151 US banking customer engagement strategy leaders

Note: Total percentages may not equal separate values due to rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Relay Network, May 2022

Conclusion

Customer engagement strategy decision-makers want to grow CLV through engagement, but they realize their organizations need some help to make it happen.

- In prioritizing new-customer acquisitions, banks and credit unions are not giving existing-customer engagement enough of their attention and are therefore facing challenges with opt-outs and reengagement.
- Respondents' organizations know they have a problem with reengagement, but internal silos and product-focused communications are inhibiting reengagement and communications strategies.
- Customer engagement platforms have the potential to alleviate CX challenges while making the internal work necessary to engage and reengage customers more cohesive and contextually relevant to customer-specific needs.

Project Team

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Methodology

This Opportunity Snapshot was commissioned by Relay Network. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 154 financial services customer engagement strategy leaders in the US. The custom survey began and was completed in May 2022.

ABOUT FORRESTER CONSULTING

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Demographics

GEOGRAPHY

United States	100%
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INDUSTRY

Financial services	100%
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TYPE OF FINANCIAL INSTITUTION

Retail bank	55%
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Credit union	45%
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TOTAL ASSETS UNDER MANAGEMENT

\$500 to \$999M	12%
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\$1B to \$1.99B	15%
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\$2B to \$4.9B	18%
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\$5B to \$9.99B	18%
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\$10B to \$20B	23%
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>\$20B	14%
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A person wearing a white lab coat is shown from the chest down, holding a white smartphone in their left hand and pointing at the screen with their right index finger. The background is a blurred white surface. The Forrester logo is overlaid in the center of the image.

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