

**J.D. POWER** | eGain

# Stop Selling and Start Advising: How to Build an Advice and Guidance Strategy for Your Frontline

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MAY 24, 2023



# Today's Panel

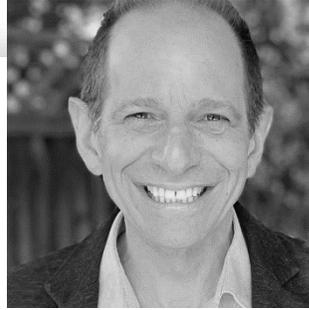
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# Agenda

Why advice and guidance  
is a winning strategy

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How & why sales practices  
are broken today

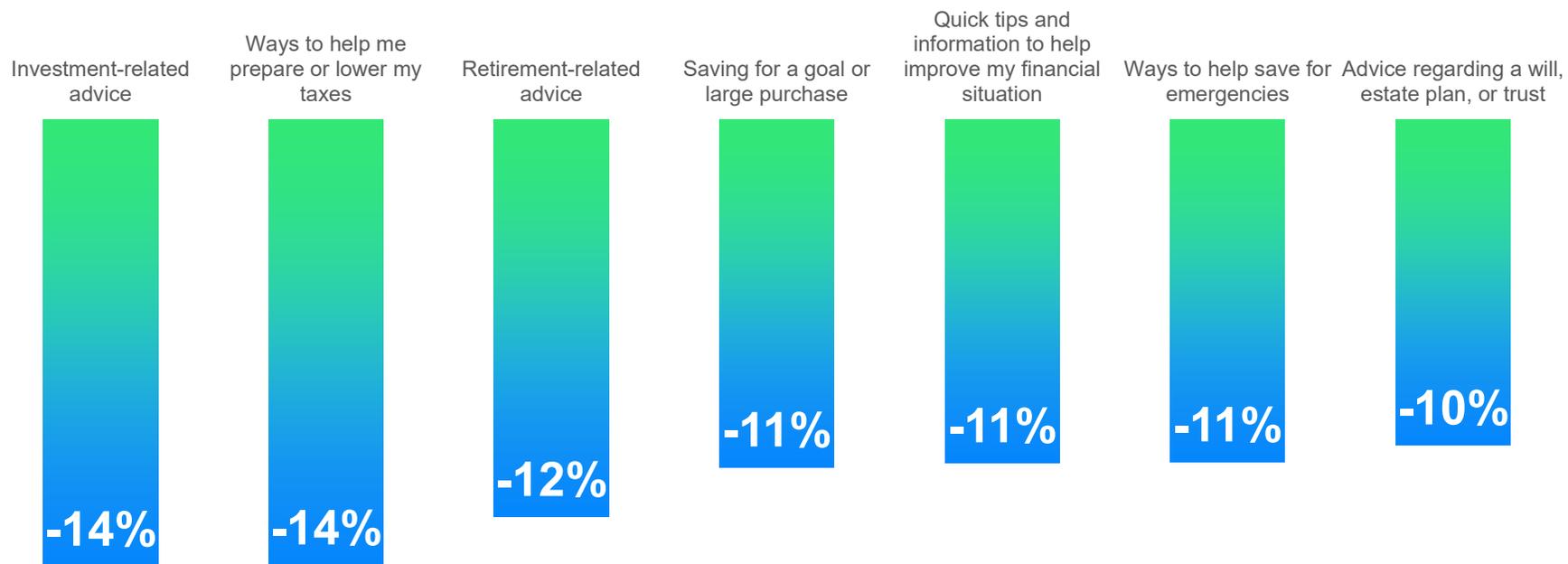
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How to develop, test &  
scale a new sales model

