



The New Economics of Banking: How to make money and diversify your revenues in a zero interest rate economy

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About Manifesto

Manifesto Growth Architects is a consultancy that specialises in developing strategies to help businesses grow.

Manifesto launched in 2014. Since then, helping our clients pivot their businesses to focus on deepening customer relationships has been central to the work we do.

The increasingly urgent platform for Financial Services businesses to diversify their revenue streams encouraged us to research and write this report; testing our hypotheses with more than fifty industry leaders. I hope you enjoy reading it.



Joanna Levesque

Jo is a Partner at Manifesto Growth Architects and has spent her career advising companies how to develop and implement customer-led growth strategies. Jo was a Managing Director at Accenture, leading the Customer Strategy practise before she joined Manifesto.



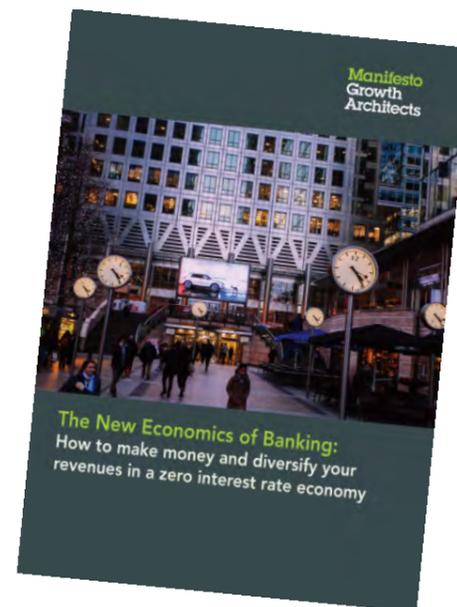
Jas Sidhu

Jas is a Vice President and leads our US operations. She has worked extensively across financial services and other industries and has a special interest in aligning leadership teams and companies around customer-centricity.

01 | Introduction

Banking is facing an existential crisis with two main options for the outcome. On the one hand, the retail banks could become profitable utilities supplying a universal service; on the other, they have the opportunity to reinvent themselves as the partners for customers' life needs; identifying banking and related services at the right time to help their customers in their lives.

Over the Spring of 2020, Manifesto interviewed over 50 industry experts to understand how they are handling the well-documented changes and disruptions in retail banking. These interviews, coupled with our knowledge and experience within Financial Services, were used to establish a robust approach to re-imagine the value exchange between financial services providers and their customers.



There is an imperative to change - in a world with potentially negative interest rates; banks' income will quickly be eroded, and with transaction revenues as well as the income of products such as mortgages hit hard by Covid-19, the current business model is not set for success. In addition, customer needs are changing dramatically. With mortgages rapidly becoming unaffordable for many (lending was down by 0.4% in 2019 - the first time in 10 years)¹, there are instead new opportunities to meet customer needs through services and partnerships.

If banks are successful, they can reinvent their customer experience to be not just seamless but engaging; not about product sales but about needs-based tailored propositions; from utility to "go-to"; from passive to dynamic and contextual. Their customers will be highly engaged and generate recurring revenues from a set of diversified services.

Establishing engagement in financial services is probably the single biggest challenge facing the industry. Why is that?

From the consumer point of view, banks have three challenges:

Procuring financial products and services has always been a very intimate experience and not frequently shared publicly.

Affordability constraints mean that

for many financial products it can feel like you as a consumer are persuading the bank, rather than that the bank is trying to support you. The truism that the best way to get a loan is to prove that you don't need it. The purchasing experience therefore starts from a rather different place to that for many products and services. Banks need to find a way to manage risk but make it feel more like a customer is on their way to realising their hopes and dreams.

Banks have historically had relatively few products and services to sell and therefore find it hard to reap the benefits of a more nuanced personalised approach. The average universal bank only has 5-8 different products to sell.

However, new data and technological capabilities, married with increasing convergence between financial services and other industries, offers the opportunity to create new propositions; and offer them at the right time and place.

Our research has shown that there are 5 steps to building customer engagement are building revenues, and creating a way of working that continues to learn and iterate based on robust customer data, and using an ecosystem approach to delivery that allows for speed to market:

The Trust Equation - It's a team sport to deliver on the branded customer promise and there is an opportunity for a customer growth

function or at the very least a group of customer champions to lead the charge.

Align your customer metrics - using engagement, financial and data metrics to increase engagement and value.

Use First-Party Data to build a coherent, customer-led data view and plan that creates competitive advantage through insights into the proposition, managing journeys and ongoing iteration of experience delivery.

Deliver the right experience - The ability to orchestrate journeys for individuals, not just customer segments driving call to action and next best decision making to deepen relationships and drive value (for customer and bank) from every interaction.

Change the way you think about propositions - working with the broader ecosystem to enable speed of delivery to market, whilst maintaining the direct customer relationship and driving indirect revenues from it.

Let's take a closer look...

¹ The Finance Gazette, March 2020



02 | Firstly, some definitions...

First off, let's clear up some definitions.

We talk about engagement a lot - but what does it mean for banking? In this report, we mean how engaged the customer is with the brand that they are using. Is it their go to financial services destination? Is it where they look for advice? This is important for banks because they have the bulk of the customers but, as we said earlier, it often feels more like you are selling yourself to a bank than the other way around. There is a truism that you only need to talk to your bank when things go wrong in which case, engagement is difficult to come by; but here we suggest that strong content, realtime conversation and response can increase engagement and ultimately make the job of creating a closer relationship with the customer much easier.

Propositions come up too - what are these? Our point of view is that a successful proposition has 4 elements: personalisation; content; product and community. Banking products are rapidly being commoditised so to retain and also attract customers, there needs to be differentiation. Banks are focusing on personalisation heavily but should also look at community and content - these are the elements that will drive return visits; return purchases and grow value before more product sales. In this instance, we believe that the banks can learn a lot from media owners who use content to build audience or community led propositions. Content and community give customers reasons to proactively use your brand; elevating it to a place where it is not just a transactional provider.

We go on to talk about the pivot to service - led propositions. Here we're moving on one step from "core banking" referring to purchasable services that are not core banking products for example, risk modelling or cash forecasting as a service. They too have all of the elements we describe above built in but in the new world will tend to be much more data-led.

Indirect revenues - revenues through partnerships and affiliates - ie where the bank receives revenues from partner activity; the ultimate banking as a platform play. Many providers are experimenting with the idea of connecting providers such as insurers and other home services into a customer journey.



03| The Economics of Banking

Never before have bankers been under so much pressure to re-evaluate how they make money. From aggregate topline measures to the detail of specific metrics, the costs of acquiring, managing and serving customers have increased considerably over the last 3-4 years, leading many banks to push to deliver a reduced cost to serve and streamline efficiencies.

At the top level, our analysis shows that even when adjusted for the exceptionally low base rates, net interest income per current account customer has shown a negative 4% weighted CAGR for the last three years.

One could argue that customer dilution through multibanking across the surging numbers of banks would account for this, however product Net Present Values show that most basic current accounts - the most commonly held product - are loss-making. The implications of this are significant. If the core product is making a loss, and interest - which accounts for up to 60% of an average universal bank's profits is declining - then the products and services need to be rethought.

