Q2 2022

The rules of engagement

→ How a powerful, proven CRM strategy will influence customer behavior

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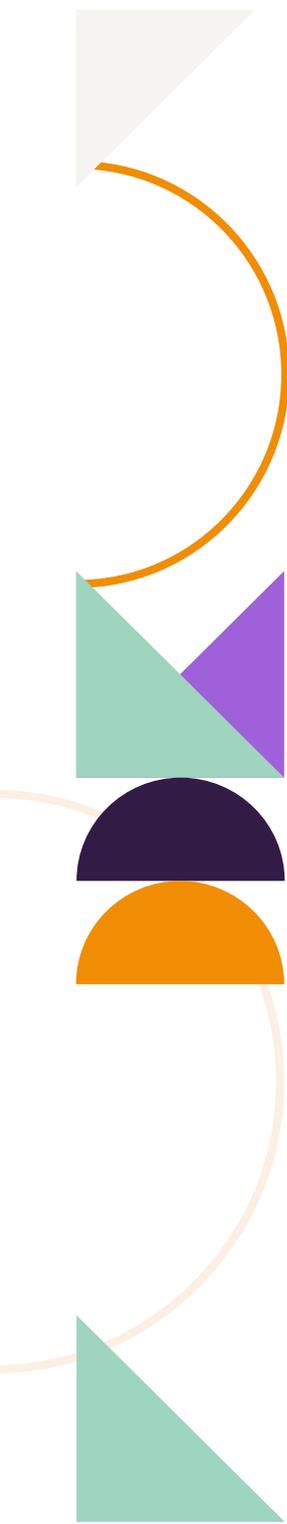
Email communication is fundamental to our banking clients' lifestyle and concierge service – it's how we showcase our value, benefit, and trustworthiness to members. When optimized, it **increases customer engagement, retention and acquisition,** loyalty and emotional connection to your brand, card spend, and Net Promoter Score (NPS). We've pulled together a comprehensive summary of data-driven insights to reveal how you can maximize your impact on customer experience with CRM and lifestyle concierge.

The rules of engagement

When banks and wealth managers include travel and lifestyle services as part of the brand's customer experience (CX) strategy, an optimized CRM (customer relationship management) program ensures that the brand is continuously front of mind. In fact, **a well-crafted CRM strategy is recognized as an effective way to build emotional customer engagement,** especially for digital propositions – enabling personalized interactions, maintaining relationships, and driving desired behavior based on customer preferences.

Chapter one:

## Securing that all-important opt-in
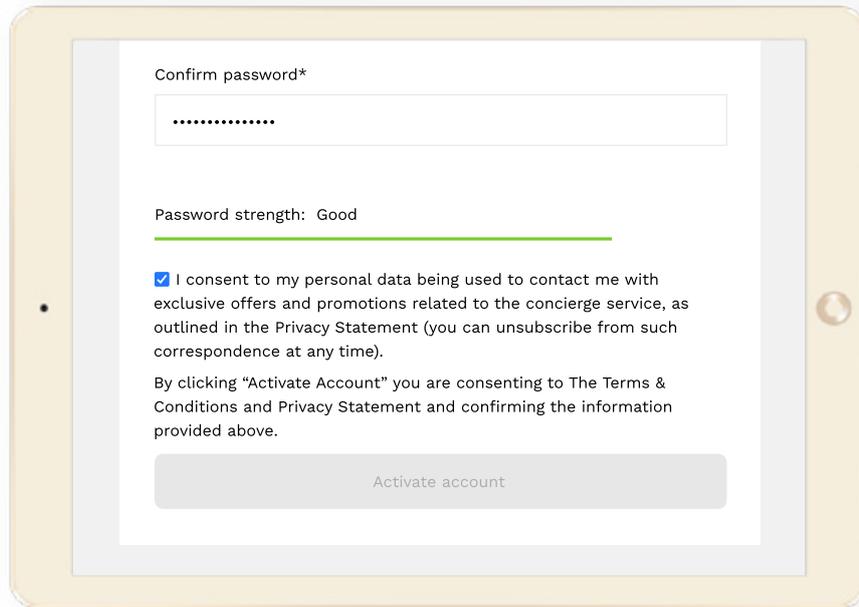
The first step to an effective CRM program is obtaining opt-in from customers. However, due to increasing privacy regulations such as the EU's General Data Protection Regulation (GDPR) and federal data protection laws, it's also notoriously complicated. Our proven strategy introduces **four key touchpoints to maximize the number of opt-ins:**

Brand-led customer awareness: Our clients send initial marketing communications from their database to promote the service to customers.

