



eBook

# MODERNIZING OFFER MANAGEMENT

MAINTAIN A CRITICAL EDGE IN THE DIGITAL AGE



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# INTRODUCTION

## Offer Management is a Key Strategy for Customer Obsessed Organizations

Today's modern, disruptive financial services brands are leveraging digital technologies to hone in on consumer behaviors and preferences to deliver customer experiences that are tailored to each consumer.

This level of focus goes beyond traditional customer attention; it's customer obsession.

### The CX Insights Group<sup>1</sup> defines customer obsession as:



*...a process wherein organizations continuously try to add value to the customer experience. In simple terms, customer obsession conveys the practice of companies collecting feedback regularly and prioritizing customer needs to achieve business goals. The ultimate goal is retaining and delighting customers rather than acquiring new ones.*



According to research from Adobe and Omdia<sup>2</sup>, more leading financial institutions have deployed the following solutions than those that have not.

**14%**

Offer management platforms

**10%**

Digital analytics

**13%**

Digital marketing and customer experience platforms

**7%**

Digital forms and signatures

The challenge for legacy brands in these industries – who often operate with legacy data and technology systems and are subject to intense regulatory scrutiny – is how exactly to unleash their own versions of customer obsession. The good news is, thanks to new AI-powered technologies, it's possible. And it could be easier than you might think.



In this eBook, we take an in-depth look at the best practices and tools for offering relationship-based offers from conception to launch, in record time, and with less risk and assured compliance.

For financial services organizations and companies in other highly regulated and offer-driven sectors, we will describe how new perspectives and new technologies can create strategic opportunities for institutions and enable them to retain and gain customers through an expressed, sustainable obsession with both manifest and latent consumer needs.

Investing in the modernization of your offer management capabilities is critical to maintaining a competitive edge in the digital age. Financial institutions can succeed in their overall digital transformation journey by following the design, market, and launch best practices on the following pages.

# CHAPTER

**01**

## **OFFER MANAGEMENT MODERNIZATION OPPORTUNITIES AND THREATS OF MAINTAINING THE STATUS QUO**

Customer obsession has been Amazon's number one leadership principle for nearly twenty-five years. As Jeff Bezos once said, "We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better." As a proven customer experience leader, Amazon constantly works to make each customer interaction more uncomplicated and more intuitive.

The trouble is, most companies in regulated industries like financial services face tremendous challenges inviting customers to the party and keeping them there. It's helpful to understand these issues in order to provide clear context for today's emerging solutions.



## The most common challenges to unlocking customer obsession and executing personalized offers are rooted in legacy issue with people, processes, and technologies:

- » Unable to create offers to bundles (multi-product)
- » Inability to offer relationship based dynamic pricing
- » Disjointed, manual processes lead to long time to market
- » Error prone process with long payment cycles (30-40 days)
- » Highly manual processes with no visibility into customer Status
- » Extremely Slow customer care / customer resolution



# THE COST OF INERTIA:

## Legacy Systems and Information Silos

A recent Gartner survey<sup>3</sup> found that brands are likely to lose 38% of their market share if they poorly personalize their marketing content and assets; 72% of those surveyed said they only read personalized offers which pertain to their current needs. But enabling true personalization is a complex task.

Marketing strategists and their teams are often overwhelmed by the sheer volume of business rules and regulatory compliance standards that govern customer offers and terms, as well as the frequency of the changes to those rules and standards. What's more, access to critical customer data is often stored in disparate, inaccessible legacy systems.

As a result, institutions mired in legacy processes and technologies risk losing market share to their digitally evolved competitors. In fact, Naehas benchmarking studies reveal that financial institutions that continue to create offers with legacy systems experience up to 20% lower client retention rates and achieve up to 6% lower offer acceptance conversion rates. What's more, it can take twelve times as long to get a product offer from ideation to market.



# BEST PRACTICE CAN LEAD TO 10X IMPROVEMENT IN OFFER MANAGEMENT KPIS

Based On Naehas Benchmarking Studies

Metric	Worst case	Average	Best practice	
REVENUE	Retention	75%	87%	<b>95%+</b>
	Cross-sell / Upsell Growth	1 product	2 products	<b>5 or more products</b>
	Conversion Rate	less than 2%	4.5%	<b>8%</b>
TIME TO MARKET	Ideation to Market	60 days	30 days	<b>5 days</b>
	Change Management	60 days	30 days	<b>1 day</b>
	Review & Approvals	20 days	10 days	<b>1 day</b>
CUSTOMER EXPERIENCE	Time to Pay	45 days	30 days	<b>5 days</b>
	Inquiry Response Time	15 days	10 days	<b>Near real-time</b>
	Customer Status Visibility	No visibility	Time of payment	<b>Time of transaction</b>



# Clinging To Status Quo?

## Diminishing Results, Missed Opportunities and Higher Organizational Risk.

Many marketing professionals in mid-to-large-sized banks approach the creation of each offer with anxiety and trepidation about creating a non-compliant proposal. Compliance will carefully and repeatedly read offer terms and conditions to ensure there are no inconsistencies, missing information or typos that might cause an offer to be rejected later in the review process. This time-consuming, manual process not only bottlenecks product development, but fails to completely overcome the risk of human error that could cause costly predicaments.