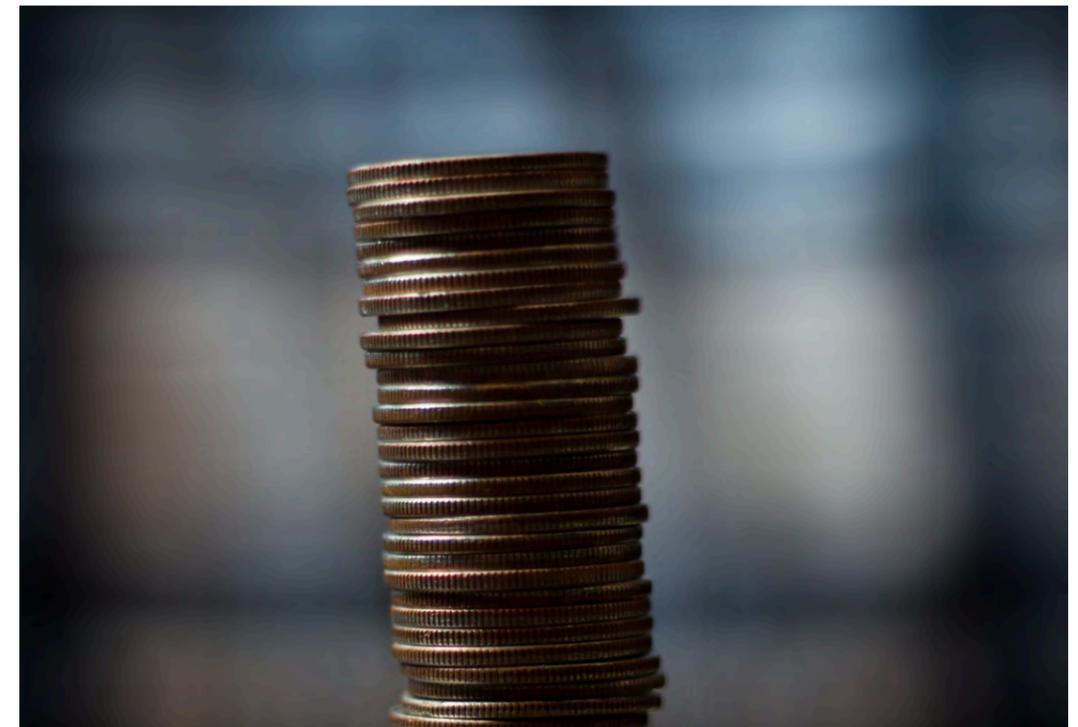
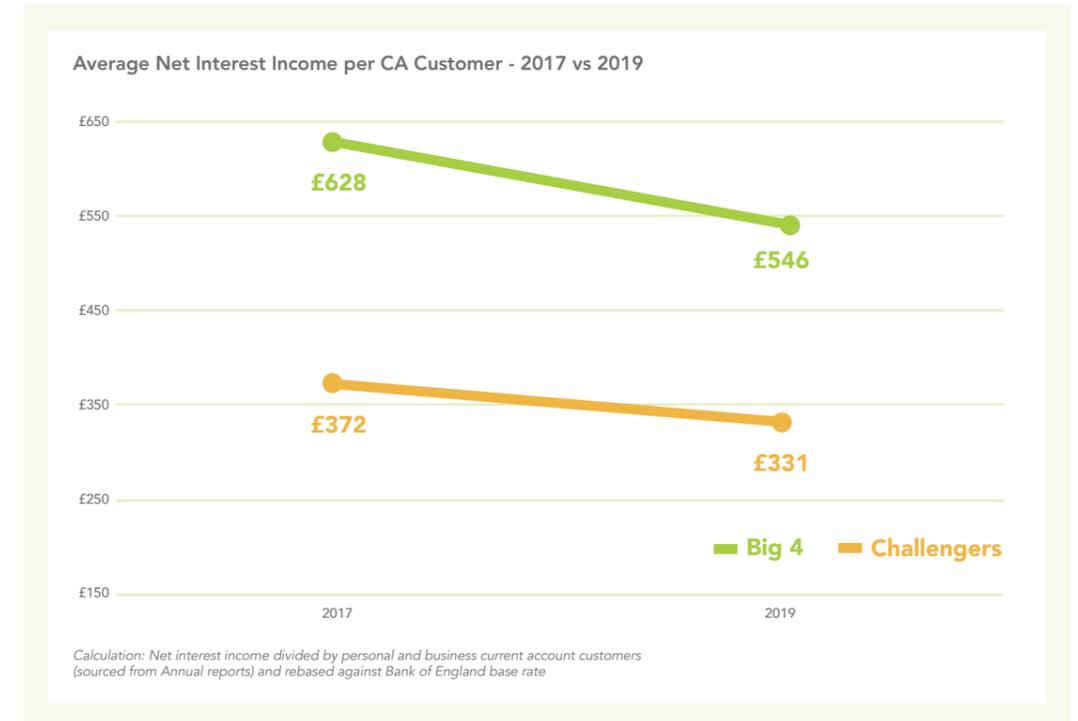
And the solution isn't as simple as acquiring more customers. At the same time,

This is up to ten times more expensive avg \$300 globally² than many other industries.

So, what are the implications of all of this? At its most basic, the banking strategy of making money out of deposits and loans is under threat in the current environment. Banks need to rethink how they approach customers, what personalisation and experience they offer, and pivot to services and indirect revenues.



² demandjump.com

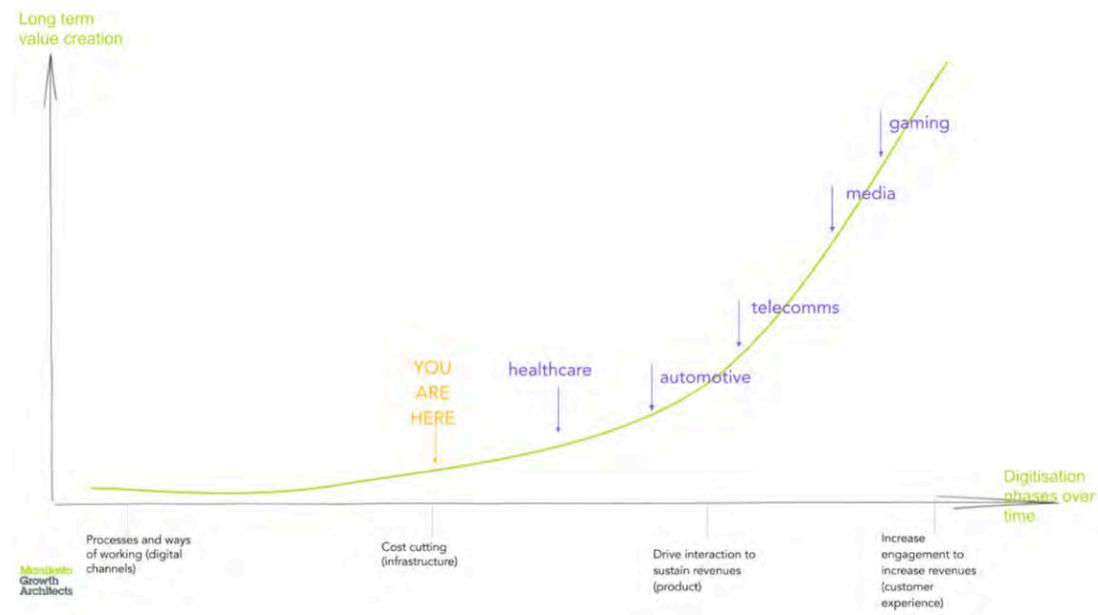


04| Lessons learnt from other industries

“It was the same a few years back in telco - the incumbents felt a massive investment in infrastructure secured their future only to find that whilst this was important, the future was content. Consumers engage with Whatsapp as content more than their phone provider for example”

Leader, Industry body

Phases of digitisation and their relationship to value creation



Whilst its economic model may be unique, banking isn't the only industry to face the challenge of needing to reinvent its business model to deliver long term customer value.

Many lessons learnt in other industries are relevant to banking, and those industries have responded by creating enduring engagement models focused around customer value growth. For example, for media

subscriptions, content is now king - a marked change from selling a paper anonymously through an outlet. In health and wellbeing, organizations such as Weightwatchers have pivoted to digital propositions to



harvest the benefits of being part of a community to measure progress on your health plan whilst creating a revenue stream in and of themselves. Even car manufacturers have created a software ecosystem around their cars - Tesla provides quarterly paid software upgrades to

their community of car owners - creating their own direct relationship and a new revenue stream.