*A recent campaign to increase membership activation among unengaged customers by a premium card issuer based in Latin America had a **conversion rate of 3.1% (industry benchmark: 1.7% [1]) over a quarter.** The communications were effective due to their time relevance, putting the service in the context of what was happening at that particular time.*

On-site opt-ins: We request consent on our industry-leading digital platform as the customer registers – an easy, low-maintenance way to gather communication consent with no negative operational impact on our clients.

Verbal opt-ins: Our lifestyle managers are trained to obtain opt-in when interacting with those who are yet to give consent.

Referrals: Previously unsubscribed members may opt-in upon hearing positive feedback from their peers, who've enjoyed great service and relevant communications.

CASE STUDY 1: CRM's role in the effective launch of a CX program

We used CRM to activate and secure opt-in from members following the roll-out of concierge services to a new cohort of eligible customers. There was a conversion rate of 8% **following just a single email** to more than 150,000 recipients.

Chapter two:

a data-led strategy to increase service awareness, usage and engagement

Once opt-in has been secured, CRM campaigns enhance engagement and connection with customers to ensure they **actively engage with the service and their benefits.** At Ten, we've refined our strategy over time, optimizing the approach to ensure they exceed industry benchmarks:

Industry benchmark [1][2]   **Ten global statistics**

Open rate

19.2%
36.1%

Click rate

2.3%
4.0%

Conversion rate

1.7%
2.9%
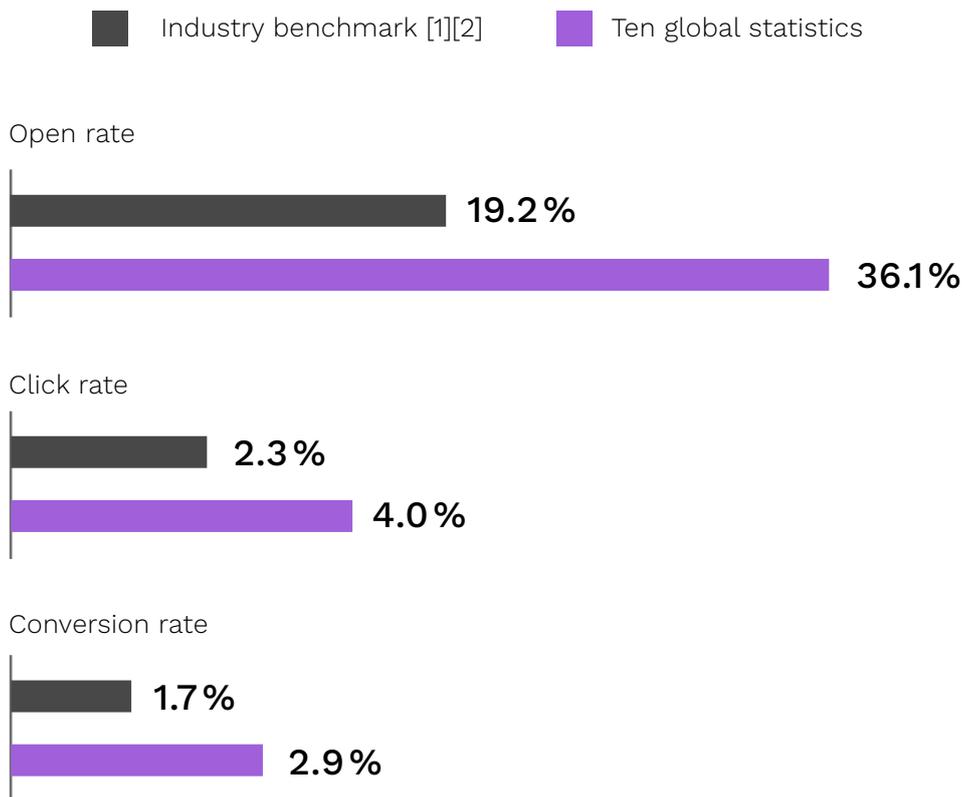
The nature of Ten's service allows us to assist members from the initial request through to the moment booking is complete – giving us clear attribution and conversion metrics to report back to brands.

