

The 2022 TENERITY Banking Benefits Survey



Introduction and Summary

In the spring of 2022, the TENERITY research team surveyed 1,417 banking customers in the United States. Our survey focused on consumer usage of non-banking benefits associated with their checking accounts. We wanted to understand: How many customers use their benefits, which benefits are most popular, why some customers don't use their benefits and how those benefits affect their loyalty and behavior.

Our survey focused on four categories of benefits:



OUR KEY FINDINGS INCLUDE

- Nearly two-thirds of all customers agree bank benefits help them feel more positively toward their bank.
- Cashback, card-linked offers, and gift cards are the top value benefits. Hotel, flight, and car rental are the top travel and entertainment benefits.
- ID theft, travel insurance, and cell phone insurance are the most desired insurance benefits.
- ID theft protection, credit monitoring, and credit reporting are the most desired protection and financial services benefits.
- Lack of relevance and value are the top reasons customers don't engage with benefits.

The majority of customers surveyed say that more relevant benefits, a wider range of options, benefits that evolve with their life stage, and a dedicated digital hub would make them more likely to:



Be more satisfied with
their primary bank



Recommend
the bank



Remain longer
with the bank



Take out
additional services

At the end of this bulletin, you will find a set of strategic implications for bank marketers to take away from this survey.

THE BOTTOM LINE

Curated, hyper-relevant, and dynamically evolving bank benefits are now table stakes for banks seeking to form more loyal, sustainable, and profitable relationships with their customers.

The Survey Says:

INSIGHT

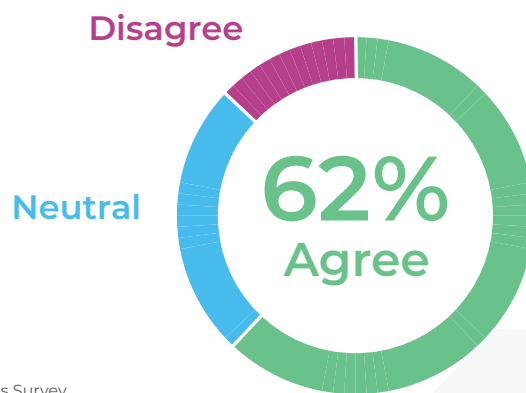
Banking benefits are an under-utilized asset

QUESTION

Do checking account benefits help you feel more positively toward your bank?

ANSWER

Benefit redeemers:



Source: Tenuity Banking Benefits Survey.
Response percentages rounded for simplicity.

Evolve your benefit programs to meet customer needs

In the result illustrated above, over 60 percent of customers surveyed revealed that checking account benefits improve their perception of their primary bank. This may seem an obvious insight.

But: if you dig deeper, you'll find that banks may be missing an opportunity to leverage these benefits to build stronger and more loyal relationships with their customers.

As you'll see in the following pages of this research bulletin, **there is sometimes a disconnect between which benefits and rewards banks offer their checking account customers and what customers want from those benefits.** Customer needs will continue to evolve over time—and bank marketers should consider evolving their benefit offerings to meet them.

INSIGHT

Cash is still king—but customers crave engagement

QUESTION

What money-saving benefits do you use now?

ANSWER

Customers prefer:

7% My bank doesn't offer money-saving benefits
7% I don't use any money-saving benefits

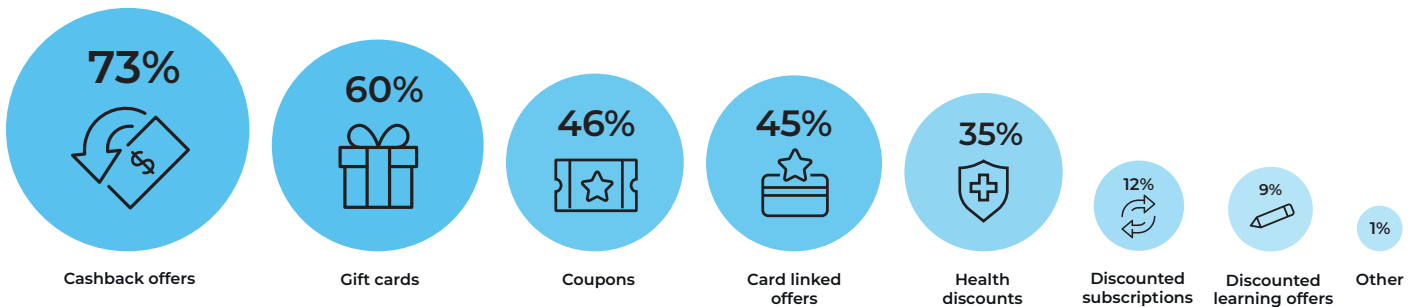


QUESTION

What money-saving benefits would you use if offered?

