

Proven Strategy For Driving Revenue Growth Across Digital Channels



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Silvio Struebi

Partner and Managing Director

Head of Banking APAC
Financial services expert
with 15+ years
consulting experience

Our Specialist Team

- **+2,000 professionals globally** with hands-on experience on Commercial Strategy, Private Equity and Digital transformation
- **200+ dedicated specialists in APAC** in Singapore, Hong Kong, Shanghai, Beijing, Tokyo, Mumbai, Seoul and Sydney

Our Sector Expertise

- Financial Services
- Wealth Management
- Technology Media and Telecoms
- Consumer Goods
- Healthcare

Our Clients

- We are serving clients from all parts of the business —from Fortune 500 firms to unicorns
- We have worked with the majority of top 20 leading private banks across Asia

Our Track Record





The new realities of change in Asia wealth management

Rapid wealth growth, accelerating opportunities

APAC accounts now for >40% of global wealth (\$200+ trillion) with increasing financial sophistication (e.g., private market, digital assets, etc.)

Heightened competition across incumbents and fintechs

We observed growing competition across local banks (e.g., Mandiri, BRI, BCA, etc.) and global banks (e.g., Standard Chartered, HSBC, etc.) while fintechs continue to disrupt.

Digital experience as key differentiator

To excite the Next Gen, banks must innovate the digital experience across channels (i.e., access 24x7, mobile app access, personalized products and investment advice, etc.)

Value beyond investment performance

WMs are enhancing core propositions with extended products and services i.e., impact investments, comprehensive client education, fiduciary mandates, philanthropy services, etc.

Source: Simon-Kucher

Pivotal questions

How do we



..develop **winning customer propositions** in the future of wealth management?



..use dynamic pricing as a growth strategy?



..delight customers across digital channels and increase conversion?



Raising the bar: 3 success factors of winning proposition across wealth segments

1 Segmented offering

Know your customers and offer the right offerings to target segments



Fit-for-purpose proposition

Understand target segments across the wealth continuum and their key needs in designing propositions



Market-differentiating USPs

Set yourself apart by enhancing product offerings with 'WOW'-factors while leveraging core products and technology

2 Dynamic pricing

Leverage pricing analytics to better capture value from clients



Pricing analytics

Apply dynamic pricing capabilities based on customers' willingness to pay to drive acquisition and retention



Relationship pricing

Implement client-individual pricing to reward high-value clients for their overall relationship

3 Behavioral journey design

Introduce new ways to interact with clients based on behavioral economics



Optimized digital journeys

Increase engagement and cross-selling by applying behavioral economics principles



Excitement factors

Deliver additional value by providing value beyond pure banking services

From Silos to integrated propositions: major global banks are building a seamless wealth continuum to better serve customers



Exemplary client groups (indicative range)

