Customer Journey Orchestration

Industry focus:

Retirement

PART I

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The Planet's *Smartest* CX Platform

INTRODUCTION

Retirement as an industry has changed. People are more aware than ever before of their retirement options and their expectations are increasing, both in terms of performance and engagement. This means that retirement funds are under pressure to become more customer-centric and more customer-focused.

The overriding goal for funds and their members is investment growth. However, funds have their challenges:

- Members switch funds

- Members hold multiple accounts which can dilute the overall investment value

- Members withdraw all funds at retirement, rather than converting to a pension product with their provider

A study by Canstar showed that 35% of people surveyed were likely to change their provider in the future. These factors impact customer lifetime value and funds are looking for new ways to engage their members to build life-long relationships.

Fortunately, the next evolution of Customer Experience (CX) offers a solution.

Customer Journey Orchestration, with a specific focus on the long-term investment customer, provides an essential capability to engage customers effectively and appropriately across their entire life cycle, which will result in:

- Improved member experiences

- Increased member retention (fewer switches)

- Increased customer lifetime value

- Increased conversion rates at retirement

35% of people are likely to switch retirement providers before retirement

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INDUSTRY PERSPECTIVE

When thinking about the members' experience, the retirement industry faces some unique challenges.

MEMBERSHIP IS PASSIVE

Member engagement across the industry is typically low. This results in a high likelihood of switching because there is no relational foundation between the member and the fund when members do become active.

Over 90% of employees join a retirement plan via their employer with little or no engagement from the employee in the joining process.

This presents an engagement opportunity for funds, with the potential of significant rewards. Retirement funds should strive to develop lifelong relationships with members, proactively engaging them with regard to fund options, investment growth and market updates, ensuring that members stay with the fund through to retirement.

EDUCATION

Overall, knowledge about retirement is poor. A lack of understanding about the investment mechanics and benefits can make members more likely to switch when their investment reaches a certain size or when their financial advisor suggests it. Many funds appear to make it difficult for members to understand their investments and options, or it is sometimes just too complicated.

There is an opportunity for funds to educate members about retirement planning early and continuously, including education about the tools at their disposal. This will keep the fund provider top-of-mind, drive retention and significantly increase the likelihood of members' conversion to pension products.

One of the approaches to drive these opportunities is the formalisation of Journey Management approaches within the business, which then allows the CX professional to orchestrate customer journeys, experiences and investment.

MULTIPLE ACCOUNTS RESULT IN DILUTION

Many people have multiple retirement investments as a result of job changes with minimal consolidation. The result is that members may be paying duplicate fees and possibly diluting the performance of their various investments.

There is an opportunity for funds to engage their members regarding consolidation in order to display and communicate improved investment growth, and improve retention.