ANSWER

Customers want:



Source: TENERITY Banking Benefits Survey. Response percentages rounded for simplicity.

The opportunity to increase engagement lies in a balanced offering

When asked what type of rewards and benefits they prefer, customers will always request cash. In a turbulent post-COVID economy still driven by high inflation, consumers are more than ever seeking out offers and rewards that provide immediate value. **Cashback offers have become an essential component of a benefits offering.** These rewards appeal to the “rational,” transactional side of your customers’ brains.

However, **more than a third of customers surveyed indicated that they also want value benefits tied to their favorite brands:** Gift cards, card-linked offers, and coupons all allow customers to engage emotionally with their favorite retailers. That’s why it’s important to include a range of money-saving offers in your benefit package.

INSIGHT

Customers love immersive, memorable experiences

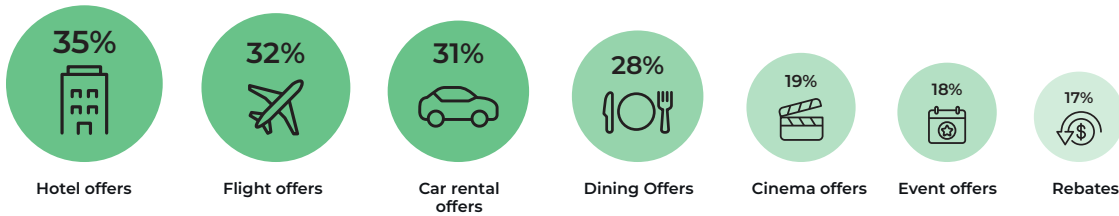
QUESTION

What travel and entertainment benefits do you use now?

ANSWER

Customers prefer:

21% My bank doesn't offer travel and entertainment benefits
15% I don't use any travel and entertainment benefits

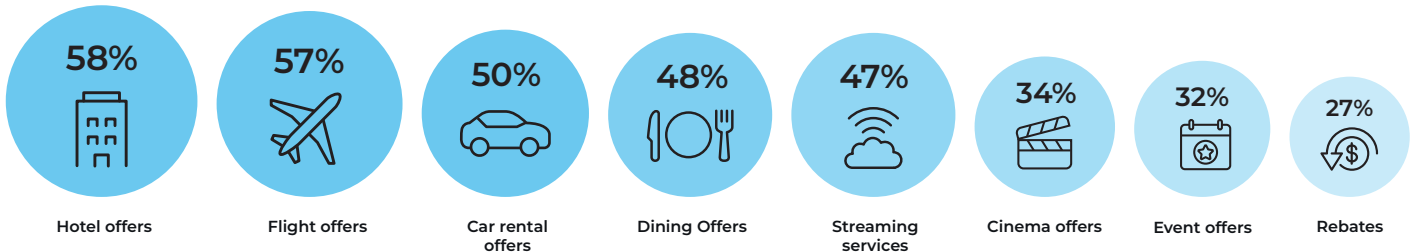


QUESTION

What travel and entertainment benefits would you use if offered?

ANSWER

Customers want:



Source: Tenergy Banking Benefits Survey. Response percentages rounded for simplicity.