Strategic business goal

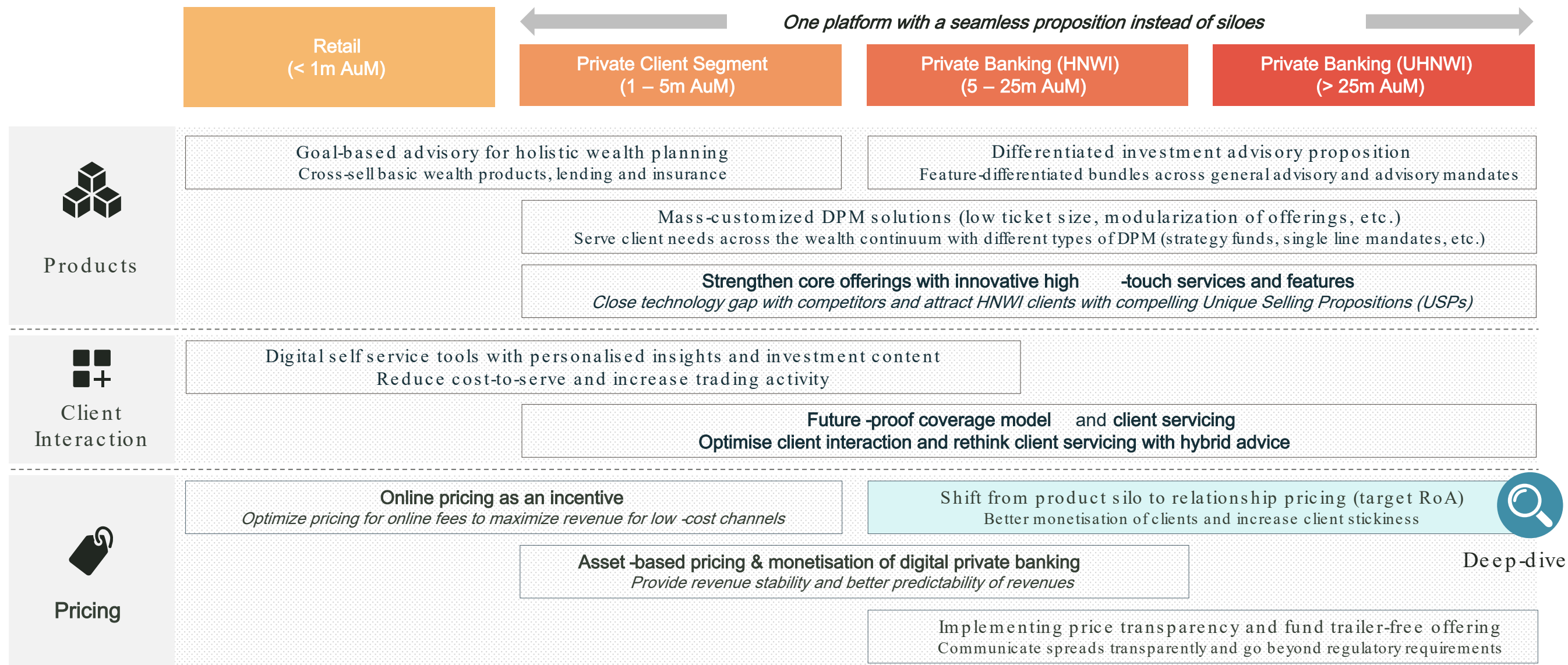
Key challenges

Exemplary Bank responses in the digital space

Examples

	Retail (< 1m AuM USD)	Private Client Segment (1 —5m AuM USD)	Private Banking (HNWI) (5 – 25m AuM USD)	Private Banking (UHNWI) (> 25m AuM USD)
				
	<i>Increase wealth products penetration</i>	Drive revenue growth with higher client activation	Close gaps in service offerings with digitally enhanced propositions	Provide differentiated high-touch wealth solutions
	<div><div>❑ Low revenue of pure deposit -only clients (low interest rate)</div><div>❑ High client acquisition cost through preferential promotions</div></div>	<div><div>❑ Emergence of highly digital low - cost wealth services and products from competitors</div><div>❑ Client expectation to receive broad range of wealth products at low cost</div></div>	<div><div>æ High cost-to-serve from ad-hoc advisory offerings (manual and comprehensive coverage models)</div><div>æ Competition from international PBs and emerging regional banks</div></div>	<div><div>æ Strong need to build selective value prop across entire value chain</div><div>æ Growth of family offices in Singapore - typically highly price-sensitive but representing a big-ticket segment</div></div>
	<div><div>▪ Enhance digital self -servicing trading tools to reduce cost-to-serve</div><div>▪ Goal based advisory to cross-sell basic wealth products (incl. insurance) to fulfil client’s needs</div><div>▪ Integrate retail bank proposition with WM services and incorporate gamification and bundling</div></div>	<div><div>▪ Offer wider product ranges (SP, Alts) online and complement them with asset-based fee programs to encourage client activation and trading</div><div>▪ Provide investment ideas/themes via digital channels to encourage trading</div></div>	<div><div>▪ Develop differentiated mandates (cost-efficient RM-led entry mandate with high digital interaction, thematic mandates, cheaper DPM)</div><div>▪ Establish client relationship pricing and client-aligned pricing instead of product-silo pricing to increase client stickiness</div></div>	<div><div>▪ Focus on strengths and develop holistic high touch offerings such as legacy planning, fiduciary mandates, tax planning etc.</div><div>▪ Develop pricing framework which combines cost to serve , whole of wallet pricing and discount rules for revenue optimisation</div></div>
				

Selection of key initiatives used by banks towards a seamless wealth continuum across segments



Typical issues

Unsystematic pricing leads to significant revenue loss

I

Unstructured pricing

- Limited price consistency across client segments (random discounting by RMs)
- Product-silo pricing instead of relationship pricing (focus on single asset classes instead of overall client proposition)