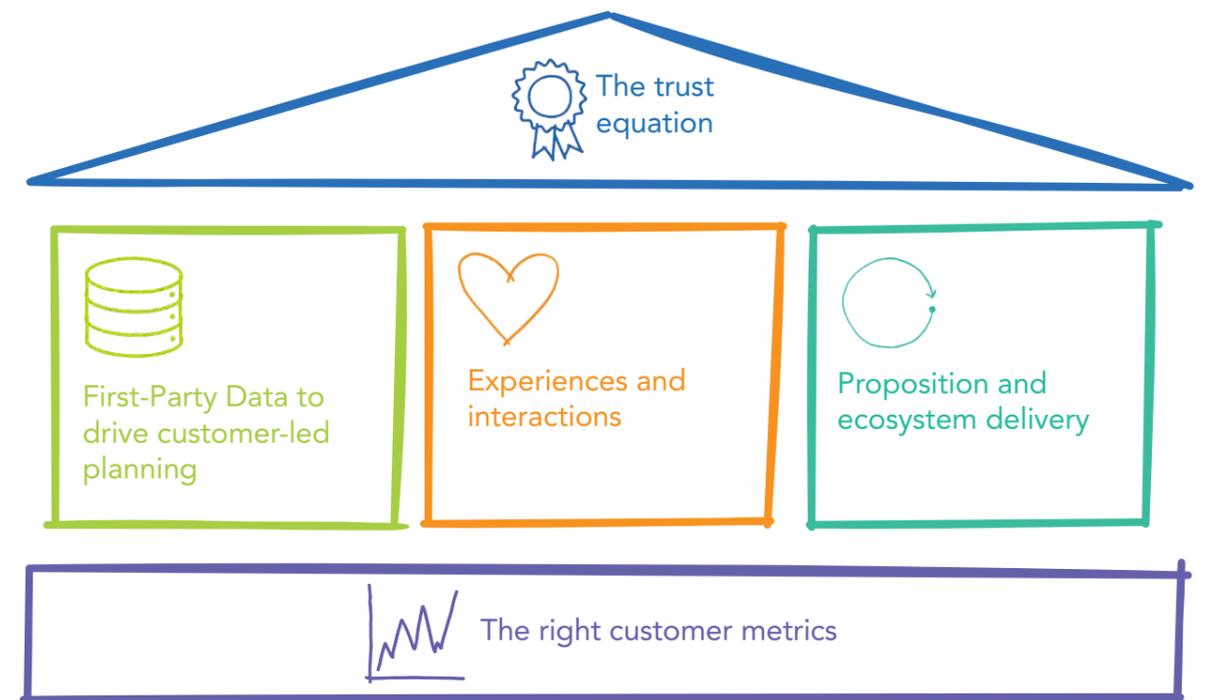
But how can banking best apply these lessons to create profitable growth? Let's get into it.





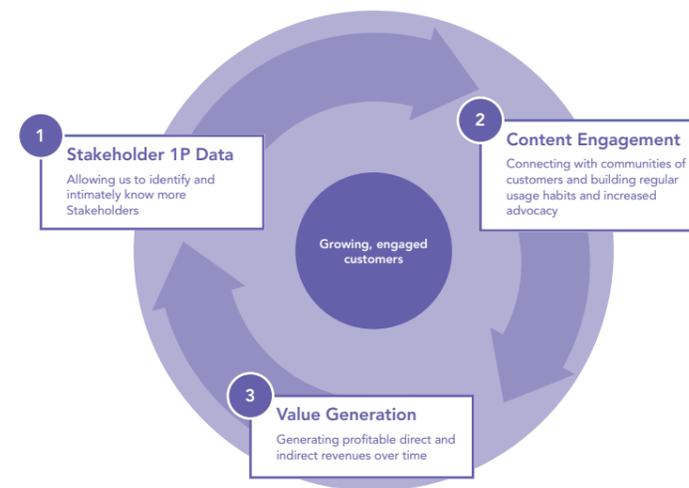
05| The New Economics of Banking

We have identified five key elements to drive growth



Our research shows it's important to measure **data**, **engagement** and **value**. Understanding these three pillars will help you grow an engaged customer base.

The three areas that metrics should focus on
We need the right KPIs to measure performance and we need those to be consistent



New metrics: Customer engagement, value and data

Target Outcome	Focus Area	Key Metrics		
Volume	Journey measurement	Start : complete rate/time	Drop out rate / CTR	Cross-channel journey completion rate
	Enhanced customer acquisition	Avg. speed of sign-up	# And complexity of onboarding stages	Journey drop out rate
	Content production and engagement	Unique visitors, dwell time, CTR	New registrations	Social engagement, CTR
	Complete customer records	Behavioural & transactional data	Preference data & insight	Demographic data
Value	Customer Value	Tenure	Transaction volume/value, account balances	Product utilisation, cost to serve
	Holdings per customer	Activity, usage and transactions	# of needs met	Product propensity / appetite
	Account balances	Borrowing appetite	Income	Tenure
	Share of wallet	% of income from 3 rd party apps, aggregators etc.	% of transactions from 3 rd party apps, aggregators etc.	NPS
Profitability	Total value per relationship	Direct value - current product holdings minus cost to serve	Indirect value (referral feeds, off-platform revenue etc.)	Potential value (advocacy, engagement)
	Reduction of service costs	Channel preference / utilisation	Volume of channel migrations	Value of channel migrations
	Speed & efficiency to market	Campaign ROI (CPA, conversion rate)	Average campaign delivery time	# of tests run, impact of tests run

Key: Engagement metrics



The right customer metrics

Building a metric for evaluating current customer value and using it to drive incremental growth

“Ironically, you can understand much more about a customer’s banking needs when they’re not banking. Bringing external and first party data together exponentially increases our understanding of our customers”

CMO, Challenger Bank

Data metrics should be aligned to the outcomes you have determined. Basic requirements such as addressable customer base (how many customers have given you consent to market to them) and quality/quantity of data are critical to being able to maximise the number of conversations you can have with customers. But what’s much more interesting now is having the ability to develop a data strategy that is capable of linking first party and third party data as

well as being able to link other external data, such as open banking data, into a customer profile. This allows for a much more nuanced set of actions and conversations, enabling many more opportunities.

Engagement, in our view, is the most important set of metrics to get right now. By engagement (as we said earlier) we mean how customers are engaging with your brand. But what’s the best way for a financial service provider to measure how

engaged their customer base really is? Transactional frequency is becoming a key metric within the sector, but it also has its limits. It’s great to know that a customer is using your product but it doesn’t have the “pull” factor generated by your site or content and doesn’t address customer value such as community feel. It’s only part of an overall suite of measures that help to tell you how you’re doing. Looking across and outside the industry; the usage

of content rich features such as financial planning tools is a much better proxy for how engaged a customer really is. The key is to make sure that your data and metrics strategy is well aligned to allow you to take advantage of customer engagement and build

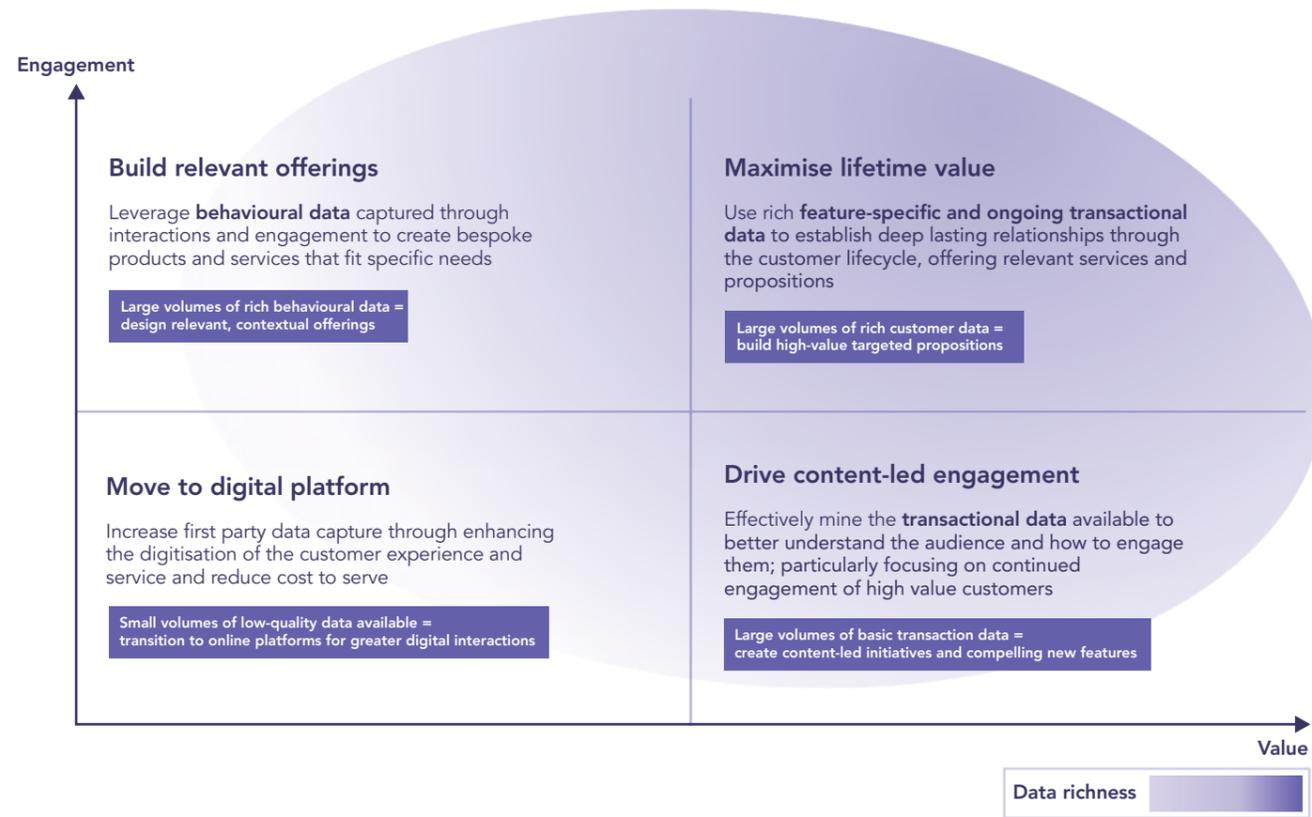
interactions and propositions around it.