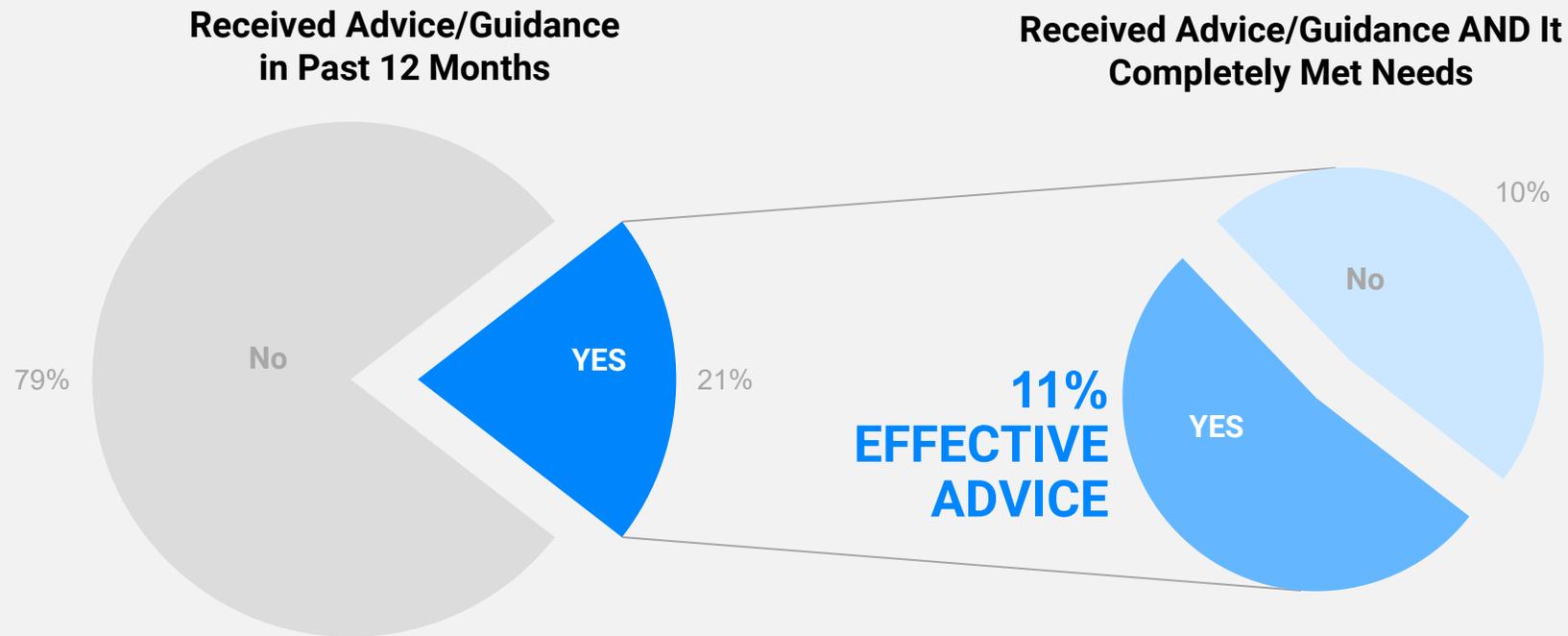


Today's  
desired  
messaging  
is not  
product  
related

## Biggest Gaps in Advice Topic Delivery



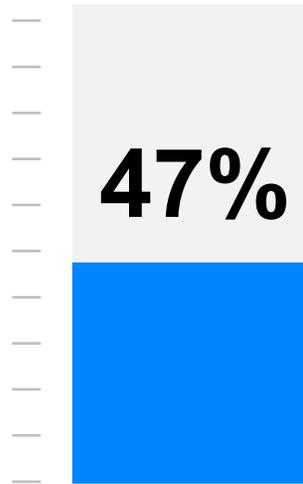
# Not enough of today's bank customers recall receiving advice – only 1 in 10 customers receive effective advice in last 12 months



EFFECTIVELY ENGAGE

# Targeted Calls to Action Resonate

Advice and guidance communication drives sales.



