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3 Ways Banks Can Create Emotional Connections with Hybrid Consumers

Even the most digitally native consumer segments need human interactions. In many cases, digital natives prefer face-to-face communication.

The digital experience is fast becoming a key point of differentiation for financial institutions. To stand apart from the competition, banks need to move away from digital experiences that are purely transactional and instead deliver digital experiences that add human elements and connect with consumers on an emotional level. Understanding and engaging customers at this depth is increasingly an expectation and success factor for digital banking.

Studies show that emotionally connected customers exhibit less price sensitivity, purchase more products, and recommend a given brand more than customers who are only highly satisfied. The Harvard Business Review notes that after one major bank introduced a credit card designed to inspire emotional connections with holders, its use increased by 70%. Another study showed that financial services firms who establish emotional connections can increase customer lifetime value by 8X.

So how can financial institutions create emotional connections via digital banking experiences? Let's look at three examples.

■ Surprise and Delight

Banking tasks like applying for a loan or getting a handle on where one's money is really going can make customers and members hesitant and anxious because of the time and burden they expect it to involve. By introducing a next-level app and experience powered by Temenos, Pennsylvania State Employees Credit Union (PSECU) surprised its members with how simple completing these financial tasks can be – with significantly fewer taps and a design that makes it easy to find the features and functions they need. As a result, PSECU improved member satisfaction, developed a wider audience for its app, and unlocked the ability to extend improvements across multiple platforms.



Connect with the Customer's Lifestyle

By recognizing a customer's needs, values, and aspirations, banks can elicit more intimate and emotional experiences. This type of connection was the catalyst for BlueShore Financial to transform its in-person branches into Financial Spas® with elements designed to stimulate the senses, promote calm and relaxation, and set the stage for productive conversations. Chris Catliff, BlueShore's President and CEO, BlueShore Financial, spoke excitedly about being "able to take the Financial Spa™ experience that BlueShore is known for in-person – encouraging engaging conversations and genuine value – and deliver that in the digital realm" via the Temenos Infinity digital platform and Temenos Explainable AI (XAI). Even the most digitally native consumer segments need

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Incorporate Human Elements

human interactions. In many cases, digital natives prefer face-to-face communication. Enabling human touchpoints in digital banking interactions recognizes this need and strengthens connections. Deloitte cites the merging of digital and real-life experiences as a key component in achieving an excellent overall customer experience. Digital banking can add face-to-face or voice-to-voice communication via chat or screen sharing and make access to human help easy and seamless.

In the future, digital banking applications may also be able to sense a user's emotional state by integrating emotional AI technology. Emotional AI technology measures reactions in real-time by analyzing the user's interaction with a digital app and device (e.g., cursor movement, click patterns, text entries). This analysis can then inform adjustments in interactions that will help banks optimize the user experience. And, as emotionally intelligent digital banking applications advance, this adaptation will more and more occur automatically to match the user experience to an individual's emotional state.

Moving from Transaction to Connection

As competition in retail banking intensifies, digital banking differentiation will be less focused on features and functional breadth and more on the emotional bonds that institutions form via these applications. To create the kinds of digital experiences that build these bonds, banks must adopt a mindset that emphasizes emotional engagement and customer intimacy as much as functional superiority. Acting on this mindset will move banks away from mostly transactional relationships to meaningful customer connections that drive deeper loyalty and higher profitability.



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Temenos AG (SIX: TEMN), con sede en Ginebra, es el software bancario líder en el mundo, el cual se asocia con bancos e instituciones financieras para transformar sus negocios y mantenerse en la vanguardia de un mercado que evoluciona. Más de 3,000 bancos alrededor del mundo, incluyendo 41 de los 50 bancos más importantes en el mundo, confían en Temenos para procesar tanto las transacciones diarias como las interacciones para más de 500 millones de clientes. Temenos ofrece un front-office y un core bancario nativo en la nube y agnóstico en la nube, soluciones de pagos, productos de software para la administración de fondos y gestión patrimonial permitiéndole a los bancos la capacidad de brindar experiencias al cliente que sean consistentes y sin fricción, adquiriendo excelencia operacional.

Se ha demostrado que el software de Temenos permite que sus clientes de mejor desempeño alcancen una relación costo-ingreso del 26.8% y una rentabilidad sobre el patrimonio del 29.0%; 3 veces mayor que el promedio de la industria. Estos clientes también invierten más del 51% de su presupuesto de TI en crecimiento e innovación vs. mantenimiento, que es 2 veces mayor que el promedio de la industria; lo que demuestra que la inversión de TI de los bancos está agregando valor tangible a su negocio. Para obtener más información, visite www.temenos.com.



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