Customer value is the third key pillar. Lifetime value including propensities is still an important metric to segment and take actions against the customer base. The ability however to

take into account recent browsing behaviour through external data as well as basic propensity modelling helps improve the response rates to targeted offers.

Agreeing the right basket of metrics for your business is key to land at the very top level. Doing so, successfully will drive cultural change across the organisation in terms of behaviours and actions to focus on the customer.

Map of customers on a simple matrix of value vs engagement with data richness overlaid



What do I need to do?

Mapping your customer base on the three dimensions of data, engagement and value will help to determine specific actions and see how addressable the base is in terms of incremental value. Actions that spin out can increase value on any of the three dimensions and contribute to the overall revenue increase.

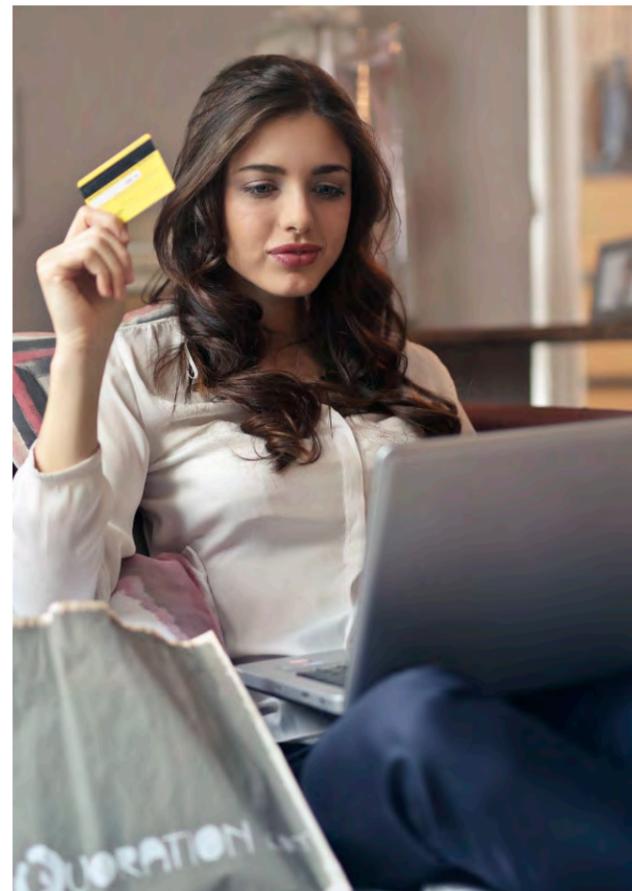


No matter what metrics position you adopt, your organisation will need to determine a first party data strategy and adopt a customer-led approach to their planning and execution.

Pivoting away from legacy systems built on product-centric architectures and silos requires a clear customer data strategy to underpin what the requirements are, create a centralised function to deliver it, and provide a structure for how to use the data, particularly when creating a customer-led plan to execute on the outcome.

There are three key elements to creating a strong first-party customer dataset and way of working:

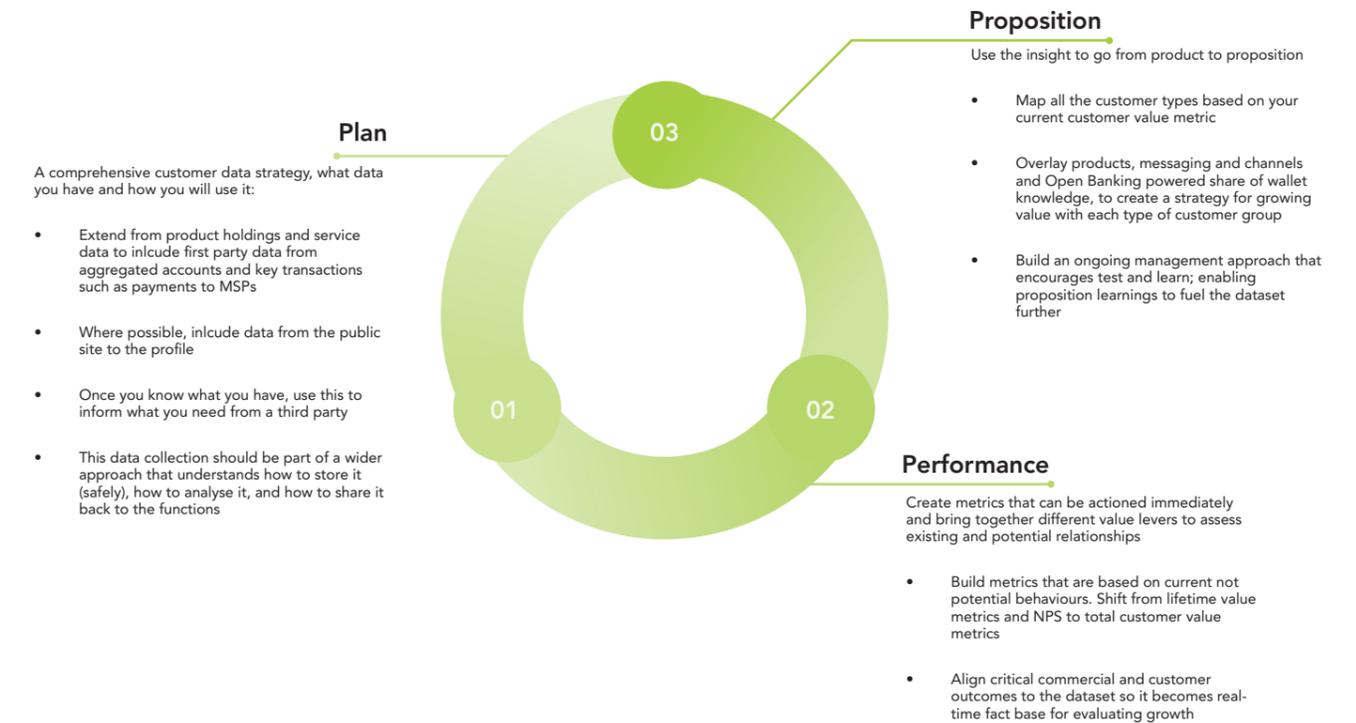
The key is to plan the data set to take account of the new data opportunities available e.g. third party data and journey data and then also what you want to do with the data.



First-Party Data to drive customer-led planning

Build a dataset that allows you to understand every aspect of your business in relation to delivering your customer outcome, and use it to be fact-based in decision making

The 3P's approach to building a robust dataset



Once you have this dataset then you are ready to create a customer plan because you can measure and track your activities. Leading businesses are able to use this data to win the argument for creating and executing a customer-led plan vs managing product sales targets.

Using a first-party dataset is crucial in identifying customer-led targets - for example, those who transact a lot yet clearly do not have all their finances with you or those who are increasing in wealth but have not sought additional products or services.

Banks have historically tended to profile their customer base in terms of life stage and product holdings but as the linearity of financial planning wanes, so does the relevance of this approach.

Using journey data, external data and transaction data is a much more powerful way of identifying needs and creating a customer-led plan.

A basic customer-led plan

		Objectives			
		Acquisition	Upsell / X-Sell	Increase Margin	Retention
Levers	Product				
	Service				
	Communications				



A high street retail bank

A high-street retail bank moved from a product and sales-led approach to a data-driven, customer-led strategy. It underwent a three-pronged transformation to deliver on its ambition of making decisions based on customer needs.

