

# A Terragni Case Study

Leading Financial Institution Goes Experiential

Client Background

Challenge

Objective

What We Did

Strengths

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Business Outcomes



One Of The Top 3  
Financial Institution

**6 lac+**

Customers

**3703**

Branches

**1 lac+**

Channel Based Sales  
Organization

**59600**

Employees

Existing customers did not return to the bank when they were in need of a loan. Despite having differentiated features for personal loans, the bank did not see high volume sales in the category.



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High pressure on customer retention

More than 37% of bank clients switched their provider in the past 6-12 months

In the past 3 years 58% of clients have done business with more than 2 banks



# To increase retention of existing customers and acquisition of new customers

Through higher customer engagement and eliminating points of friction

The key elements: customer context – attitude towards debt, functional needs, emotional associations and behavioural barriers

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# Multiple approaches to the truth

## Qualitative Insights

Phenomenological in-depth interactions for episodic recall, context & heuristics

One-on-One in-depth interactions,

50 hours of interview transcripts

## Quantitative Insights

3 years' worth of data 4 terabytes

Driving Behaviour Cohorts using transaction data, big data

## Consumer Neuroscience Based Widespan Assessment

Released to all the customers

Online studies testing: Debt Attitude, Trustworthiness, Touch Points Interaction Friction, Experience Attributes Importance, Heuristics

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## Insights from:

### Consumer Neuroscience

Uncovering the non-conscious emotional associations, perceptions and attitudes towards personal loans

Identifying attributes with high salience for the customers

### Quantitative & Qualitative Data

Enterprise & big data to identify behaviour cohorts

In depth conversation and widespan survey to understand the context of engagement & past experiences of the customers

### Behaviour Science

Identifying the friction, heuristics and biases leading to low engagement

## Forming the context:

Customers borrow money for various reasons, and they have unique perceptions, attitudes and emotions regarding loans and savings. These attitudes affect how they see and interact with the bank.

**The bank was providing services to all customers in the same way, regardless of their context.**



## We drove insights into:

Why are customers going to other banks for loans

What is the friction keeping customers from engaging with the bank

How do customers perceive current experiences

How complex are the bank's touchpoints across the entire customer journey

What are the heuristics and biases which are impacting their decisions

What are the emotional associations customers have with the bank

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Stronger positive connection with the bank's brand in comparison to its primary competitor on key emotional attributes

Foreclosure & part payments, where explained, seen as attractive and competitive differentiating features





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The attitude of customers towards personal debt was moving away from negative to a cautious but positive attitude

A lot of customers perceived it as a good avenue of raising money quickly, especially when stuck in a difficult situation

Repayment and EMI were the main concerns of the customers



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Customers expected differential treatment, bank delivers one size fit all

Value driven segments were completely missed out in acquisition and retention strategies

Poor service recovery

There were high friction touchpoints in the loan application and disbursement journeys



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## Experiential segmentation

4 different experiential segments based on customer's need and urgency of seeking loan to provide differentiated experience, leading to high engagement

## Redesigning communication to address behavioural heuristics and biases



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## Experiential segmentation

4 new different experiential segments. These were different than the functional segments created by the bank. The services had the potential to be positioned according to the experiences they can lead to, rather than by their features, performance attributes or functional benefits

★ Speedsters

★ Needers

★ Value Speedsters

★ Value Needers

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## Segment Examples

### ★ Value Speedsters

See loan as a resource (value) but require speed based on context of the need – travel, wedding etc.

Income more than 50 K per month  
High Urgency of Approval

### ★ Needers

See loan as a compulsion to come out of a bad financial situation

Income up to INR 40-50 K per month  
Low Urgency of Approval

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## Differentiated services for the segments

### ★ Value Speedsters

Sense of differentiation; Higher  
Service Recovery, Personalization;

Best in Class TAT focused on pre-  
purchase, Disbursement

### ★ Needers

Sense of differentiation through  
interest rate

Approval Surety; EMI Amount  
Industry Standard TAT across the  
entire engagement cycle