JOURNEY ORCHESTRATION

Journey Orchestration in retirement is a systematic approach to engaging fund members on their journeys to drive positive experiences and support them through to retirement. The goal is to retain the customers, and to grow the funds so that members get the most out of their retirement investments.
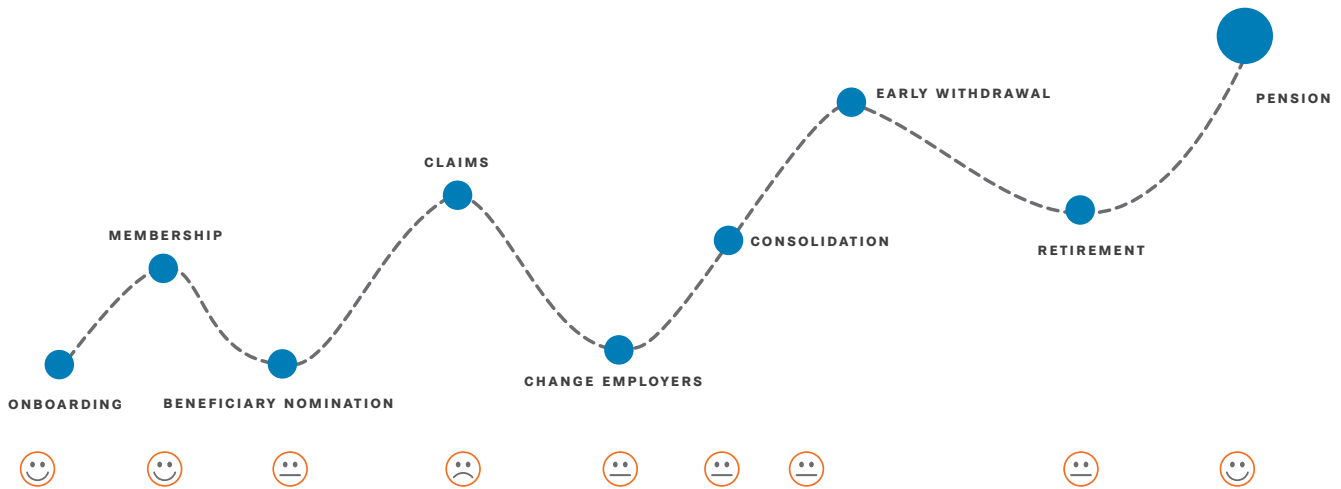
START WITH THE MEMBER JOURNEY

The first step is a deep understanding of the members' journeys, and importantly the goals for each step of the journey. For example, the goal of Onboarding may be the successful and delightful registration of the member, and ensuring that the new customer has a good understanding of their investment product.

Traditional customer journey mapping is useful for conceptual brainstorming and capturing the member paths, experiences and personas, but Journey Orchestration offers much more.

THEN BRING IT TO LIFE WITH DATA!

A few data types are required to discover and bring actual customer journeys to life, including transactional data (such as contact centre logs and online activity) and attitudinal (experience) information. Combined, this will reveal actual journeys and experiences, and these can be analysed in real-time and applied to the individual customer.

Transaction data reveals actual member paths as they happen. Every customer interacts with the business through a variety of channels and methods, including branch visits, contact centre calls, completed surveys, social media activity, as well as through their employer. These are all strung together into a seamless customer journey which displays all the steps as they progress towards their goals. This visualisation shows us where members are getting stuck (recursive loops), where they are dropping off (dead-ends) and which experiences lead to long-term member retention.

These actual paths then need to be overlaid with real experience information. By further layering attitudinal/ experience data we're presented with stories about what the member experience actually looks like at various points. Quantitative metrics, such as satisfaction ratings gathered through surveys, can be tracked across key moments of truth. Analysing unstructured text, such as from social media comments, delivers important themes and sentiment. This emotional layer is an important overlay that tells us how people are feeling and why they do what they do.

These views, available as Journey Analytics, can also be useful in profiling customers with similar behaviours and attitudes, which we can use to segment and personalise future engagements.

JOURNEY ORCHESTRATION: INTERVENTIONS, NUDGES AND IMPROVED EXPERIENCES

Journey Analytics reveals exactly where and why fund members are experiencing difficulties. This data-driven approach exposes all forms of activity including pain-points and obstacles. This insight, layered with emotional information and customer profile data, empowers the investment manager to improve member experiences.

Service interventions, such as a member call-back, can be designed into commonly occurring stages where members encounter issues and require additional support. These service interventions can be automated and personalised based upon specific paths and profiles. Importantly, triggered service interventions can be created based upon member risk profiles. This may include combinations of specific member attributes and behaviours, such as a request to nominate a new financial advisor, or a pause in contributions. Where service failures take place, the appropriate people can be alerted and actions triggered.

Retirement providers that truly orchestrate their customers' journeys engage members at the right time and place to ensure they achieve their goals. Engagements should be highly personalised digital or human interactions that demonstrate a deep understanding of the members' context, e.g. life stage. Nudges in the form of information or assistance ensure that the customers progress.