To build loyalty, offer more than transactional relationships

Around a third of banking customers we surveyed use top-tier travel and entertainment (T&E) benefits when offered. But our survey also shows that **about half of banking customers who do not currently enjoy T&E benefits would love to see you add them to your reward mix.**

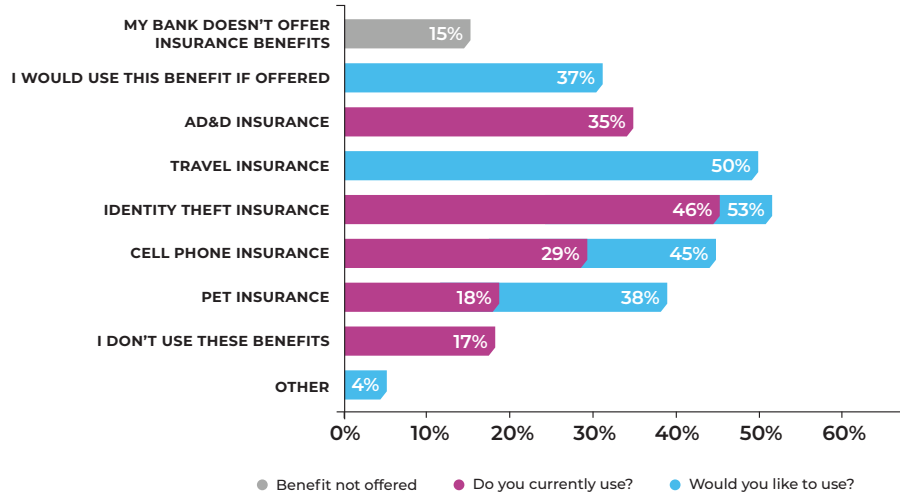
Your customers love cash benefits because they appeal to the rational side of their brains. But it's equally important to help your customers build positive memories through engaging experiences. **By appealing to the emotional side of your customers' brains, you can build "stickier" relationships,** as they dream of saving up rewards for their next memorable experience. That's why T&E benefits remain a critical tool in the marketer's toolbox.

INSIGHT

Customers love to feel safe and protected

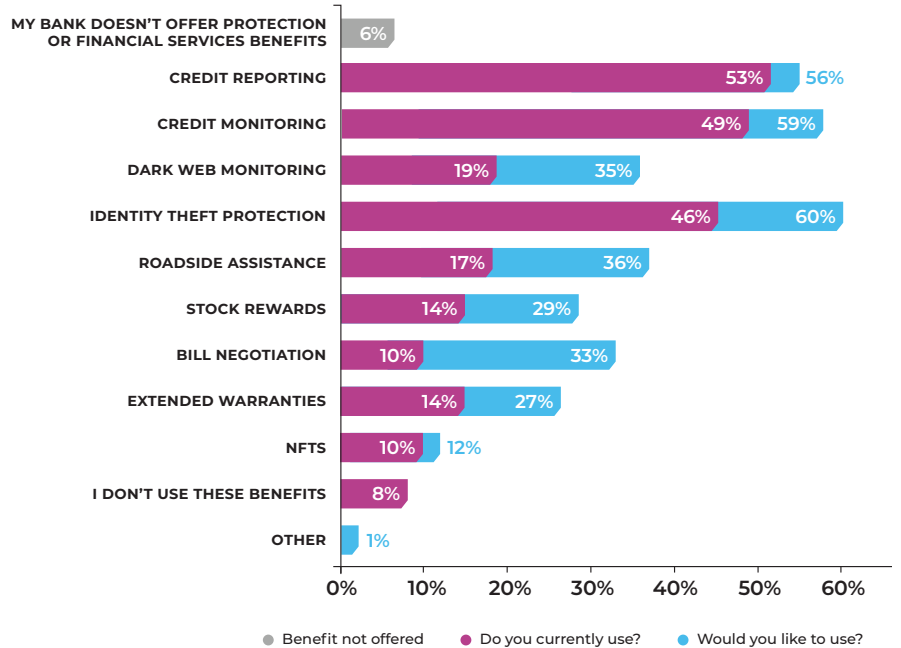
QUESTION

What type of insurance benefits do you currently use? Or would you like to use?



QUESTION

What type of protection or financial services benefits do you currently use? Or would you like to use?



Source: TENERITY Banking Benefits Survey. Response percentages rounded for simplicity.

