

PROVIDE YOUR FINANCIAL CUSTOMERS WITH THE RIGHT OFFER—IN THE RIGHT CHANNEL—AT THE RIGHT MOMENT

How you can dramatically increase customer retention, satisfaction, and loyalty with hyper-personalized engagement technologies from Capgemini and Pegasystems

Personalization is one of the key drivers for a positive customer experience. That means delivering contextually relevant experiences, value, and utility at the appropriate moment in the customer lifecycle using preferred customer touchpoints.

For financial service providers, the events that drive their customers are often significant life-changing events... or life moments. A life moment is an important moment in an individual's life that triggers specific buying behaviors. For example:

- A new child in the family affects insurance and health coverages and may initiate an education fund.
- A high school graduation likely presents a need for education loans.
- A marriage creates reasons to review insurance coverages, healthcare plans, and so on.

There are many such life moments: retiring, relocating, buying a new car, losing a job, getting a promotion, and so on. When a customer experiences a life moment, it creates an immediate need, and it makes them receptive to solutions that can fill that need quickly. But how can you fulfill their needs if you don't know them? Traditional marketing approaches simply don't provide the level of insight required to detect life moments. The key to improving customer experience is to transition from traditional product-based marketing to a hyper-personalized approach so you can be there when your customers need you most.

What's hyper-personalization?

Hyper-personalization is a form of marketing in which a company is able to use behavioral, contextual, demographic, and real-time data along

with artificial intelligence (AI) and machine learning to identify when a customer experiences certain types of events in their life. These events signify key stages or moments in the lives of consumers that generate new needs or risks of attrition in the more or less short term. The identification of these moments, or rather of the individuals living these moments, then allows specific actions to be taken.

Re-invest in the customers you already have

The most rewarding practice any business can invest in is keeping its customers happy. Satisfied customers forge long-term relationships that boost lifetime business value and increase revenues. A loyal customer is more likely to buy new services from you and spend more money on each purchase. Satisfied customers generate new business for you through referrals, recommendations, and family





connections. Statistics show that loyal customers spend 33% more than new clients because they already like the company's products or services and believe they are superior to their competitors. Despite this evidence, companies tend—quite unwisely—to spend significantly more on acquiring new customers rather than retaining their old ones. Fortunately, there's a way to reverse course and start realizing the value in the customers you already have.

The joint solution from Capgemini and Pegasystems lets you capitalize on the value and investment you already have in your existing customers while helping to turn “neutral” customers into a long-term loyal base to ensure future growth. The solution combines Pega's Customer Decision Hub and Capgemini's Integrated Predictive AI technologies to provide your business with the information it needs so you can provide customers with the right

services and the right offers at exactly the right time.

Your CRM isn't enough

Customers are more empowered than ever before and have very high expectations of the experiences they receive from their service providers. Those experiences must make sense within the context of their lives at that moment. This means they must be meaningful, consistent, and personalized across every channel they interact with. CRM software often contains outdated data, particularly for customers you don't engage with regularly. When you don't know what stage of life your customers are in, it leaves you guessing at their needs. That usually results in your company pushing a product onto the customer instead of offering a solution at their time of need.

Unleash the potential of your customer data

Hyper-personalized engagement turns the data you have into gold by using it to feed predictive behavior algorithms that can accurately determine a customer's next move. For example, statistics show that banking customers who gradually stop using a credit card are more likely to cancel that card and end their relationship with the bank. This activity, which could easily go undetected, presents an opportunity to initiate a retention effort by offering those customers a lower interest rate or other incentive to keep their accounts active. The Capgemini and Pega solution detects these under-the-radar activities and can automatically initiate an appropriate response to increase customer retention.