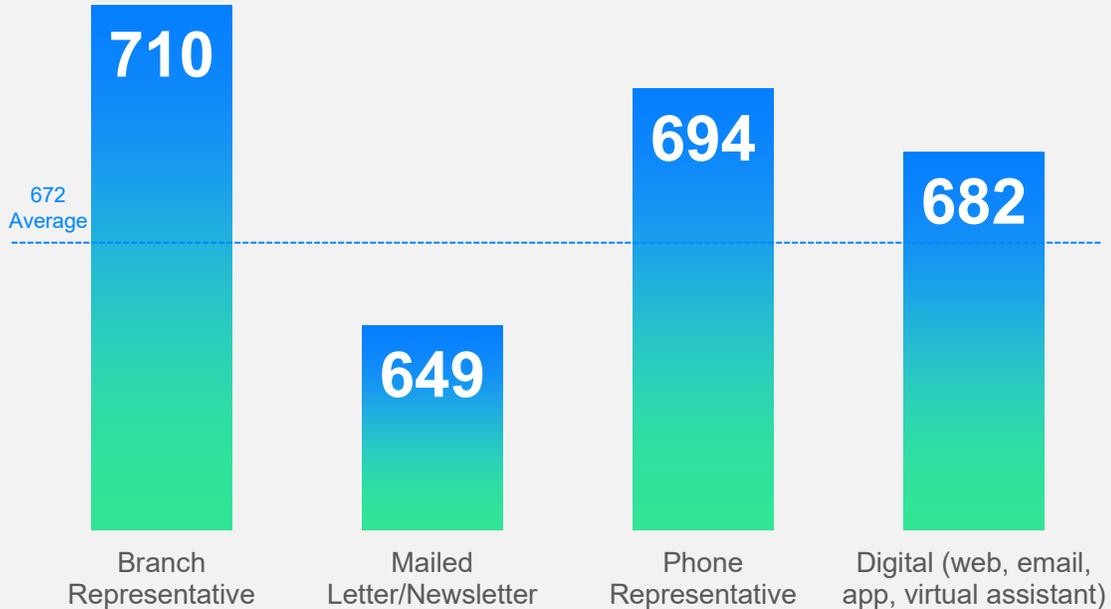
New product opening maximized when advice is recalled, and the message completely met needs

Percent Opening New Accounts When Advice Delivered Met Needs





### Total Advice Satisfaction by Delivery Channel



## Delivery Channel Makes a Difference

68% of advice is delivered digitally today – compared to 28% in branch

Branch delivery yields a notably higher satisfaction rate

How can today's banks improve frequency and quality of in branch advice delivery?

# Why Does This Matter?

Money moving is a threat – customers are shifting deposits without leaving their primary bank, for deposit stickiness **experience matters**



29%

Of all bank customers shifted money to a secondary deposit account in last 90 days\*

They moved on average 39% of their total deposits

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They seek higher interest rates, cash back, better digital tools – and 4% of all customers were “just curious what other banks offer”

# Differentiating on advice and guidance is the most sustainable strategy to grow deposits

STRATEGY	COMMENT
<b>Buy</b>	Expensive Flight risk/hot money
<b>Product innovation</b>	Megabanks have scale advantage
<b>Advice, guidance and relationships</b>	In mid-size bank DNA Loyal customers Share of wallet play



# Bank mystery shop highlights the guided sales and advice opportunity

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The product push...



...and the sophisticated lead tracking “system”



But today's  
reality is far  
from advice  
and guidance

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## HUMAN CHANNEL



ORDER TAKER



PRODUCT PUSHER



(FLAWED) NEEDS ASSESSOR

## DIGITAL CHANNEL



BROCHUREWARE



LONG ARTICLES



SELF SERVICE TOOLS

# Numerous headwinds have prevented successfully executing a strategy based on advice and guidance...

HUMAN CHANNEL	DIGITAL CHANNEL
Low banker skill & high turnover	Static content and primitive bots
Upskilling limited to ineffective training and coaching	
Demanding customers	
Compliance risk	
Expensive	

**...UNTIL NOW, WITH RECENT ADVANCES IN AI AND CONVERSATIONAL GUIDANCE**

# AI infused knowledge technology can now power omni channel, highly personalized advice and guidance

## BANKER UI

Guided Advice | Xander

**How much effort are you comfortable with if it saves you money overall?**

High - saving money is the most important thing

Medium - depends on how much it saves

Low - saving time is the most important thing

Done

**Borrow**

Your current debt ratio is **28.1%**. In order to keep your debt ratio (DTI) below the recommended **36%**, your new loan payment should be less than **\$587** per month.

Some types of credit products are secured against things you own. While their interest rates are generally lower, they sometimes require more up-front work such as an appraisal, which can take more time and some coordination. For longer-term loans especially, the interest expense saved can really make it worth the effort though!

**Solutions**

- Personal Line at 8.76 percent
- Basic Credit Card at 12.00 percent
- 5-year Personal Loan at 9.82 percent
- 6-year Interest only equity line at 5.13 percent
- 7-year Fixed Home Equity at 5.55 percent

**Answered Questions**

- What is your monthly gross income?  
7500 | Review
- What is the desired amount of time to pay back the loan?  
6 years | Review

**Callouts:**

- NEXT BEST QUESTION
- CONTEXTUAL GUIDANCE
- ABILITY TO CHANGE PREVIOUS ANSWERS

BEST FIT SOLUTIONS WITH STRENGTH INDICATOR

## DIGITAL CHANNEL UI

You're chatting with **Virtual Banker Morgan**

Depending on how long it is until you need the funds, some loan types might be more appropriate than others.