Marketers are equally vexed by having to juggle multiple spreadsheets and disparate data sources to better target and personalize offers, as it is a tedious, time-consuming, and error-prone process. Without unified systems or powerful analytics tools to extract important customer insights from legacy systems, marketers lack the tools and regulatory insights they need to create relevant, timely offers that effectively serve consumer needs.

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As a result, multiple services cannot be bundled, and customers cannot receive dynamic pricing offers based on their loyalty and how long they have been working with the bank. Relationships become strictly and singularly transactional in nature, and clients feel more like numbers on a spreadsheet than valued customers.

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Without AI-powered tools to aid marketers in the design, creation, and QA of offers for services like lines of credit or investments, offer development processes are often slowed to a crawl by "analysis paralysis" - or campaigns that end up DOA with marketing operations or compliance colleagues.

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Naehas has seen financial services firms that modernize their offer management processes and adopt best practices become positioned to upsell three times as many (or more) financial products to their customers. Their customer service teams address offer inquiries in near real-time, and they accelerate client payments by 40 days.

# MODERN, INTUITIVE OFFER MANAGEMENT IS WITHIN REACH



There is a better way to promote your client services. Four of the top five financial services companies, as well as regional banks such as First National Bank of Omaha, have modernized their offer management process. They are reaping the rewards of being able to better profile and market to their client audience. In chapter four, there are more real-world results and successes which financial institutions have realized by mastering offer management best practices.

In a recent report, Boston Consulting Group<sup>4</sup> estimated that for every \$1 billion in assets that a bank holds, it can achieve as much as \$3 million in revenue growth by personalizing its customer interactions. BCG also stated that personalized banking will drive material competitive advantage for first movers that embrace it over the next five years. Many consumers would gladly give up data privacy for a more personalized experience.

In the next chapter, we describe how financial institutions like these improved their offer management practices.

# CHAPTER

**02**

## **HOW FORWARD-THINKING FINANCIAL INSTITUTIONS ARE OVERCOMING OFFER MANAGEMENT CHALLENGES**

Consumers want a bank that offers them services that help solve real challenges in their lives or empower them to achieve a significant life milestone, like purchasing a home or sending their child to college. The answers to determining the right offer to resolve their challenges can often be found within your customer data.



# THE IDEAL OFFER MANAGEMENT WORKFLOW

Every stakeholder has considerable needs which can only be addressed by a purpose-built, intelligent offer management platform.



When financial services providers have the people, processes, and technology in place to get offers to market quickly, mitigate risk, and increase offer conversion rates, it is easy to become and stay customer-obsessed.

What does it look like to execute a modern offer management program? Here's how the process can work successfully, from creation to distribution and fulfillment over a typical time span of a few days, depending on the offer.



## STEP 1 – STRATEGY

A marketing strategist will define the product to be offered, along with related pricing, timeframes, and the channels through which it will be provided and fulfilled. They will define attributes and terms of service as far as qualifying rules to define the target audience.



## STEP 2 – ELIGIBILITY

Once approved, the offer is then sent to a decisioning engine to choose the eligible audience that will find the offer most compelling and drive the most risk-adjusted value to the business. Prioritization criteria are also defined so that each customer receives the offer that delivers the best value, as they might be eligible for many offers.



## STEP 3 – PRESENTMENT

Offer content is personalized for audience segments based on criteria such as audience-specific incentives, interest rates, or lending limits. Review and approval processes are streamlined using AI and machine learning to ensure offers meet the compliance and brand requirements. Upon final approval, the offers are distributed to customers across multiple channels, including web, email, print or branch.



## STEP 4 – FULFILLMENT

When a customer accepts the offer and satisfies all of its stipulations, the reward or bonus must be fulfilled and posted to the customer account. Marketing strategists and operations teams collaboratively monitor offer responses and take a proactive approach to ensure customers satisfy all stipulations to receive their reward.

Customer care teams have real-time visibility into fulfillment status to respond to customer inquiries. At the end of the campaign, report data can measure the reach and performance, and provide learnings for future offer lifecycles.