Insurance, protection, and financial services benefits build long-term loyalty

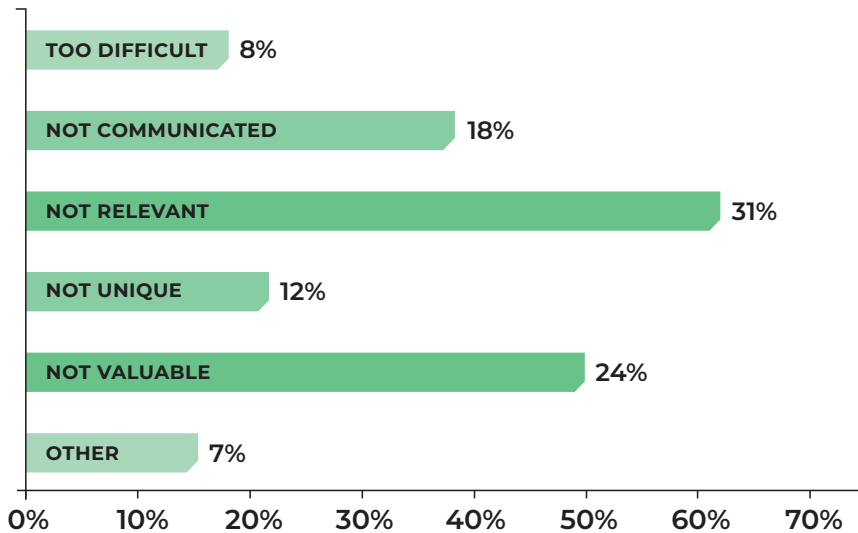
Customers tend to think of banking benefits in broad categories. They value cash rewards and enjoy travel rewards, but they also need protection and financial service benefits. That's why **our survey revealed that identity theft, credit reporting and monitoring, and travel insurance highly prized benefits for your customers who use them—and they are in high demand from customers who don't currently have access to them.** When customers use these benefits to safeguard their identity, shore up their credit, and protect their families, the loyalty you gain can be substantial.

INSIGHT

Lack of value and relevance drives customer disengagement

QUESTION

Why have you not redeemed or used any checking account benefits?



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

Customers crave relevant content, offers, and communications

Our survey respondents spoke clearly: They will engage only with bank benefits that deliver value and relevance through timely and convenient communications. The good news: **Your customers will respond to better offer value and relevance with increased brand engagement and loyalty.**

But marketers who pay mere lip service to offer value and relevance will not move the needle. For your marketing efforts to drive engagement, retention, and incremental revenue, you must move beyond traditional segmentation models, demographics, and psychographic profiles. Instead, you must **leverage deep data insight to deliver the highly curated offers and immersive experiences that drive rational and emotional engagement.**

BANKING BENEFITS SHOULD BE



Immediately
valuable



Hyper-personalized



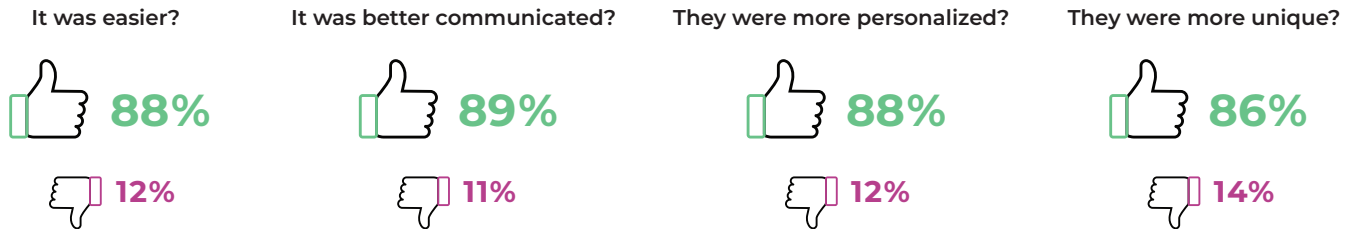
Dynamically
communicated

INSIGHT

Customers want rewards and benefits on their terms

QUESTION

Would you be more likely to redeem benefits if...



Source: TENERITY Banking Benefits Survey. Response percentages rounded for simplicity.

Relevant, unique, and timely offers are now table stakes

Our survey of checking account customers revealed that **lack of value and relevance drives customer disengagement**. When we dig deeper, we find that customers not only want more value and relevance in their benefits and rewards—they also want to engage with those offers on their schedule and on their terms.