Firstly, the bank invested heavily in new marketing capabilities, particularly around technology, to unlock and accelerate value from existing capabilities and improve performance of cross-channel marketing and sales activities.

Secondly, it redesigned the marketing and technology operating model and established new ways of working, bringing together data-driven marketing teams and digital teams with enhanced processes to drive better cross-functional collaboration. A new set of customer-focused metrics were identified to track the teams' performance whilst the scope of responsibility for each team was increased to cover multi-channel activities, enabling a more seamless and joined-up approach to customer experience.



What do I need to do?

Firstly involve everyone at the start to get buy-in - right from the top. Then agree on a baseline set of customer metrics. Don't just think about sales - think about how you can serve the customer as well. Finally, make sure you have regular & rapid test and learn to measure progress.



Experiences have been built on the assumption of a linear long-term customer journey (from awareness through to end of life), and are based on a lifetime's interaction with a customer. Increasingly we know that customer experience isn't linear, and is highly iterative, particularly with complex products and propositions. It's therefore key to capitalise on value in the moment, and focus on meeting customer needs here and now in order to optimise experience and maximise value.

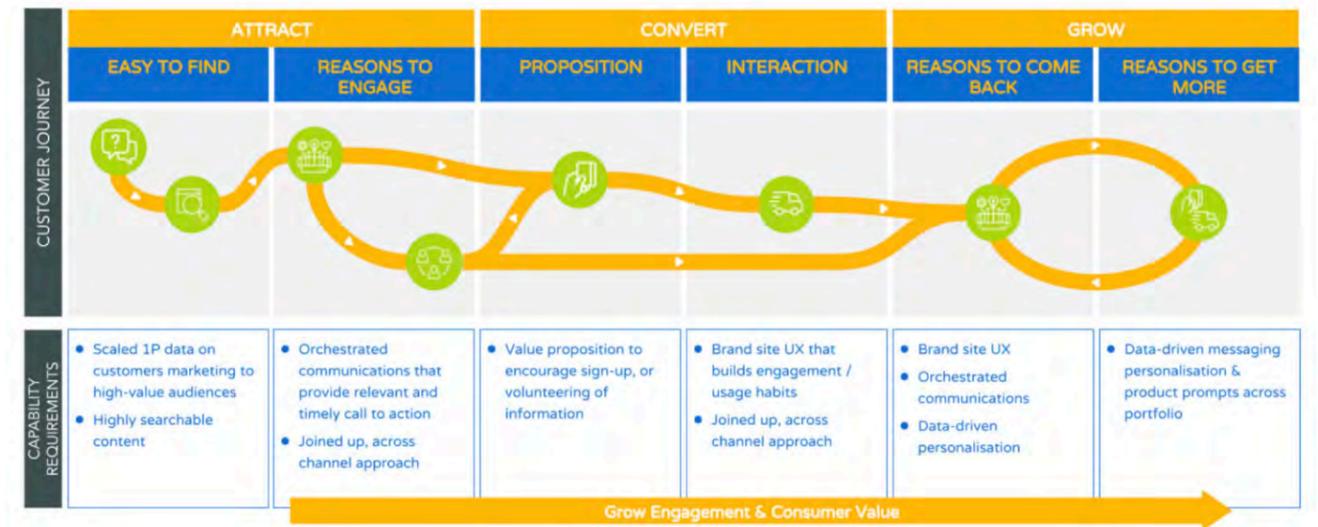
If you have your customer data in place and you have built a mapping of current customer value and propositions, you can learn and understand what customers are trying to interact with today. Now it's time to make those interactions as seamless and as valuable as possible.

With recent advances in Marketing technology across digital acquisition marketing, conventional channels acquisition and retention marketing (CRM), one platform can finally manage relationships across the customer lifecycle, following customers across non authenticated and authenticated journeys. Using the insight created means increased personalisation capability and the use of real-time triggers to prompt actions that address customer needs and serve them effectively.

It is then key that orchestration capability is built in - the ability to manage the experience across channels, by individual - quickly changing or removing real time signals as a result of customer or prospect behaviour. In our discussions, many participants were actively looking at how they could implement and maximise these capabilities. Typically real-time marketing across the channels has not been a strong feature of banking interactions as the product range is relatively small and even smaller once advised products are excluded - however with the increasing opportunity to build in service interactions, channel education, partner offers and data led propositions - financial services providers will now have the tools at their fingertips to create the same sort of experience as the large tech platforms.

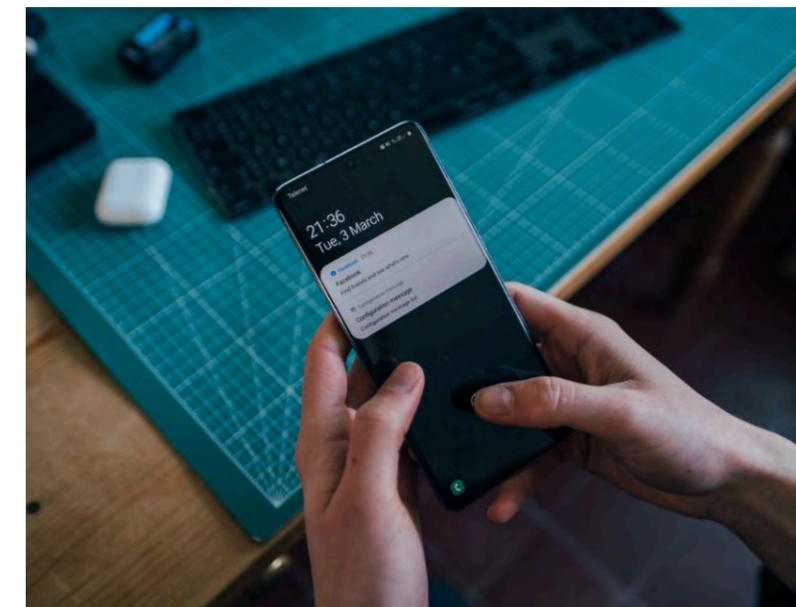
The opportunity lies in creating personalised, dynamic and contextual offers and prompts. You can even imagine a future of a tailored proposition set - within regulatory constraints - offered with

Schematic of how orchestration works to increase customer engagement and value



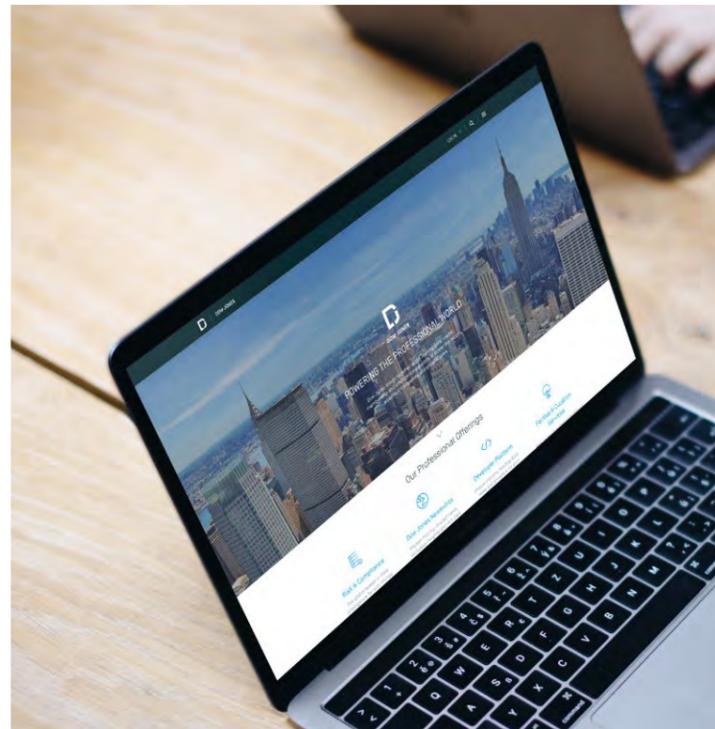
segmented pricing; a highly personalised, timely experience according to customer needs.