Money left on the table

II

Inefficient discount processes

- Inefficient discount approval processes by e-mail (e.g. multiple discounts across products without considering the whole wallet, error prone, lack of documentation)
- Unstructured negotiation (lacking information about clients' price sensitivity and historization of discounts)

Time-consuming processes

III

Lacking pricing guidance

- No price setting guidance to advisors or internal peer price comparison (i.e. wide price distribution across bank)
- Wide range of different conditions for one client

Unfair client treatment

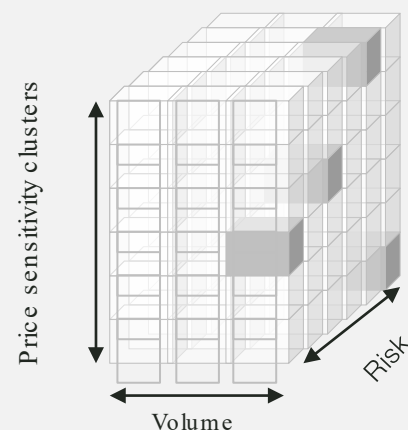
**Wealth managers need a structured and targeted pricing strategy backed by data and smart analytics**



Case in point: Dynamic pricing significantly increases the granularity of the pricing grid for deposit management

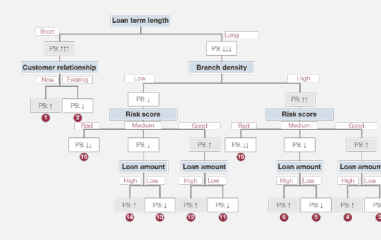
Relationship pricing grid

- **Pricing grid** design using customer, product and transaction dimensions
- Precise understanding of **money flows** (loan, funds, etc.) and **client behavior**



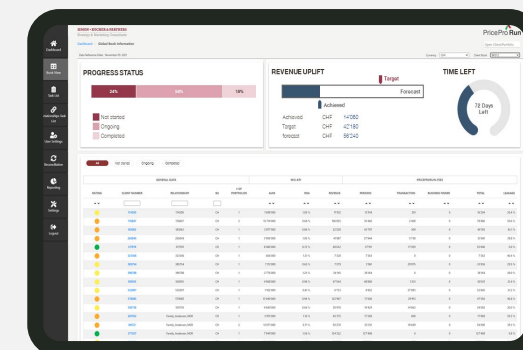
Price elasticity modelling

- Elasticity-based pricing grid with high granularity
- Modeling of volume changes based on price changes



Algorithm implementation

- **'Optimal pricing curve'** that offers highest portfolio balance for a defined level of funding cost
- **Tool and tracking dashboard**
- **Enhanced with marketing automation for promotions**



Tangible impact within 6 months

+10-15% profit increase

lower funding cost through better targeting and less leakage


Reduced risk of errors
with full data automation


Granular pricing based
on client price sensitivity


Case in point

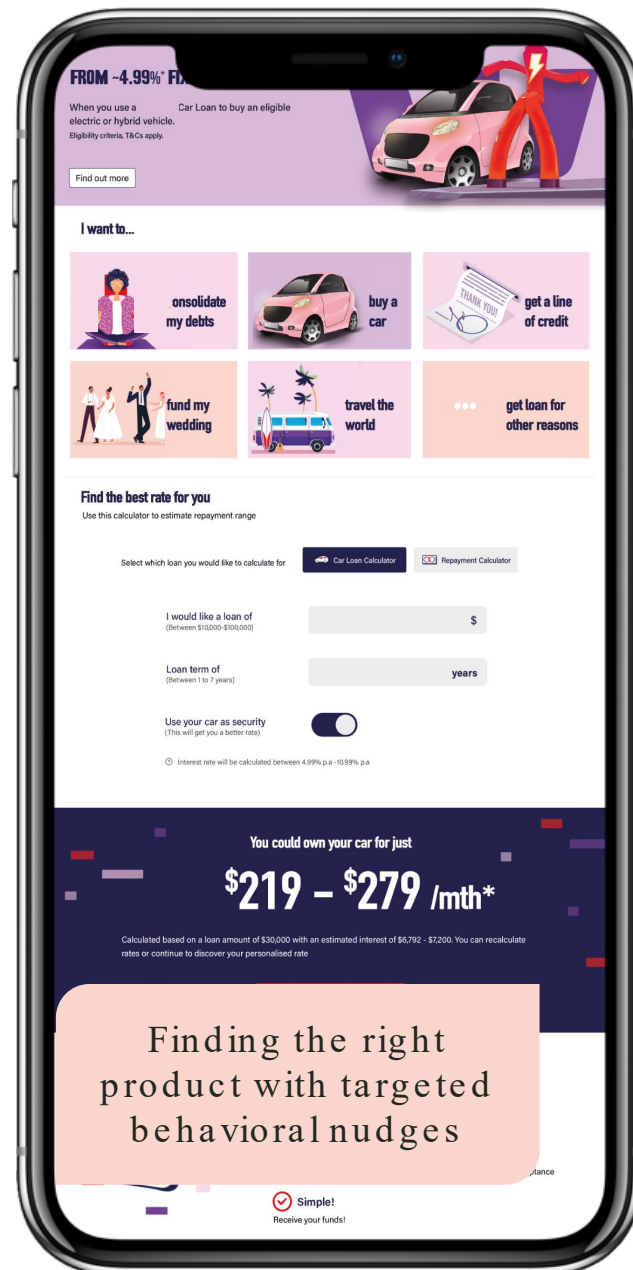
Realizing revenue uplift by applying behavioral science to the loan journeys