Planned communication vs triggered communication

At Ten, we connect with our members via two key strategies. Planned communication allows us to **target members' interests** and send them time-sensitive and newsworthy information. Triggered communication uses **personalization and behavior to engage.** Our data shows that by incorporating both of these into your lifestyle services email strategy, you'll increase service use, re-engagement, and awareness beyond industry benchmarks.

Planned communication to drive everyday engagement	Triggered communication to drive service awareness and usage
WHAT: These emails communicate with members regarding their specific interests, including dining, entertainment, travel, and retail. They're curated by our in-house content experts, <u>Content × Ten</u>, showcasing our unrivaled expertise and connections to drive optimal service use through relevant articles and offers.	**WHAT:** Trigger-based comms are crucial for personalized customer lifecycle management. Specific trigger points ensure we are there for members in the right way, at the right time, to drive engagement and response.

Planned communication to drive everyday engagement

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FREQUENCY: Daily, weekly, monthly
In a recent study for a major client, we found:
- **71%** of members who didn't receive a communication from us over a 12-month period became inactive – including those who initially started as high users.
- **75%** of members who received at least 1 email per month were still requesting a year later.
- **4** emails per month drive optimal usage for this client (7-18 requests per year).

PERFORMANCE:
37% open rate vs 17% industry standard
3% conversion rate vs 1.7% industry standard
<0.1% unsubscribe rate vs 0.2% industry standard

Triggered communication to drive service awareness and usage

WHAT: Trigger-based comms are crucial for personalized customer lifecycle management. Specific trigger points ensure we are there for members in the right way, at the right time, to drive engagement and response.

FREQUENCY: Automated to send at key points in the lifecycle or in response to behavior.

PERFORMANCE:
66% average open rate vs 51% industry standard
31% average CTO rate vs 15% industry standard
13% average conversion rate vs 1.7% industry standard

Three key examples of strategic developments to planned communication

CASE STUDY 2: Optimizing layout for impact

Taking a modular approach to the design, allowing us to customize layouts to content quickly and efficiently, we ran a pilot with a major global banking client and saw **increases in CTO rate, unique users, requests, and platform visits across all regions.** Our data shows that plain text emails also resonate – it's all about judgment of context, timing, and the market.