Exploring the opportunity for cross channel personalised interactions was a top priority for our interview participants; particularly in strained circumstances post COVID, with a potential recession on the horizon. Whilst many banks are measuring the levels of straight-through digital journeys; not many providers are able to pursue relevant conversations across channels. To be successful in addressing more complex needs and services, banks will need to be able to seamlessly integrate prospect and customer journeys across channels (physical and digital) in order to provide a truly customer-centric experience. Media owners have already understood this and are able to serve new but related content based on previous impressions in realtime in order to create a truly engaged customer and subscriber base. For banks serving content, information and services based on their understanding of what customers are looking for would be a step-change in customer experience.



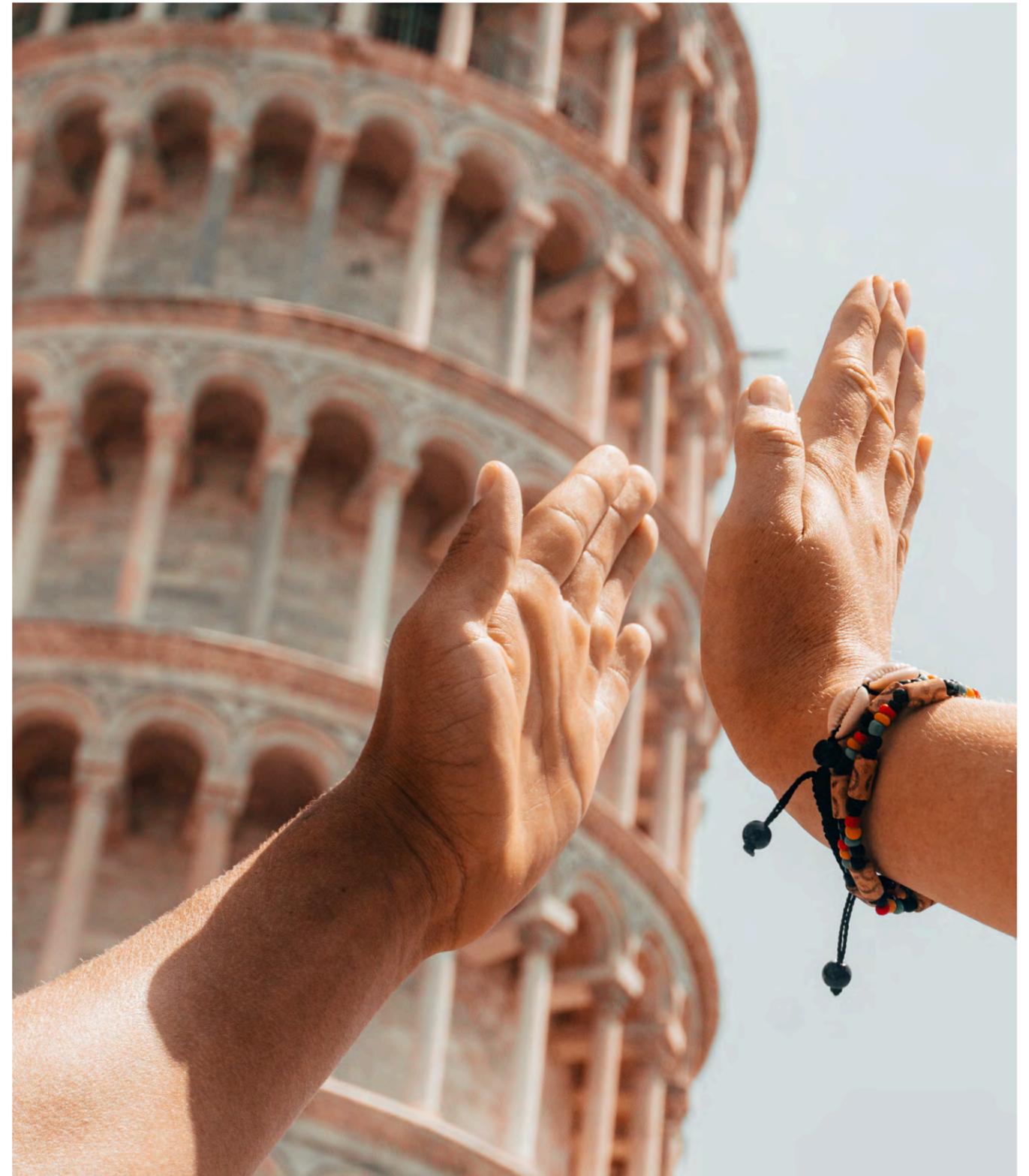
Experiences and interactions

Going beyond flawless execution within each channel requires a joined up approach to interacting with and guiding customers. Orchestrated, personalised journeys promote interaction and intimacy



Dow Jones

A global news outlet embarked on a major initiative to grow rich, first-party data assets in an effort to drive greater engagement and increase customer value through both subscriptions and advertising. The business implemented new technologies that supported the delivery of cross-channel customer journeys with personalised experiences through a revamped orchestration programme across the business. It also built a hub for data unification to identify greater volumes of visitors across the digital estate, bring together a single view of the customer and deploy personalisation of the product, content and marketing experiences. This resulted in a more intimate understanding of customer behaviours and an ability to redefine the customers' expectations for their experience with the news outlet, as well as enhance the products and services they offer commercial partners.



What do I need to do?

Assess how personalised and individual the experience is from prospect to life across all channels. Using the brand promise determines the target experience and determines how well your current technology is able to rise to the challenge. Leaders are aiming for personalised, seamless cross channel experiences that take account of both recent offers and recent browsing history.

The ecosystem within and surrounding each retail bank is an integral determinant of the propositions that can be created, and the opportunities to build customer relationships. In building a holistic and robust view of what customers need, and trying to deliver it through experiences that drive engagement, banks quickly realise that in order to match the pace of change of the market, stay relevant and up to date, and manage delivery profitably, it doesn't make sense to do everything in-house or build from scratch. This is particularly relevant to banks, as they need to successfully deliver on many different proposition components in order to drive customer engagement.

In our view, a great proposition needs to have four different elements: personalisation, community, content and product. What's an example of this? Many of those we interviewed spoke about the success of the utility switching app "WeFlip". The app analyses customer data and identifies utilities and services switching opportunities for the customer. The success of the app is that it drives direct customer engagement through usage and content downloads and is also a community where users share their learnings and experiences and it's also customised to the user. If integrated into a holistic financial management experience for customers, this could be an additional commission based indirect revenue stream for banks, earning income from the utility that acquires the customer and a recurring revenue stream as customers use the services again and again. Most interestingly the app is also owned by GOcompare - effectively cannibalizing the original business in order to create a new one.

For banks, there is an opportunity to be part of the community, providing a platform for financial services and curating the end to end experience as the trusted life partner of their customers. They've already dipped their toes in the water for small and medium businesses and corporate clients. For consumers, the opportunity is for the banks to take a leaf out of software providers' books to understand what financial features will drive recurring revenues, as well as engagement from their customer base.

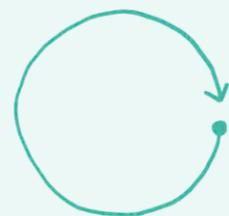
These types of activity are brand new in the banking world and require a new set of skills and capabilities.

Of course, new skills can be hired, but a better understanding of the ecosystem of capabilities within and outside the bank's ecosystem is also required as the skills are no longer as homogeneous as before. Indeed according to a recent Marketpro survey - CXO (Chief Experience Officer) is one of the top five financial services skills desired.

The four key parts to a great proposition



Building partnerships across the ecosystem is critical to long term sustainability and also allows banks to create more offers and services - their core product set is relatively small...



Proposition and ecosystem delivery

Banks need more and different customer needs-based propositions to serve their customers

Four ways to acquire the skills and capabilities to create new propositions

1. Hire and pivot talent to refresh existing offerings

This is about how you reorganise your existing assets and people around customer engagement and value, rather than product sales. A good example of this would be revitalising the current account as it exists in its format today. There are a number of underlying features within the account that are variously valued by different segments and data from the recent FCA Multibanking report indicates that of the **33% of respondents** who multibank, **most do so not because of a differentiated experience** but because there is an additional feature. Is there an opportunity whilst supporting universal banking provision to define variable charging usage or time bound sign ups after which customers are charged for specific add on features?

2. How can new services and propositions be created from existing capabilities within the bank?

How can the assets of one part of the organisation help create recurring revenues for another part? One example is banks using consumer data to help their commercial banking business through aggregation of insight; and **repackaging of consumer services into the corporate banking space** such as digital identity management. In this example, the bank's ability to authenticate digital identity of users could be sold to corporate customers as a service - using the same technology to help authenticate corporate users.