Leveraging digital loan offering focused on personalisation and behavioural science our bank client realized tangible sales conversion results:

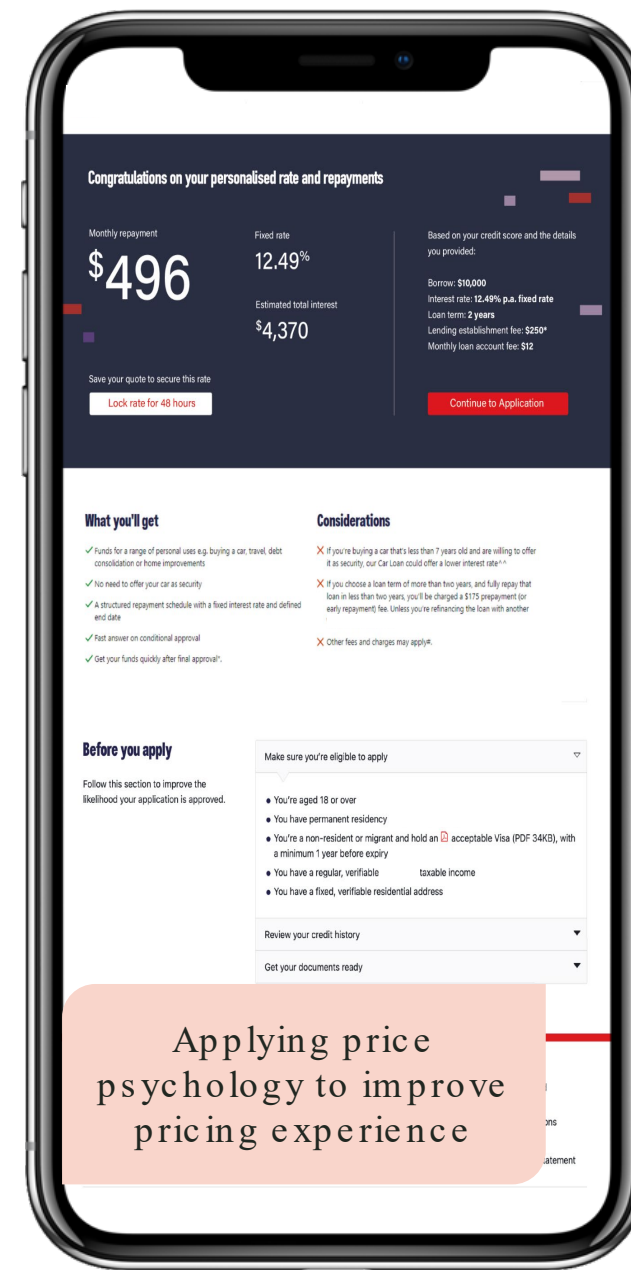
 18% increase of approved loan applications with better and faster online journey

 Straight-through process and frictionless clicks significantly enhances customer experience

