

# WHY IS EVERYONE TALKING ABOUT FEED TECHNOLOGY?

**The goal of a successful customer engagement programme should be to help financial institutions and their customers have better, more trusting and more valuable relationships.**

Despite investments in digital transformation, customer journey analytics and customer communication technologies, engagement rates continue to decline, leading to a critical challenge at banks – customer disengagement and dormancy.

A Relay-commissioned study with Forrester Consulting found that 73 per cent of executives at financial institutions said that customers are increasingly opting out of marketing communications, and 66 per cent said that customers are passively disengaging with communications.

What factors are driving this trend? What strategies can financial institutions incur to address this challenge? How can they ultimately create customers for life in the digital era?

**THE PROBLEM: CUSTOMER DISENGAGEMENT**

These days, customers across all generations are digital natives, relying on digital-first engagement tools to connect with the brands in their lives. In fact, 82 per cent of consumers want their financial institutions

to serve them digitally. And, along with the reliance on digital tools, customer expectations have risen across industries, with 73 per cent of consumers now saying that an experience with one brand changes their expectations for all brands.

While financial institutions have long been aware of the customer disengagement and dormancy problem, the issue is rising to the forefront of the industry. Some of the factors contributing to the rise of disengagement are:

- **Internal silos:** Due to the inability to align data and priorities, silos that exist at banks across departments risk delivering a fragmented customer experience.
- **Priorities:** Banks are prioritising resources for

acquisition over existing customer engagement. While acquiring new customers is important, those acquisition costs can be five times greater than the cost of retaining existing customers.

■ **Existing tools:** An Accenture study found that 85 per cent of brands have reported languishing growth from their investments in CX – because the existing tools used for engagement are not designed to create lasting relationships.

■ **Content:** Sixty-eight per cent of financial institution executives noted that their organisations find it challenging to deliver contextually relevant customer communications – because the content delivered

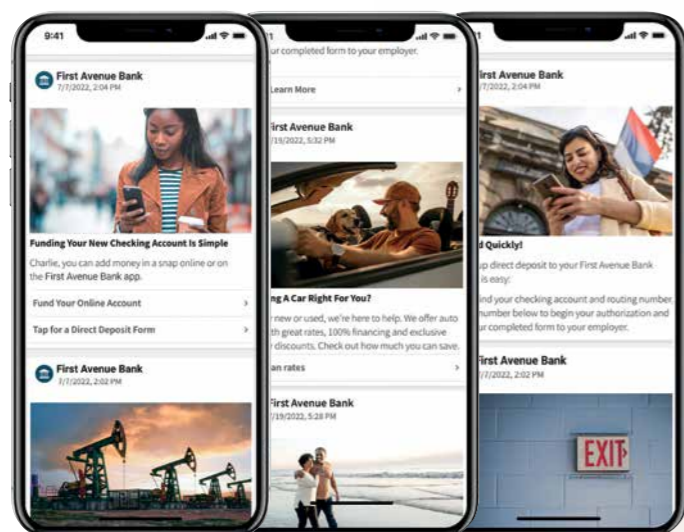
across channels is mostly transactional by nature.

■ **Ownership:** Forty-three per cent of banks and credit union executives noted that complex rules around ownership of customer relationships affects their ability to have a cross-organisation strategy.

The rise of disengagement and dormancy is having an enormous impact on banking outcomes:

■ **Revenue:** The more disengaged a customer is, the less value they create for a bank. Disengaged customers are dramatically less profitable – according to Gallup, they have deposits and assets that are 21 per cent lower than fully engaged customers; and according to Cornerstone, 42 per cent of engaged customers have six or more products with their bank, as opposed to just three per cent for disengaged customers.

■ **Sentiment:** When customers are disengaged, they cease to be loyal. 68 per cent of customer defections occur because customers perceive ‘an attitude of indifference’. Further, it is harder to retain disengaged customers, and there is evidence that shows that they are 56 per cent more likely to churn.



What can financial institutions do to re-engage their customers through meaningful digital engagement?

**THE SOLUTION: FEED TECHNOLOGY**

Feed technology is the most effective consumer engagement medium. With 4.7 billion people interacting with feeds globally, it is time for the retail banking world to leverage the power of feeds to catalyse more meaningful customer relationships.

**WHY FEEDS?**

**1 Format** Sixty-five per cent of people across all generations are digital natives. The abundance and ubiquity of smartphones make digital connectivity accessible for everyone, and feeds are the engagement format of choice for consumers. Whether via social feeds or newsfeeds, feed technology has ingrained behaviour in consumers that drive high levels of engagement through their design, accessibility, and features.

Consumers are accustomed to the scrollable nature of feeds and prefer the format for engaging with content. The ability to scroll through a variety of experiences designed to pique consumers’ interests

is precisely what keeps them coming back. Repeated use is not a side effect of a feed, but rather, a central tenet of its success. By serving a continuum of content in one channel, a feed streamlines any siloed processes and normalises the cadence of experiences across departments, thus preventing inadvertent spamming of customers across several channels.

Feeds also reduce friction for customers, unlike other engagement channels that may require registration or credentials. The immediacy by which a consumer can access a feed plays a significant role in the success of the channel.

**2 Content** The key to the effectiveness of feeds is content. The goal should be to create scroll-stopping content that entices customers to engage. Important

life events are generally tied to important financial implications. Therefore, if financial institutions can align the data they have on the customer and create content tied back to those key life events, customers feel more understood, further fostering the banking-customer relationship. Of course, it is also important that these experiences tie back to specific outcomes for the bank. Relay IQ aligns customer feed content with the top business outcomes for financial institutions: increasing revenue, decreasing costs, and increasing customer satisfaction.

**3 Intelligence** And the placement of those experiences on the feed is intentional. Using data-science driven intelligence that leverages various data inputs, and applies logic, feeds ensure that what is being served up is personal, relevant, and meaningful for a consumer, fostering trust. The intelligence component of a feed enables the content delivered to

be optimised and to elevate the most relevant and meaningful experiences to the top of the consumer’s feed. On a feed, these experiences continuously populate all in one place, so it is easy for a consumer to interact and engage with multiple experiences in one session.

**RELAY IS A FEED TECHNOLOGY PIONEER**

Knowing the power that feeds have on human behaviour and engagement, Relay has evolved feed technology to be the logical next step for digital B2C relationships, enabling our clients to truly deliver on the digital-for-all promise. Financial institutions have an opportunity to adopt feed technology and establish a one-to-one digital connection with their customers to deliver the fastest rate of the type of engagement that drives outcomes.

About Relay Network  
Relay Network has pioneered B2C feed technology, with over 10 years of experience helping companies more meaningfully engage with their customers. Relay Feeds are dedicated 1:1 engagement channels that companies use to deepen customer relationships and dramatically improve business outcomes. Its goal is to help our customers maximise customer lifetime value by catalysing mutually beneficial engagements between them and their customers – making digital-for-all a reality.  
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