AUTOMATED ORCHESTRATION

Discovery of real customer journeys, which are driven by data, is the first step to Journey Orchestration. Data will expose the unhelpful paths that customers are on and where they are getting stuck or encountering obstacles. Empowered with this information the business is able to proactively intervene and assist, as detailed above. This may be in the form of assistance from an agent or some educational information, or some other helpful nudge that moves the member closer to their goal.

Journey Orchestration is a continuous process of learning and improving, ensuring demonstrable results with each iteration. In order to be continuous it needs to be automated. This will ensure that tomorrow's members are assisted (as their actions and experiences trigger contextual interventions). Informed by Artificial Intelligence, the particular paths of particular profiles of members may trigger interventions as they reach certain stages. Predictive models are able to anticipate customer behaviour before it happens and intervene pre-emptively, informed by historical data, customer context and machine learning.

OLIVIA'S JOURNEY TOWARDS RETIREMENT

Olivia started thinking about her retirement in her 40s. This involved calls to her current fund, other funds and some online research. Olivia also spoke to her friend, a financial advisor. Based on the information gleaned, she eventually selected a fund that was recommended to her and consolidated her savings to this fund. This involved the completion of forms, a few conversations with support staff and the creation of an online profile after activation.

During the **onboarding** experience the fund collected some additional information about Olivia's interests and preferences. She was also **surveyed** after the onboarding experience in order to understand which elements of her experience, and hence the processes, worked well and didn't work well. Over the following weeks there were a few **servicing** scenarios too, involving updates to personal details and information.

All the information collected had been sufficient to build a reasonably rich **single view** of Olivia, including preferred channels of communication, her activity and feedback, and a basic view of her sentiment. The information also contributed to her customer **profiling** which would further support the **personalisation of communication.**

Several years later Olivia handed the management of her investment over to a financial advisor. This action alerted the fund through specific **notifications** to various areas of the business. Historical data and **predictive analytics** flagged this behaviour as possible interest in an early withdrawal or a switch, and updated Olivia's risk profile. Targeted and **personalised communications** were **triggered**. Some of these proactively offered assistance and support while others were more informative, detailing the importance of building investment value over time. This interactive digital campaign gathered Olivia's reactions and further waves of the campaign were triggered accordingly, all nudging Olivia towards the goal of maintaining her course. Her case was escalated to a support consultant who remained in regular contact with her, constantly monitoring her situation.

As Olivia approached retirement, the nature of the communication campaigns focused increasingly on the importance of converting the investment into a pension fund. Responses and receptiveness to these further informed her profile, including her risk profile and investment stance. Assigned cases (SLA-based tickets which require resolution) ensured that she was called by support agents in instances when there was concern. All **interventions** and **targeted campaigns** were designed to continually **nudge** Olivia through to conversion and towards prosperous retirement with an effective pension product.

BENEFITS OF JOURNEY MANAGEMENT

Benefits to the fund member:

- **Improved service.** Service delivery and interventions will be systematically driven, ensuring that members benefit from improved speed and ease when interacting with their fund.

- **Improved engagement.** Interactions with the fund provider will become proactive, personalised and more relevant.

- **Improved knowledge.** Members remain appropriately informed about their funds, performance and options as a customer. This helps members to make informed decisions and undertake better planning.

- **Improved financial outcomes.** Engagement and fund loyalty results in continuation of investments and enhanced investment values.

Benefits to the fund:

- **Improved insights.** Real journey discovery based upon business and collected data, displaying actual member behaviour across multiple experiences and channels.

- **Improved retention.** Engagement that's useful, easy and value-adding results in strong relationships with members. This drives loyalty and reduces the likelihood of switching.

- **Lifelong relationships.** Loyalty and retention result in relationships all the way to and through retirement, including conversion to the fund's pension plan.

Retirement providers retain and delight their members through to retirement when they orchestrate their member journeys with great experiences, value-adding offers and personalised engagement. These members, whose profiles grow as they do, are inevitably loyal and are retained for the long term.

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Customer Journey Orchestration

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