

Strengthening Customer Lifetime Value in Wealth Management – Perspectives from Comarch

Anna Sacha is a Senior Consultant at Comarch and made a lively presentation at the Hubbis Thailand Wealth Management Forum in Bangkok on May 24. Her premise was that to ensure wealth managers optimise customer lifetime value, they need to have the right technologies, approaches and strategies in place to attract, engage, and retain private clients, especially amidst rising competition from all quarters.



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Anna Sacha
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Customer lifecycle is of vital importance within wealth management businesses and can be defined as the evolution of customer relationships over time. Anna focused on three stages –customer acquisition (attracting, acquiring and onboarding customers), customer engagement, and then client retention.

Anna explained she wanted to zoom in on the two key elements of customer engagement and then retention. “Market intelligence sources confirm how important it is to focus on the after scenario, as acquiring customers may cost even five times more than keeping your existing customers,” she advised. “Even a slight increase in customer retention may lead to a significant increase in profitability. Customers get more valuable and profitable over time.”

In the world of wealth management, investment products and services go a long way to prolong customer life with the organisation. Best approaches include prioritising long-term relationships over short-term revenues. To help achieve this, clients want and need easy onboarding, competitive

prices, and rewarding experiences, and then the providers should leverage data and insights in order to build engagement and create long-term sustainable value.

Anna delved into more detail on the customer lifetime value formula, which calculates the total revenue a business can reasonably accept from a single customer throughout the relationship. She said the calculation consists of three elements - the average purchase value, the purchase frequency rate, and the average customer lifetime. In wealth management, this value can be influenced greatly by the investment options offered to clients, be it per-

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sonal investment advice delivered by RMS, or self-service options such as robo-advisory or DIY, or simply access to a wide product universe, be it onshore, offshore products, digital assets.

Anna then drilled down into the selected ways in which Comarch is supporting financial institutions in driving customer engagement, loyalty, and retention, thereby increasing the overall customer lifetime value.

She said she wanted to focus on more unconventional ways of driving that overall customer lifetime value. The concept of ‘Personalised Investment Ideas’ which is part of Comarch Wealth Management platform is sup-

posed to increase customer investment engagement. She said these are generally product campaigns set up in the Comarch platform by financial institutions and wealth managers. “The idea behind it is to select the right customers for a certain product campaign, taking into account customers’ investment behaviour, trading activity and the overall purchase potential - all in order to come up with a group of customers who are most promising for a particular product.”

She said they also analyse customer interest and the customer risk profiles in order to deliver the

product to those customers who will find it attractive, suitable, and personalised. “Selection for the campaign is only part of the story, as you can see through to how they respond to the ideas and monitor the rising customer investment engagement, all of which in the end contributes to your customer lifetime value,” she reported.

She also explained more about gamification, stating that there is room for gamification-oriented concepts within the wealth management arena, citing a wealth and insurance group who focuses on the reward of customer experience through loyalty programmes and similar, made possible through the use of Comarch solutions.

The concept is to reward customers for positive financial behaviour, helping their customers achieve their financial and investment goals. The customer sees points, bonuses, rewards, discounts, and coupons, and the financial institution gains customer motivation and dedication to improve their financial health.

Anna then focused on the use of personalised videos, which are generally personalised short movies leveraging customer personal information in the narration. She said such personalised videos include customers' personal information and offer what she said



can be a very successful way of reaching out to those customers.

Anna closed her talk by reiterating her key points, and emphasising

how it is essential to remember at all times that in wealth management, customers become more valuable over time. ■