Client branded to promote emotional connection and loyalty

Navigation bar at the top drives platform visits

Copy composed by Content × Ten to drive conversions

Clear CTAs to enable easy conversion

Impactful, relevant images draw engagement with the content

Reminders about additional concierge benefits build trust and drives engagement
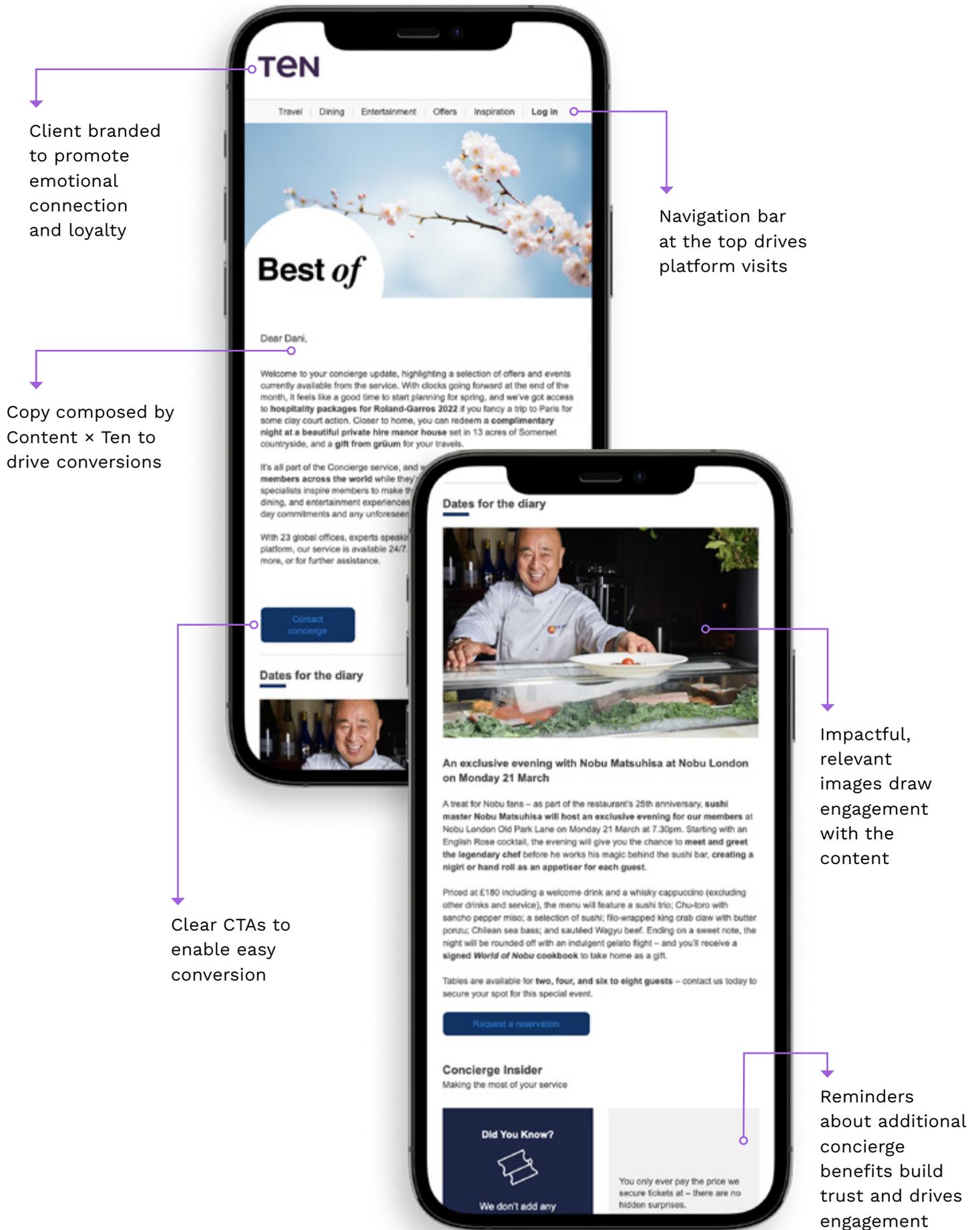
CASE STUDY 3:
Associating clients with popular regional brands

CRM can be used to stimulate member activity and requests while associating our clients with the name and positive reputation of a popular regional brand. A premium card provider based in Latin America offered vouchers promoted via CRM for a popular online food delivery service to increase member activation and requests:

92%

open rate

1,500

requests driven (the maximum number of vouchers available)

40%

% requests from first-time users

+2,900

new activations from one campaign

Using knowledge of member preferences and contextual factors including location, CRM campaigns can be personalized and designed to influence customer behavior to maximize engagement.

CASE STUDY 4:
CRM, a critical enabler of a digital-led CX strategy

For brands who have digital engagement as a priority, CRM is key to driving strategy and metrics.

After rolling out an optimized program to refresh a number of EMEA based clients, we recorded a noticeable impact on digital requests from members.

11%   Uplift in digital engagement metrics

Get in touch
to boost your CRM strategy

→

More on triggered communication: Engaging the member at optimum touchpoints

Today, Ten recommends both lifecycle-based and event-based campaigns.

Lifecycle emails

These emails will target members at specific points in the lifecycle, right from education to retention.

Eligible member → **Activation journey**

Member activates

Onboarding journey

→ **Welcome journey** → **Member optimal behavior**

Period of member inactivity

Recovery journey

Event-based trigger points include abandoned basket and pre-travel

Activation journey
A series focusing on educating new members about the service, including an overview of benefits and testimonials from members.

57% open rate vs 51% industry standard
59% CTO vs 15% industry standard
67% registration

Welcome journey
This bespoke series introduces new members to the service with the aim of understanding their interests and driving platform engagement.

68% open rate vs 51% industry standard
38% CTO vs 15% industry standard
6% conversion vs 1.7% industry standard

Recovery journey
A program targeting members who haven't used the service in 90 days. Focused on re-affirming the value of concierge, this also gives us better knowledge of how the service can be improved, allowing us to inform and therefore prevent drop-off and bring back lapsed members.

66% open rate vs 51% industry standard
15% CTO vs 15% industry standard
3% conversion vs 1.7% industry standard

Event-based emails

There are currently two automated triggers, based on member behavior and designed to enhance their experience of the service:

Abandoned basket: 24 hours after dropping off the conversion funnel, members are encouraged to complete their booking, increasing conversion and therefore card spend, particularly on platforms that restrict payment methods to that of the client.