In the next chapter we review the essential offer management requirements enabled by modernized systems, compared to the restrictions that apply to legacy systems.



# CHAPTER



**03**

## A FIELD GUIDE TO MODERN OFFER MANAGEMENT

A modern enterprise offer management platform enables banks to gather timely, personalized data about their customers and better understand their needs and behaviors. It allows financial services providers to navigate beyond regulatory compliance obstacles and streamline or automate approvals. And it helps banks and insurance companies send the right offers, to the right clients, at the right time.





Key Offer Management Requirements	The Legacy Way	Best practice
Best practice centralized offer content repository to manage modular content and metadata for product, pricing, and disclosures		
Business configurable offer data models that are flexible and easy to modify and manage without IT Support		
Collaborative review and approval workflow for all Stakeholders	 Slow	 Fast
AI-powered quality control & auditing capabilities to ensure offers meet compliance and brand requirements		
Out of the box integration with 3rd party and home-grown Solutions via Secure APIS		
A robust rules engine that includes aggregate reporting and actionable insights to track offers Sent to consumers and measure offer reach and performance		
Real-time visibility into Status of offer fulfillment requirements		

# CHAPTER

04

## CASE STUDY: MULTI-CHANNEL OFFER MANAGEMENT IN PRACTICE

A couple of years ago, a top-ten multinational investment bank and financial services company (and long-time Naehas customer) approached Naehas to modernize their offer management solution. This institution provides financial services to consumers and small businesses, including banking, investments, and lending products, including business loans, mortgages, and credit cards.



Having experienced many of the offer management challenges and restrictions brought on by their legacy systems, the bank engaged Naeahas to implement its AI-powered offer management solution to deliver more personalized offers and experiences to its customers across all of its channels, including:



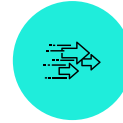
As a result, the bank could leverage the offer management solution as an offer repository for files and related metadata. The solution also provided configurable, flexible reporting capabilities to enable data-driven decision-making. A powerful workflow engine optimized internal processes and ensured offers did not get stuck in eternal approval loops. Their line of business users could even make changes to the system without developers or engineers.

This offer management decisioning engine provided automatic auditing, and it integrated with their marketing technology stack, including Salesforce and Adobe, using secure APIs. As a result, the bank realized a significant impact across the business:



## Value

Increased personalization by 3x  
Increased volume 145% while keeping the same team



## Speed

Improved the SLA to create, manage, test, and deploy offers by 60-70% while increasing the volume of offers by 15%  
Reduced approval time by more than 75%



## Reduced Risk

Reduced the number of error's by 25% while reducing the time Spend on quality control by more that 80%



## Innovation

Replaced system with business-configurable platform that reduced IT costs by \$600K per year and operational costs by \$70K



It is now so easy to add new offer metadata fields, while having everything under control. I can do this in minutes, versus days or even weeks before.

**Marketing Strategist**



This bank isn't alone - Naehas customers have unlocked incredible marketing performance results, marketing operations efficiency, lower campaign costs, and reduced compliance errors for more than a decade.

**10+%**

Improvement in Response /  
Conversion Rates

**50-70%**

Reduction in Cycle Times

**30-40%**

Reduced Costs

**0**

Compliance Errors

## Ready to unleash your customer obsession through personalized marketing?

Speak with a Naehas expert and see how our modern offer management solutions enable you to accurately design, market, and launch complex offer campaigns – to the right audience, at the right time, in the right channel – every time.



[naehaS.com/demo-request/](https://naehaS.com/demo-request/)



## END NOTES

- » [7 Ways to Practice Customer Obsession that Boosts Sales - thecxinsights](#)
- » [Adobe 2021 Digital Trends in Financial Services](#)
- » [Gartner Survey Shows Brands Risk Losing 38 Percent of Customers Because of Poor Marketing Personalization Efforts](#)
- » [What Does Personalization in Banking Really Mean? \(bcg.com\)](#)

# ABOUT NAEHAS

Naehas empowers financial institutions to create and market compliant, personalized products and offers faster. By centralizing and automating product development, pricing, compliance, and distribution, Naehas reduces complexity, accelerates execution, and ensures accuracy—allowing banks, insurance providers, and wealth management firms to focus on delivering value.

Leading financial institutions, including four of the top five banks, as well as regional players like First National Bank of Omaha, rely on Naehas to improve operational efficiency, reduce compliance risk, and increase speed to market.

Learn how your company can accelerate value with Naehas by contacting



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[www.naehas.com](http://www.naehas.com)

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