

Back from the brink: Smart Beacons in banks - part 2

Getting ahead with Smart Beacons

From welcoming customers into branch to gathering feedback from in-branch visits, Smart Beacons represent a game-changing technology, which might irrevocably change the traditional retail-banking sector.

Ground-breaking new technology Smart Beacons allow businesses to build a new type of customer relationship, a closer more personal relationship, with their customers. Put simply Beacons technology is opening a new door to more effective and meaningful Customer Relationship Management (CRM), something that not just banks but all retailing institutions have longed to achieve.

How? The Smart Beacon technology has enabled a digital communication gateway between the physical branch and a customer's smartphone. When a customer and their smartphone are in the proximity of a Beacon a digital conversation can be initiated between the two. From this point personalised messaging can be sent to the customer's device, whether that be details of a special offer or simply promotional content tailored to the customer.

In short this technology allows

- 1.** allows banks to connect with their wider consumer market on an on-site (in branch) scale.
- 2.** enables delivery of contextual content to suit the customers direct needs based on their geographic locale, segment or persona.
- 3.** can offer the right marketing content, to the right customer, at the right time, on the right device and now at the right place/location.

**The time
is right**

The widespread and accessible technology behind it is also what makes 'Beacons' so appealing. Whereas previous technologies such as Near Field Communication (NFC) have been limited to Android smartphone technology, the Bluetooth Low Emission (BLE) technology upon which Smart Beacons are based is independent of smartphone platform. The technology is also relatively low-cost by comparison meaning any large-scale rollout is not cost-prohibitive.

The feasibility of Beacon technology coupled with the global penetration of both smartphone and banking apps amongst banking customers, suggests the time is right for building new customer experiences using these technologies. According to Gartner Research (2014)



70%-81%

Around 70% to 81% of banks now have apps available in app stores across a range of device platforms.



88%

Approximately 88% of US, UK, European and Pan-Asian consumers now own an Android or Apple-powered Smartphone.

These statistics suggest the next logical course of action is for banks to start engaging their customers through the use of this technology.

This same situation has been the driver for the adoption of this technology in the Retail Industry. More and more Retailers and shopping malls are adopting the Smart Beacon technology to drive new digital services and customer engagement.

While other industries have followed the same route, in the banking sector, Smart Beacon's penetration is still embryonic.

In the fast-changing digital world of today, adoption of Smart Beacon technology offers banks new opportunities to engage and build relationships with their customers and some are already beginning to do so.

Westpac (St George Bank) is one such bank to do so; they have already embraced the technology for customer engagement to their advantage.

Tesco, Waitrose launch iBeacons trials in two stores for offers & alerts

By Shane Cole

Macy's begins pilot test of apple's iBeacons in flagship NY, San Francisco stores

By Jamie Harris

Here are some ideas of how it can be used

Customer greeting

A customer who is identified by name and welcomed when they enter a branch will inevitably feel more respected and appreciated. Addressing a customer on first name terms will generally create a sense of knowing and caring about the customer.

With Smart Beacon, this service level can be more easily achieved than is the case today. When any customer walks into a bank the 'conversation' between the Customer smartphone and the in-branch Beacon can initiate two messages.

The first message, to the customer themselves digitally welcoming them into the branch via a simple welcome notification to their phone.

The second message to the branch staff notifying them that an individual customer has entered the branch and therefore staff can proactively engage with, and better assist, all customers but especially premium banking customers.

Smart Beacon devices enable the identification of high-value clients the moment they walk into a branch, provided of course they have already allowed the bank to detect their smartphone.





69%

of consumers would provide their personal information for a better banking experience

Personalisation

Of any ten people within a bank's branch at any one time, each will have different expectations. The Smart Beacon's systems allow the prospect of customising the banking experience to each one of them. A customer whose records show a history of savings but who has not yet utilised a new savings product can be informed of his/her options with a tailored message on his/her smartphone.

According to Handelsbanken, a Swedish banking group, "Smart Beacons will allow our customers the access to a personalised gateway of information and offers." Creating and developing such personalised relationships gives banks an invaluable opportunity to stay ahead in a highly competitive market.

Targeted digital product content based on previous customer activity, account ownership and even demographics and credit score can be sent to the customer's smartphone upon entering the branch. This could allow for dynamic pricing of services or rewards, a true advancement in customer relationship management and product selling.

Promotional offers

With a customer digitally identified in-branch targeted promotional content and offers, can be pushed directly to the customer's smartphone. The system can send the relevant information regarding mortgage or insurance product offers, for example. Commercially these offers can be made to be either restricted to in-branch use, or truly multi-channel by being redeemable via other online channels.

Improving the waiting experience

Time is money, and queuing at the bank or an ATM is considered unproductive by many people.

The Smart Beacon technology can be used to better manage expectations by at a minimum transmitting waiting times to a customer's smartphone directly.

Further, with smartphone use highest when users are "killing time" i.e. waiting for something, the technology can be used to deliver digital content relevant to the customer's profile, from news to stock prices, to occupy them while queuing.

Harbin Bank in China has found that "customers find educational digital resources helpful when engaging with banking services." Smart Beacon technology offers the option of sending user-friendly banking guides or YouTube videos on different 'how to...' scenarios direct to the customer's smartphone.

Customer feedback

Having waited in line and been served, the customer is about to leave. What better way to capitalise on the immediacy of their experience by capturing valuable opinions about the service they have received through a pinged customer feedback form? According to Handelsbanken, "getting feedback is important. After looking at digital sources in 2013, we will be launching Bluetooth Low Energy systems in 2014 to help engage with new ways of data collation."

To ensure a complete aftercare service, follow up with the client subsequently by sending a tailored message to update them on developments, in particular on services or responding to any additional queries they may have.



Brand based big data

Consumers propensity to both providing and generating data via digital engagement has created an abundance of information often referred to as “Big Data” at the disposal of banks. Extending the collection of this data to cover in-branch customer engagement will provide valuable insight as to how customers interact with the bank across all channels.

If a bank’s customers had their smartphones connected to Smart Beacons systems, senior managers would be able to use information gathered to identify the needs and motivations of their customers, to understand the throughput and glean a better underlying knowledge of their business and its potential.

According to Banque Cantonale Vaudoise “using the system in 2014, we will be able to understand how and when our customers engage with our banking services. This will help in mapping exercises to help branches understand the flow of customers in and out of their branches.”

Summary

Moves to adopt the technology by these financial institutions to date only represent a small percentage of the banking community as a whole. There really is scope for more banks to utilise the Smart Beacons technology in order to build a stronger rapport with their customers.

Capitalising on ways to help customers is crucial; and with a changing retail banking environment, those that adopt and use the technology to the best effect will dominate the field. This is something we have seen before: according to the Wall Street Journal (2011), the banks that launched online facilities early on during the internet boom of the 90s now dominate the online banking sector.

This same trend will inevitably occur when Smart Beacons take off. Perhaps now is the right time to evaluate your bank’s approach and to see how Smart Beacons could help your business grow and succeed.

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