71% open rate vs 51% industry standard
8% conversion vs 1.7% industry standard

Pre-travel: Prior to travel, members are provided with a general offer of support for the trip and, if available, a relevant destination guide. This helps in forming a stronger emotional connection with our members, increasing both NPS and their loyalty to our clients – which in turn leads to both an increase in customer retention and acquisition through word-of-mouth referrals.

70% open rate vs 51% industry standard
36% conversion vs 1.7% industry standard

Trigger-based campaigns work hand in hand with planned comms to ensure maximum engagement and value, increasing usage of the service and therefore lifetime value of the customer to the brand.

Enhance your triggered email strategy

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Chapter three:

What a robust CRM program looks like

Client 1 — Planned / Event-based / Lifecyle based

Client 2 — Planned / Event-based / Lifecyle based
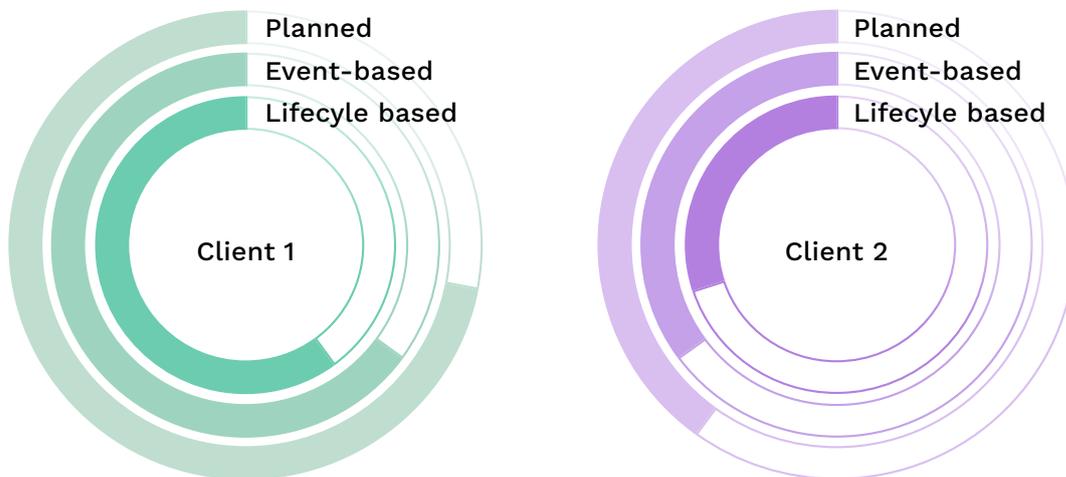
When comparing two clients with similar customers, one with the full suite of planned and automated CRM offerings (Client 1) versus one offering far less frequent communications with members (Client 2), a visible difference in member behavior is noticeable:

- Client 1 has **a positive net acquisition rate,** with more members making first requests than members who've

      lapsed due to no activity. For client 2, we see the
      no-activity member cohort growing due to lower
      CRM activity.

- Client 1 has **10% more unique users** compared with Client 2 when standardizing against the total member base.
- Client 1 has **a more engaged user base** than Client 2, with a higher percentage of members who're continuously active. Client 1 has a higher and more consistent NPS score.

Although this data has influencing factors other than CRM, there's a clear correlation. **Client 1 opted to pause CRM during Q4 2021:**

- NPS results dropped by 87%
- Online requests had dropped by as much as 63% from the previous year – requests which are typically driven by CRM

Conversely, during the UK COVID-19 lockdown (Q1 2021), Client 1's CRM communications were designed to **drive online requests to keep members engaged:**

- Online requests doubled compared with the same period in 2019
- Online request volume in Q1 was almost 4x as high as in Q3