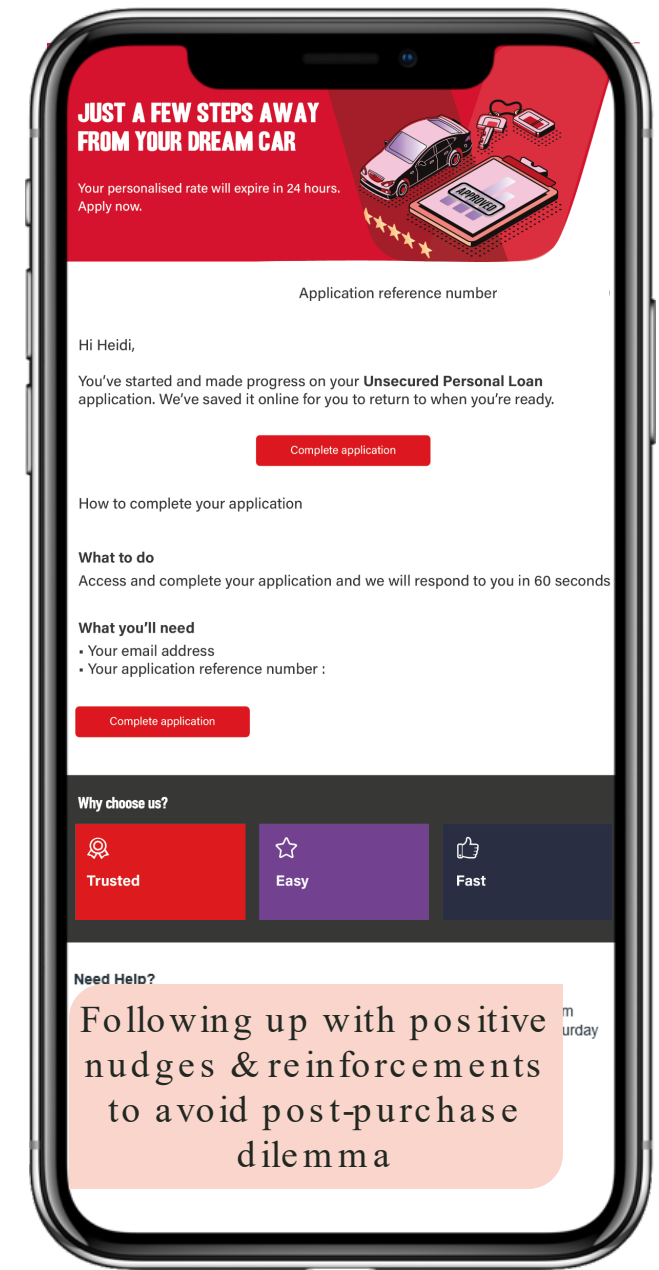
 Efficient implementation within <3 months based on behavioural journey diagnostic (quick-wins improves speed to market)

SIMON 
KUCHER


Finding the right product with targeted behavioral nudges



Applying price psychology to improve pricing experience



Following up with positive nudges & reinforcements to avoid post-purchase dilemma

How to excite and win the Next Gen's hearts

Banks and WMs need to learn how to innovate products and elevate the digital experience from brands that young generations love. These services often naturally apply many of the behavioural science principles in their proposition and journeys.



8 extraordinary 'WOW factors' where banks can embed behavioral economics principle



24/7 access
anytime, anywhere

"I want to be up-to-date with my money and manage my banking needs anytime anywhere"



Make me feel
special

"I want to get access to exclusive products and services that make my friends jealous."



Easy-peasy product
choices

"Too much info. What are my product options? Make it simple"



Goodbye hidden fees,
Hello transparency

"I want to know exactly what I am paying for"



Super like my RM

"I want committed and competent banks who also speak my language"



Make it personal

"No spam. I only want to receive customized recommendations that I actually need"



Make an impact

"I want to take actions that will sustain our planet & improve the local economy"



Fuss-free subscriptions

"I can easily subscribe to my preferred banking services anytime anywhere"

Before we go...

Download



No one -size- fits -all strategy

Banks need to have segmented offerings and pricing across segments of the wealth spectrum

BETTER PROPOSITION



The future is now and it is digital

Embed products and services in digital journey to better engage clients; optimize journeys with behavioral science

BETTER ENGAGEMENT



Early monetization for a head start

Leverage **data analytics** for better pricing and monetization strategy to drive future growth

BETTER GROWTH