When are the funds needed for your kitchen remodel?

3 - 6 Months

Great, that gives us the most flexibility. 😊

Will you need all the funds at once, or broken up over time?

All at once | Over time | I'm not sure

Type here ...

**Callouts:**

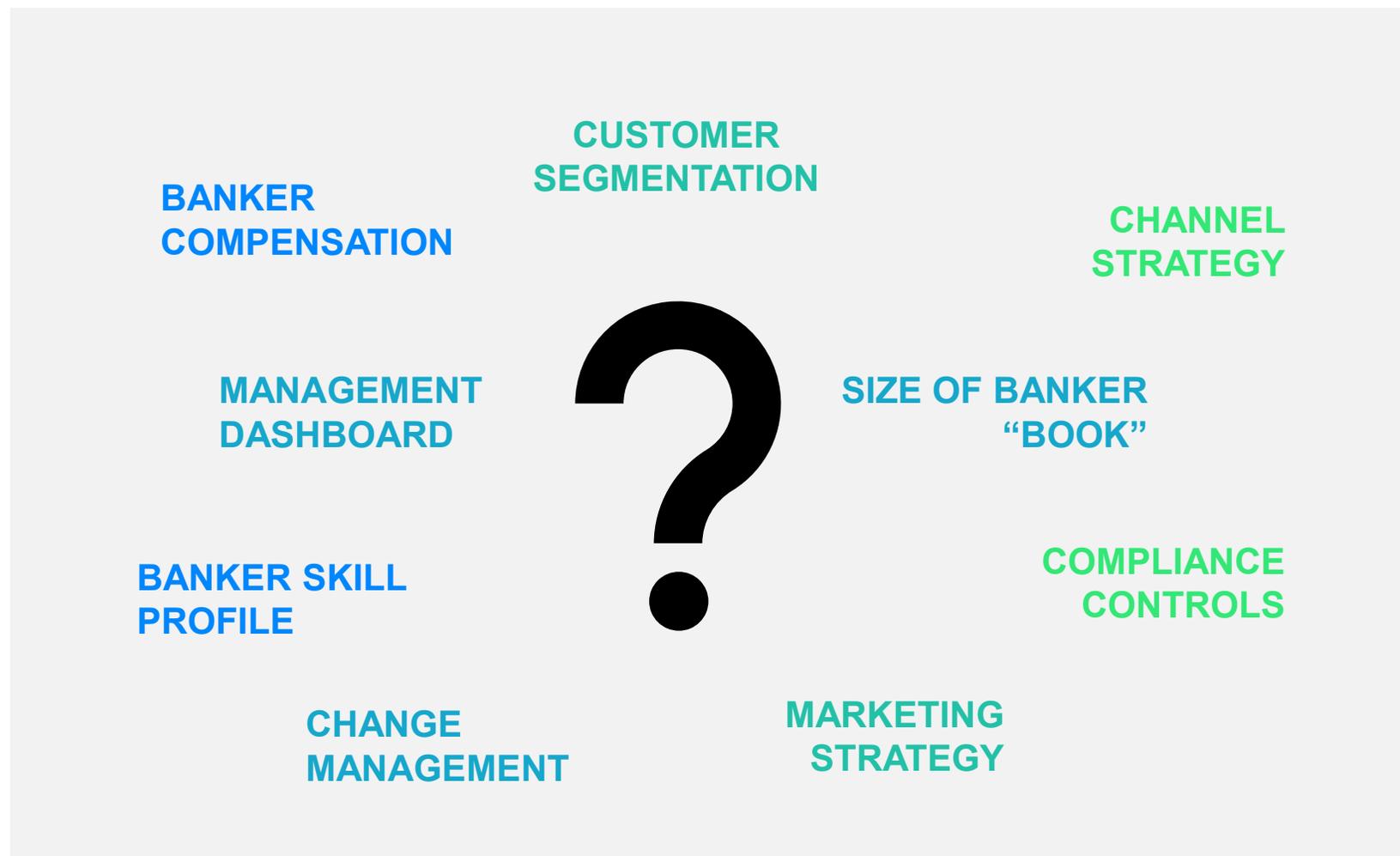
- CONVERSATIONAL AI INTERFACE
- HIGH EASE OF USE

# How an AI infused knowledge technology enables a scalable advice and guidance model

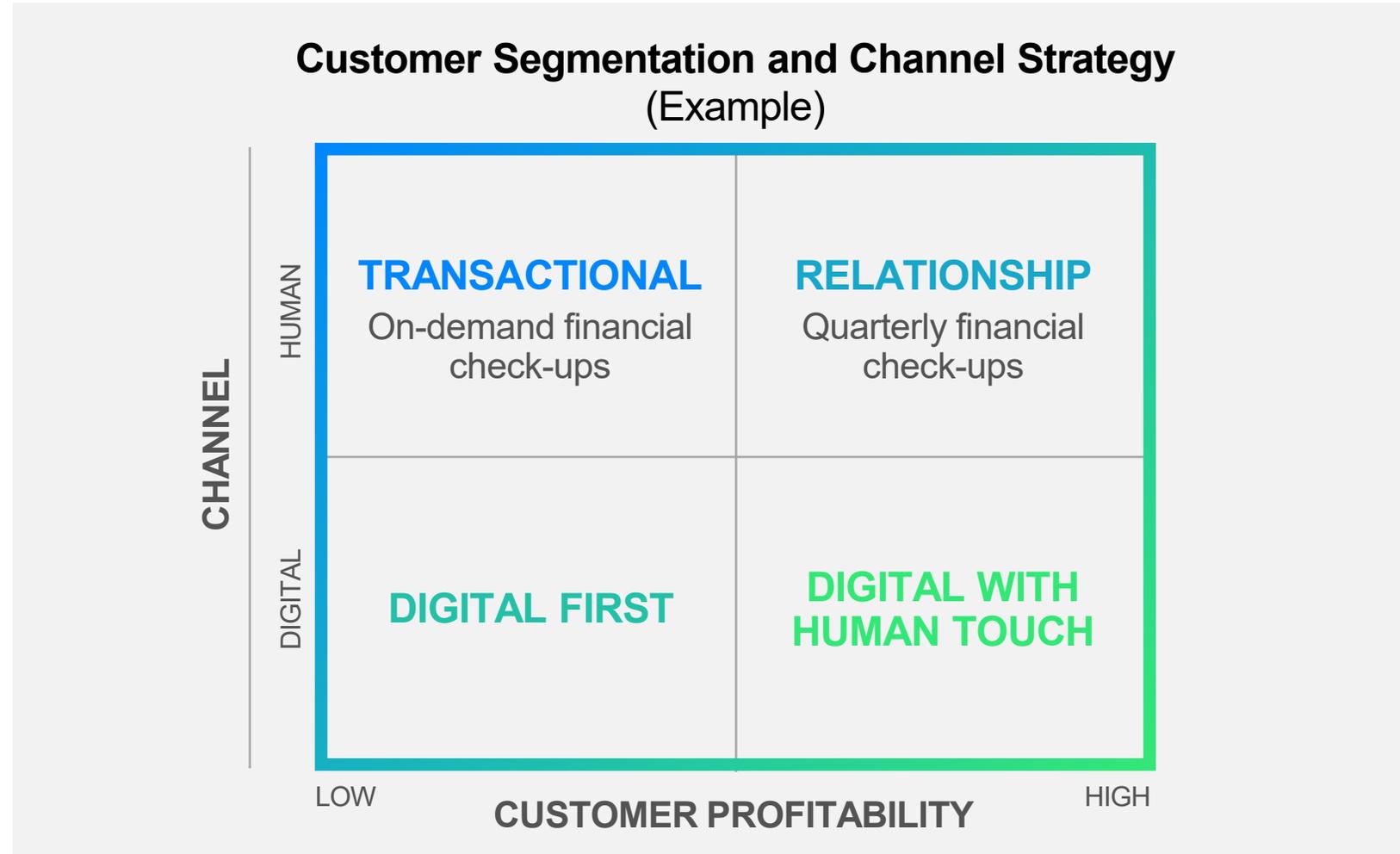
FEATURE	BENEFIT
<b>Just in time bite size process guidance</b>	Consistent, compliant, and correct guidance
<b>Customizable business rules</b>	Product recommendations that align with financial firm's product suite
<b>Best practice, empathetic, jargon free advice</b>	Advice is more likely to be implemented
<b>Fuzzy logic, case base reasoning</b>	Parallel consideration of all products and advice
<b>Out of the box reporting</b>	Dashboard to measure conversation number and effectiveness
<b>Audit trail</b>	Compliance