How it works

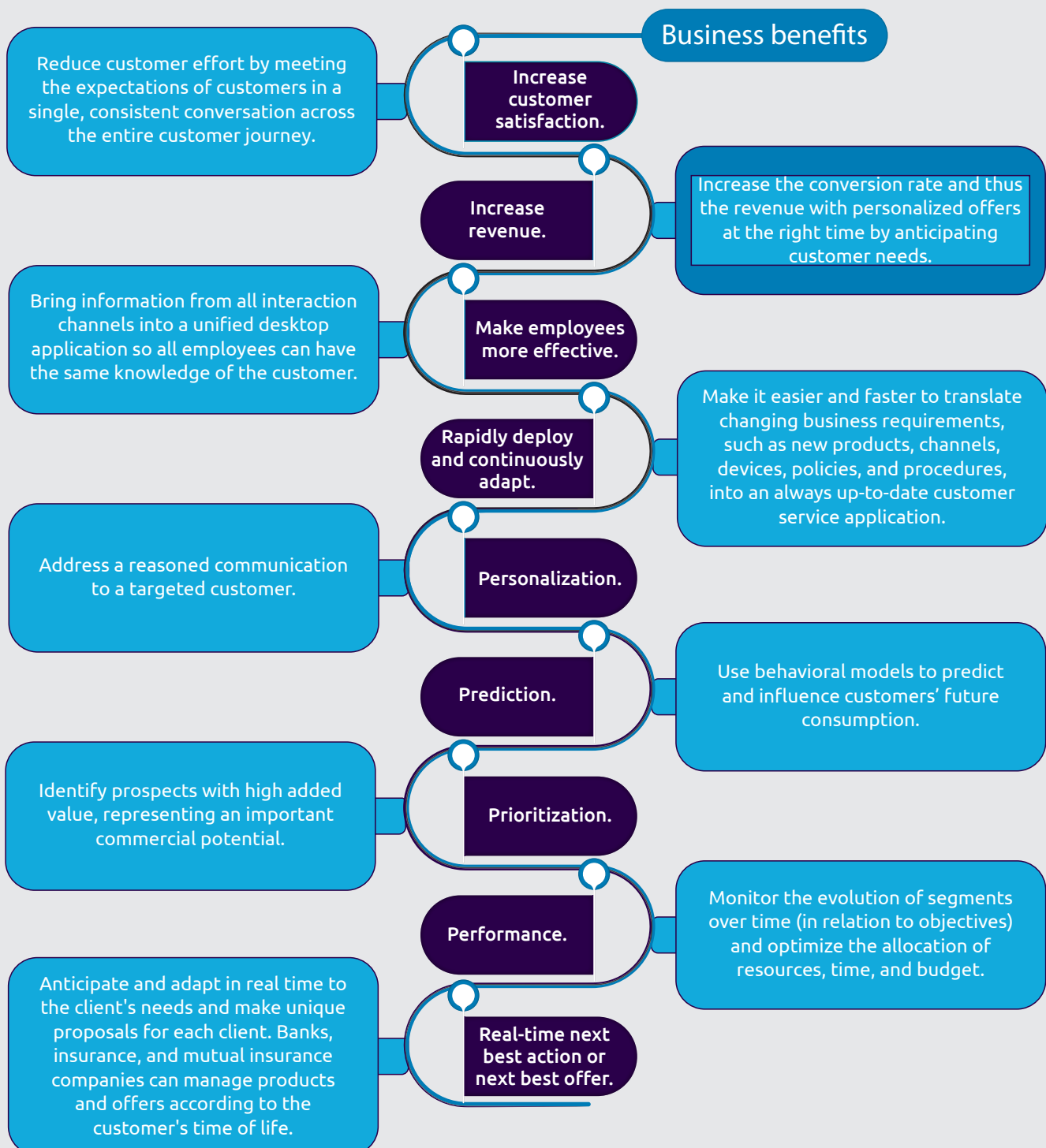
The Capgemini and Pega hyper-personalization system uses extended AI to pull together customer information from various resources. From here, information is combined and evaluated to develop a singular strategy and calculate the next best action or offer for that customer. The system can collect customer information from multiple sources, including your CRM, transactional data, and even social media platforms. Whenever changes are made within a CRM, the system analyzes that change to determine if it constitutes an actionable event. If so, it triggers an appropriate next action, which could be an offer made to a customer via

email, text, or other digital channel. When the customer responds to that offer, the system is responsive to that activity and uses AI to predict future needs based on their action. Businesses that connect with their customers on social media can use the system to monitor the comments, likes, and dislikes that they post online to see if anything triggers an actionable event. It provides an opportunity to retain a customer who may have had a bad experience. Social media information can also be used to identify hobbies, leisure activities, or lifestyle changes that could potentially open up new marketing opportunities. Of course, wherever personal data is collected, it's essential to have the proper

security measures in place, particularly with AI systems. Capgemini operates in accordance with the principles of the General Data Protection Regulation (GDPR) to ensure that personal data is processed in a way that ensures appropriate levels of security against its unauthorized or unlawful processing, accidental loss, destruction, or damage.

All our solutions comply with all local and regional regulatory requirements, and our ethics and compliance program is a vital, integrated element of the work we do and the way we do it.





A snapshot of our global 1-1 customer engagement success stories

#1) A leading auto insurer in North America

Challenge and Solutions

- The client lacked personalized quote re-solicitation campaigns which impacted clickthrough, open rates & conversion rates.
- They needed ways to understand their customers' changing behavioral patterns.
- The client adopted an offer personalization & campaigns solution.
- We enabled adaptive analytics & delayed learning by leveraging a Pega 1-1 customer engagement and strategic marketing application.

Benefits realized

- ≈10% improvement in clickthrough rates.
- 20% improvement in open rates.
- Improved conversion rate by >10% from analyzing customer behavioral patterns and enabling in-context offer presentations.

#2) A top 10 global bank based in the UK

Challenge and Solutions

- The client wanted to propose real-time contextualized and personalized offers, based on digital interactions with the customer via online banking and apps.
- Pega Customer Decision Hub (CDH) was implemented to develop personalized digital messaging to customers alongside a consistent multi-channel approach.
- We integrated Pega CDH with Adobe AEM to propose real-time contextualized and personalized offers based on digital interactions with their retail customers around the globe.

Benefits realized

- Provided proactive sales & services actions and offers while anticipating customer needs.
- Developed rich communications which ensured consistency across different channels.
- Contributed to the evolution of the distribution network and met the digital expectations of their customers.

#3) A large communications entity in North America

Challenge and Solutions

- The client was using rudimentary sales offer rules, causing them to make inconsistent offers that weren't necessarily aligned with their customers' objectives.
- Unable to track the effectiveness of offers.
- We provided a centralized decisioning engine to present in-context offers to customers.
- Dynamic offer mechanism that determines the best offers and tracks effectiveness.
- Next best action (NBA) and next best offer (NBO) recommendations.

Benefits realized

- > 100% increase in new subscription rates within a year.
- 75% increase in agent adoption rates.





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About Capgemini

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