3. How could you leverage the wider banking ecosystem to create new propositions?

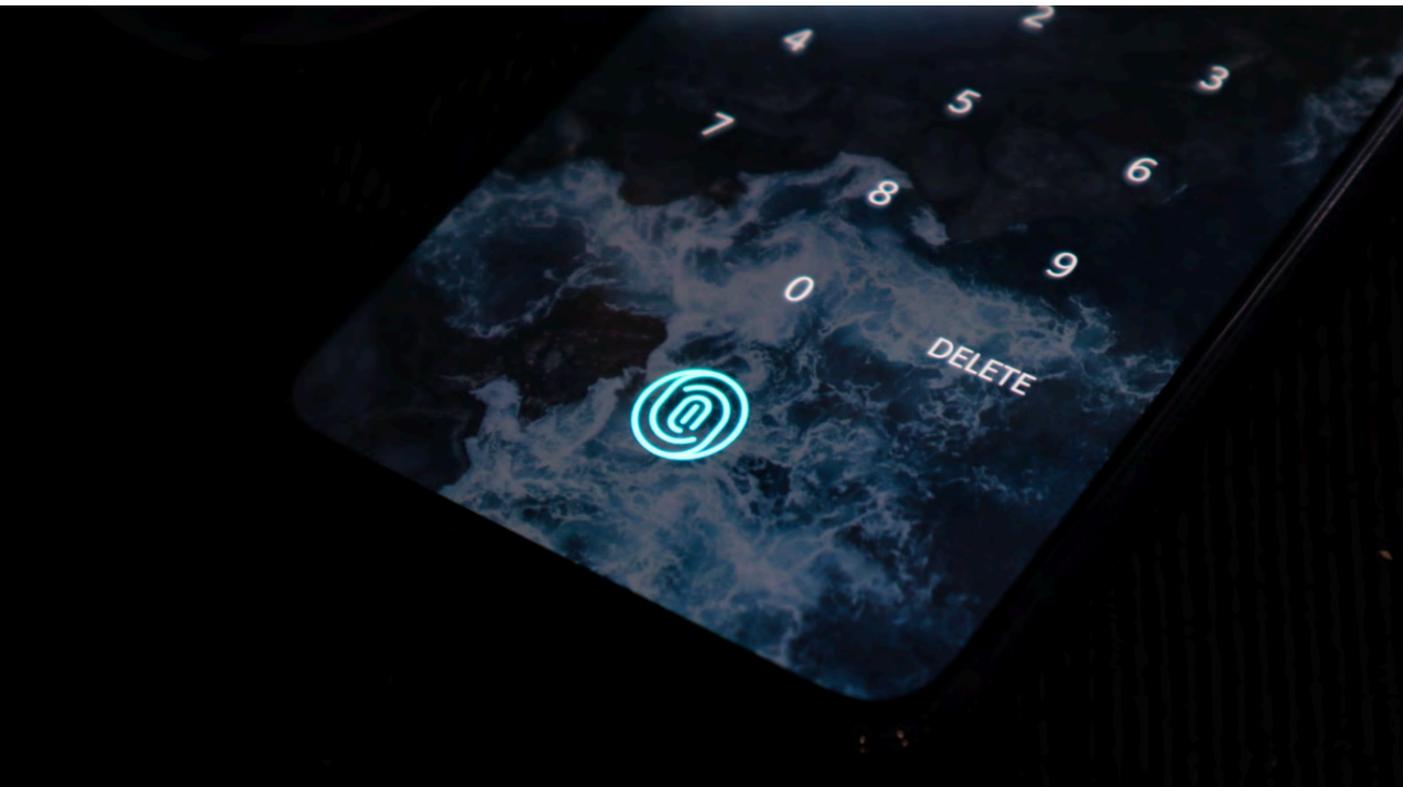
Whilst Open Banking makes information more accessible across banks which should be utilised to build customer understanding, there is also a wealth of expertise, services, and products across the industry that can be leveraged to drive your current customer value and supply chain. Starling is a great example of this - the **Starling Marketplace** allows businesses to offer complementary services to account holders that they might need in their journey. They provide the technology, the APIs and the platforms and in return take a small commission. The customer receives the benefit of authenticated partners and a simple customer journey.



4. How do you go beyond the banking ecosystem to leverage existing tech, data and other players?

Building a clear value proposition and understanding what you need and what you can give, will allow you to drive additional revenue streams through **B2B offerings with wider players**, ensuring mutually beneficial and profitable relationships are being built, that don't just drive you into the BaaS space, but in contrast can allow you to create a platform and services of your own. A good recent example is the **Deutsche Bank collaboration with Google**; which allows the bank to leverage the data science capabilities of its partner not only to transform its own IT platforms but also to offer the potential of risk, cash flow and other data driven forecasting services to corporate clients.

Understanding customer needs and values and then developing propositions with content, experience and community plays alongside and offering them dynamically to consumers will help banks to increase engagement and thereby lifetime value.

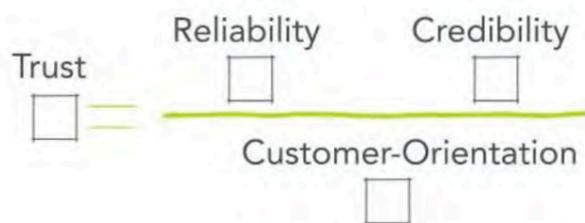


What do I need to do?

Companies should have laser focus on identifying their unmet consumer needs (both for target and existing consumers). Once needs have been identified then you should assess the capabilities available across the company and then externally. It's important to assess capabilities in the context of driving engagement with the brand, publishing content as well as delivering on experience and the service. For many financial services brands there will be challenges in providing all of these capabilities and this is where partnering may be worth considering.

All of this adds up to a need to rebalance the trust equation, the customer champions in the banks need to take control of the growth narrative. Part of this comes back to the age-old question of who owns the customer and at what point in their journey. Driving to total clarity on this will help to deliver clearer outcomes and

The Trust Equation



It's important to do this, because banks have an opportunity to rebalance the trust equation in the wake of the financial crisis and a litany of fines they've faced for incorrect charging.

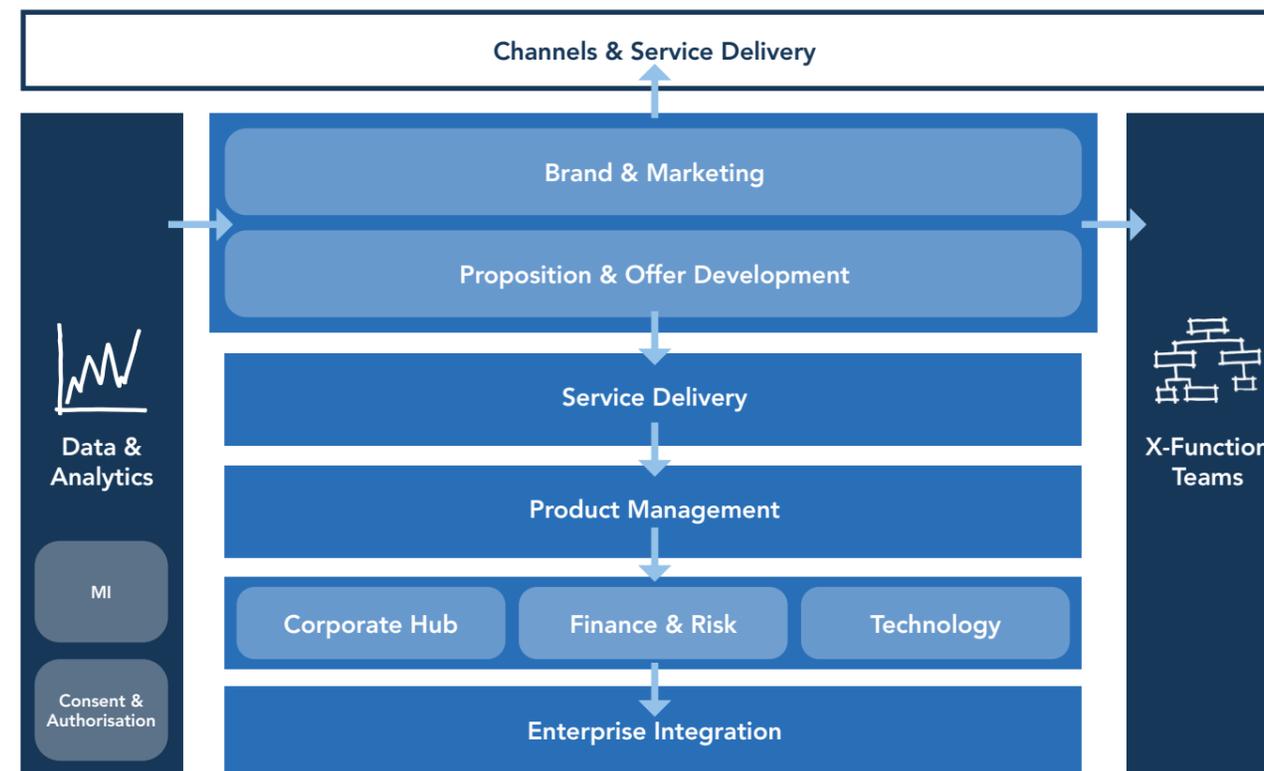
To do this means that the customer promise needs to be truly redefined across the bank and investment is put into delivering it. This is a huge opportunity to redefine roles within a bank's leadership teams. One possibility is a new function focusing only on customer-led growth to direct efforts.