# Mapping the journeys of the customer to understand their experience points of friction

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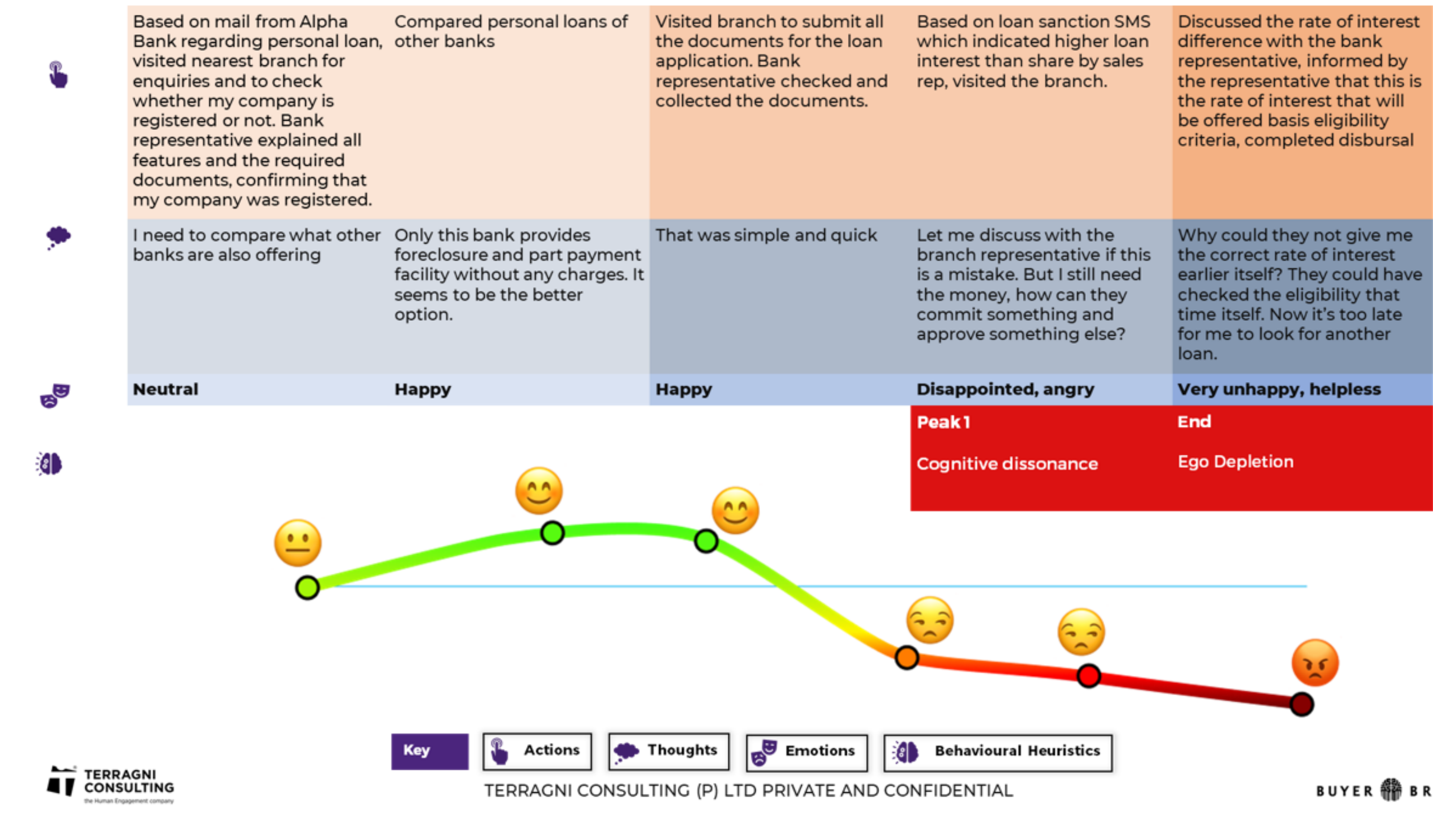
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## Redesigning communication

Moving from interest to EMI

Despite having lower loan interest rates than competitors, the bank could not convert it into more loan sales

The human brain is bad at calculating percentages quickly and often fails to understand what they mean while comparing (e.g is 5.5% lesser than 6%?)

Communications were reframed to focus on the EMI a customer have to pay instead of the interest rate (e.g 5.5% is 7000 p.m but 6% is 6000 p.m)

This lead to an increase in loan uptake and preference over competitors





## Other Solutions

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### **Customer Ease**

Customer effort introduced as Key Performance Metric. High effort processes and touchpoints redesigned for higher customer EAS then key differentiating processes redesigned to be friction free

### **Sales Capability Building**

Training and development to enable sales teams to understand the different experiential expectations across the experiential segments and target customer conversations appropriately

### **Realignment Of Marketing Campaigns**

Targeted campaigns, specific to each experiential segment replaced “mass marketing initiatives”





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- ↑ Higher Customer Retention by 12%
- ↓ Reduced Cost to Serve by 13%
- ↓ Reduced Acquisition Cost by 13%



**India**



**London**



**Bucharest**



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**Thank You**

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