Client 2 maintained the same rate of CRM communications as pre-pandemic, resulting in a decrease in engagement. This data indicates that **CRM is an integral factor in driving engagement and requests** when comms contain relevant content, at regular intervals.
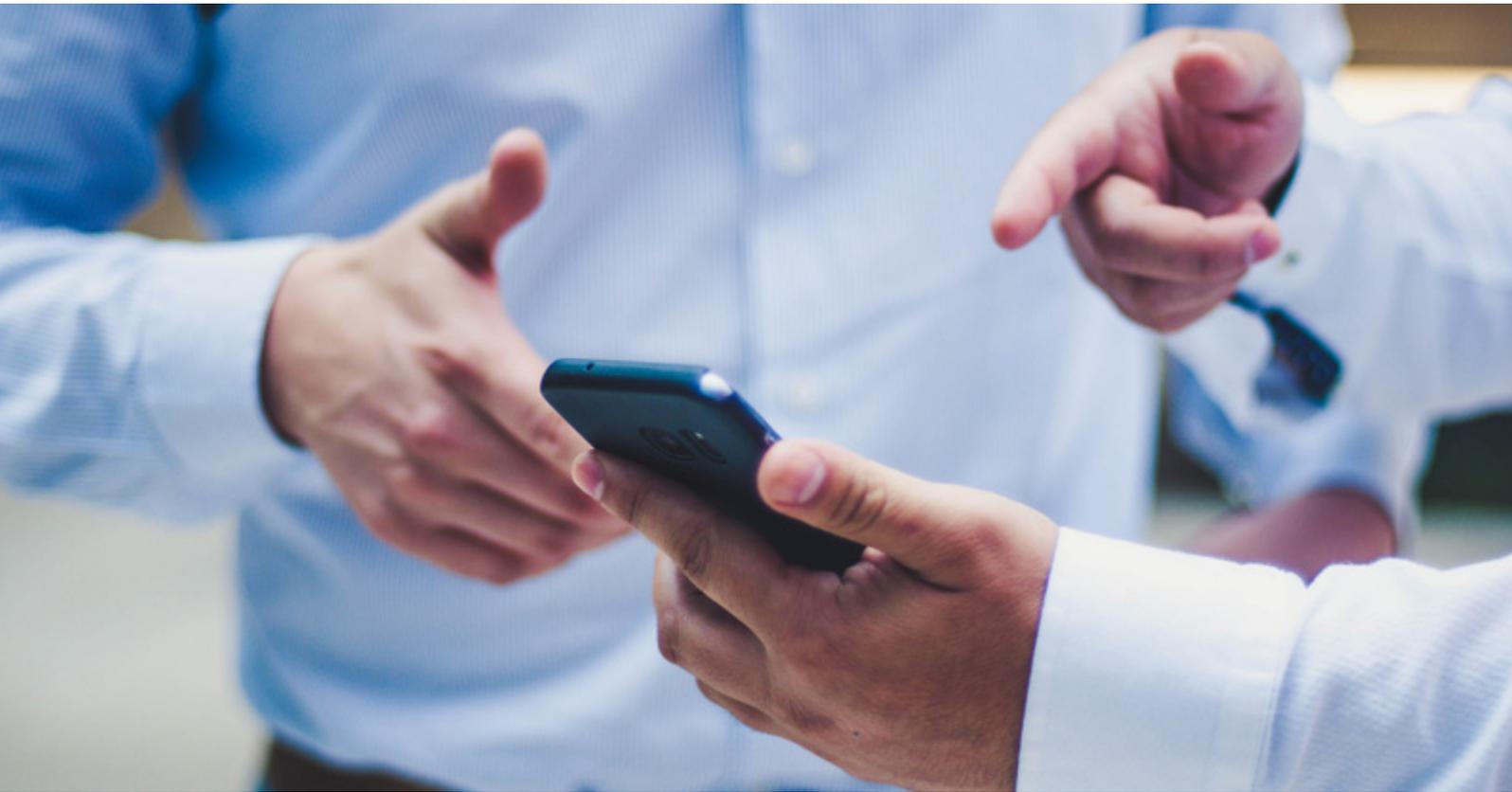
Maximize your impact on customer experience

Thoughtful, well-timed emails can impact the behavior of members and introduce a positive feedback loop through which **higher engagement drives increased requests, which in turn continues to drive engagement.** Higher engagement leads to increased service use (and therefore card spend and acquisition through word-of-mouth referrals) and emotional connection to the brand, loyalty to, and subsequently retention with the brand, and NPS.

Get in touch
to discuss how a strong CRM program can boost your Customer Experience strategy →

About Ten

As the world's leading lifestyle management service, Ten has 20+ years of experience, a strong global team of lifestyle managers and a fully transactional digital platform. Ten works with more than 50 of the world's major banks, and wealth managers and premium brands to develop relationships with clients and their families.

Bibliography

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Contact details

Contact us at **businessdevelopment@tengroup.com** to discuss how Ten can support you or visit us at **www.tenlifestylegroup.com** to find out more.