Successfully  
executing a  
scalable advice  
and guidance  
model requires  
more than slick  
technology

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Example customer and channel strategy to deliver advice and guidance at scale



## THE SOLUTION

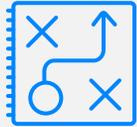
# J.D. Power Advice and Guidance Lab

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The J.D. Power Advice and Guidance Lab is a low-cost, low-risk way for banks to introduce and test new approaches to advice and guidance across all channels with actual customers and team members.



# How it Works in 90 Days



## ADVICE AND GUIDANCE ASSESSMENT & STRATEGY

### Assessment of current state

Operational Strategy  
Voice of the Customer  
Commitment to Mission

### Strategy Workshop

Where, What, When, How, Who

### Business case/ROI



## PILOT DESIGN

### Test design

What, Metrics, Timing, Audience

### Answer business model questions

People, process, technology

### Configure test platform

Use cases

Questions for advice and guidance to  
support use cases

Start with turn-key version



## PILOT: DEPLOY, TEST & TUNE

### Deploy

Promote  
Foundational training

### Test and Report

J.D. Power survey capabilities  
Report and analyze results for 60 to 90 days  
Longer test available

### Tune

Scale successful tests  
Assess tests that don't meet goals for key  
learnings and to uncover roadblocks  
Aligned roadmap for next 12 months

# The Opportunity

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**10-15%**

increase in  
solution sales

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**18-30**

point increase  
in NPS

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**40%**

reduction in  
induction training

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**50%**

reduction in time  
to competency

**100%**

individual compliance  
audit trail

To learn more about the  
advice and guidance lab –

Or see your bank's  
benchmark data, please  
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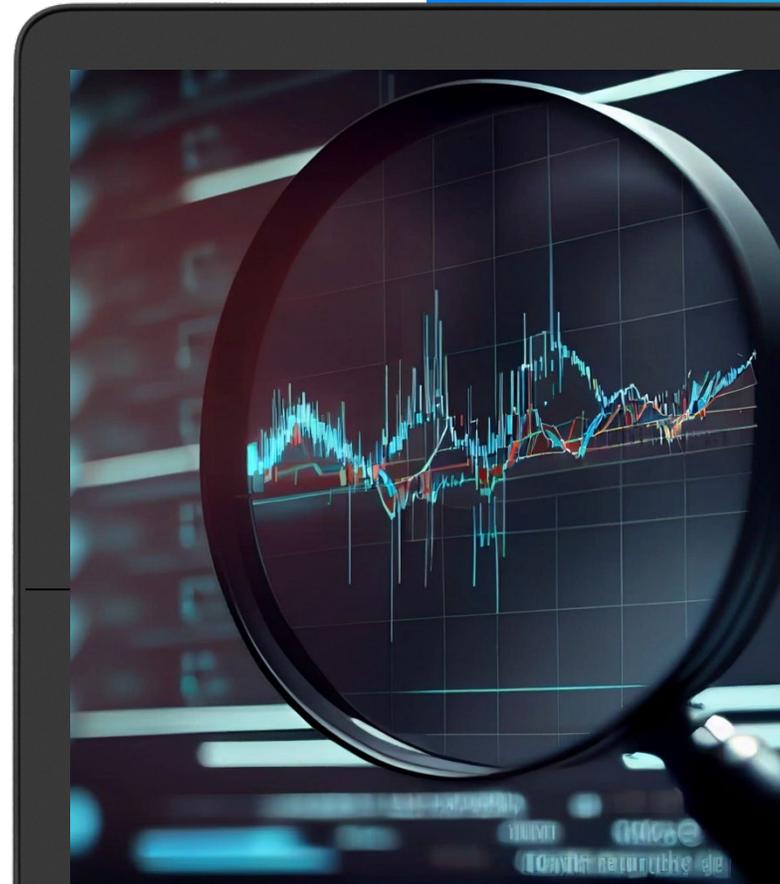
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Stop  
selling,  
start  
advising