The trust equation

Establishing a vision for the impact you will have on an individual's life, and connecting that outcome to clear commercial and strategic values that everyone in your ecosystem can align around.

A customer growth team or function needs to be directing the efforts to deliver the customer promise



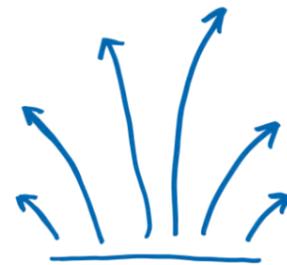
“We have the ambition and the focus to deliver a truly customer centric experience but will our operating model let us achieve it?”

Senior leader, National bank

In order to build around a new customer engagement business model it's important to define who your customers are, and be clear on what you deliver for them, and how. Your outcome should clearly articulate the value your service will have on a user's life and what the outcomes of achieving this will have for all the different players within your ecosystem (shareholders, employees, regulators, competitors etc).

This articulation of the customer outcome value you will drive, will then need to be defined against the existing way of working. Then, the requirements to deliver that customer outcome will need to be delivered by all parties across the bank and this is where the customer champions will be needed to help define how the outcome is delivered and who needs to do what.

Ultimately this will require a less siloed and more agile operating model where leaders from across the functions coordinate to prioritise improvements and investments against customer experience priorities.



What do I need to do?

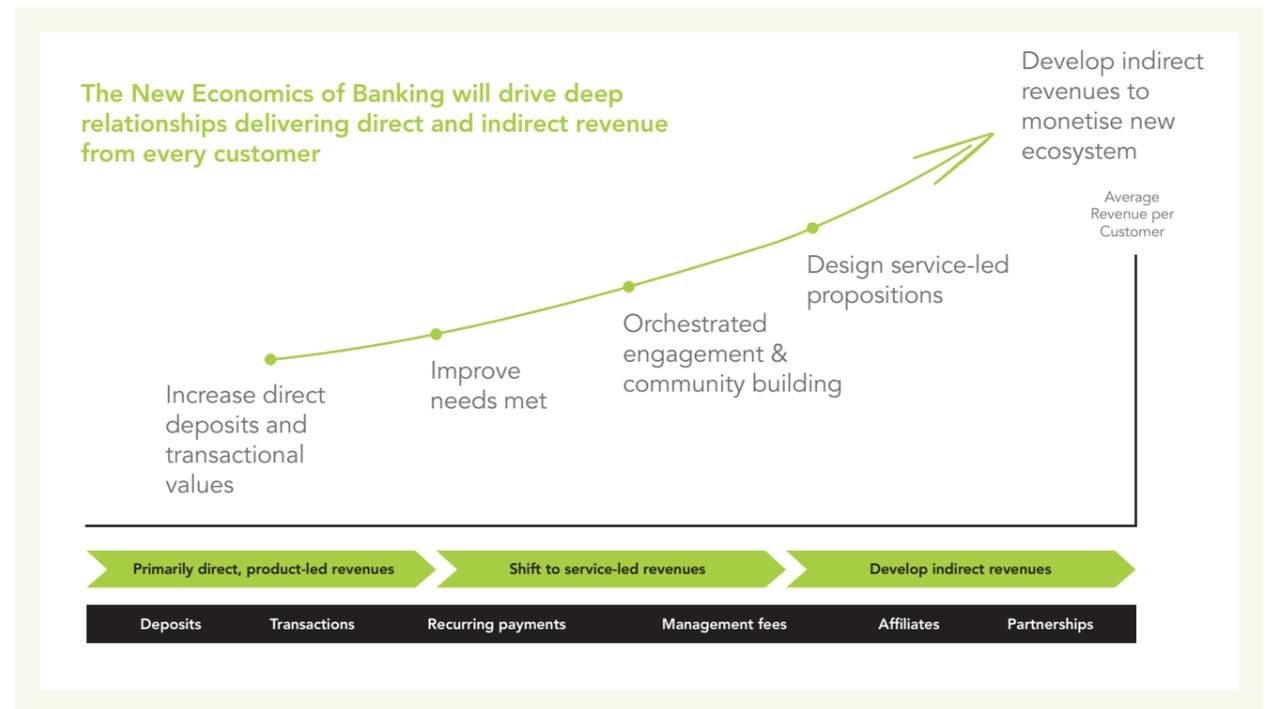
Establish the customer-led narrative in the Boardroom; identify and empower customer champions and leads across the business to help to define and support the delivery of the customer promise.





06 | Bringing it all together

Financial service providers need to use effective data strategies and marketing technology to pivot towards realtime, contextual and dynamic experiences across channels; drawing from an increased palette of propositions.



If they can do this successfully, they will reap the benefits of increased engagement, not only through increased transactions, but also through greater propensity to take further propositions based on their customer needs. This will pull five value levers.



1. Increase Direct deposits and transactional value

An understanding of the individual and personalised experiences will drive interaction, engagement and retention meaning sustaining the baseline for revenues and growth.

2. Increase customer needs met for core product

Clearer customer understanding, at the individual level, and orchestrated prompts and call-to-actions will drive more targeted and successful product holding expansion and growth opportunities. New propositions are intrinsically linked to this where banks can use their wider partnership powers to increase the number and type of propositions that can be offered.

3. Pivot to service led revenues: Orchestrated engagement & community building

Knowing what to deliver to your customers and when will deepen their relationship. Building experiences and interactions that meet their needs will keep them coming back and building a direct first party relationship rather than

going through alternatively available interfaces. The data and insight held from this first party relationship will continue to provide competitive advantage and innovative opportunities.

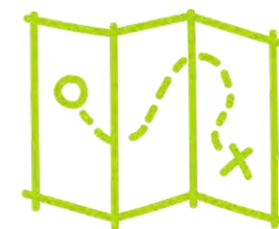
4. Pivot to service led revenues - new propositions

Using data and insight to create new propositions for your customers particularly focused on services - for example using data to help forecast issues; or to offer an improved proposition can be packaged and sold as a service to customers.

5. Pivot to Indirect revenues: using partnerships and affiliates

Deepened knowledge of customers, and a clear customer outcome that you are trying to drive will allow development and implementation of strategies to get to market with partners. This will be dependent on borrowing tech and propositions from across the ecosystem but will increase the range of relevant offers available as long as they're appropriate to customer needs.

While each of the 5 steps outlined above require alignment, capabilities, investment and time to grow, they all have an immediate starting point that can be built out of the customer relationships, product suite, and infrastructure available today. Moving at pace with what you already have, growing with intention, and focussing on customer engagement will drive a new business model, that quickly demonstrates value and restructures the investment needs to continue to grow.



“If we don’t move to retain and keep customers sticky, then we will rapidly become the profitable utilities that many people have feared”

CMO, Leading Global Bank

06 | Summary

Financial Services companies face an existential choice. Will they be profitable utilities or will they pivot to more service led offerings and be truly customer centric?

Manifesto Growth conducted extensive research with more than fifty industry leaders and influencers over the spring of 2020.

This report outlines our conclusions and recommendations from that research looking at the challenges the banks really have in getting closer to customers and how they can overcome them.



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