The **non-redeemers** in our survey told us that they often find benefits too difficult to redeem. Offers are often not communicated in a timely manner, and they are often not personalized or relevant. The range of benefits has also become commoditized and lacks unique and engaging offers. **Customers want to engage with your benefits—but banks often don't give them enough reason to do so.**

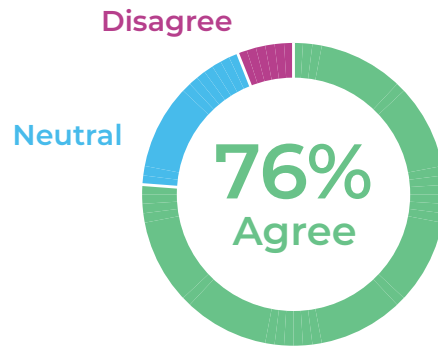
Personalization and relevance are now the floor, rather than the ceiling, of your marketing strategy.

INSIGHT

Offer relevance and choice drive redemption

QUESTION

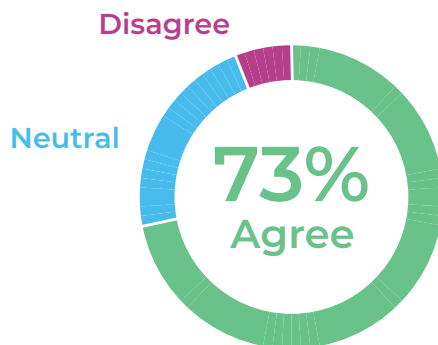
Would you be more likely to redeem benefits if they were personalized and relevant?



Source: Tenuity Banking Benefits Survey.
Response percentages rounded for simplicity.

QUESTION

Would you be more likely to redeem benefits if there was a great choice of offers?



Source: Tenuity Banking Benefits Survey.
Response percentages rounded for simplicity.

The old banking benefit rules no longer apply

Of those survey respondents **who do not redeem** checking account benefits, their desire for more personalization and offer relevance in their reward offers rang through loud and clear. **More than 70 percent of non-redeemers agreed that they were more likely to redeem more relevant benefit offers.**

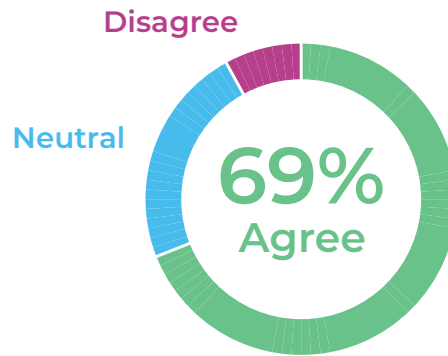
However, offer relevance is only part of the solution. Many customers will redeem a benefit offer, only to see that same offer come up repeatedly in their in-box or banking app. **Over 70 percent of non-redeemers also agree that a broader range of offers would make them more likely to redeem.** The old benefit rules no longer apply: To engage customers, you must deliver a broad range of personalized and relevant offers.

INSIGHT

Offer relevance and choice enhance brand engagement

QUESTION

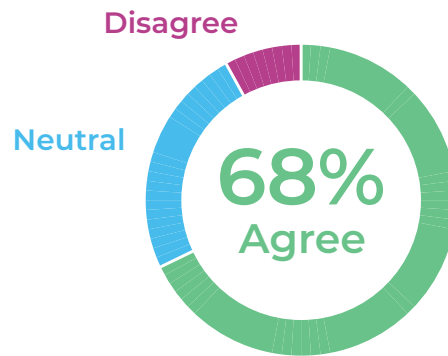
Would highly relevant benefits strengthen your banking relationship?



Source: TENERITY Banking Benefits Survey.
Response percentages rounded for simplicity.

QUESTION

Would greater benefit range and choice strengthen your banking relationship?



Source: TENERITY Banking Benefits Survey.
Response percentages rounded for simplicity.

Your loyal customers will meet you halfway

Our survey results reveal that highly relevant benefit offers grounded in wider range and choice will drive redemption. But is redemption alone enough to enhance customer loyalty and build “stickier” banking relationships? **Are customers loyal to the benefit, or to the bank?**

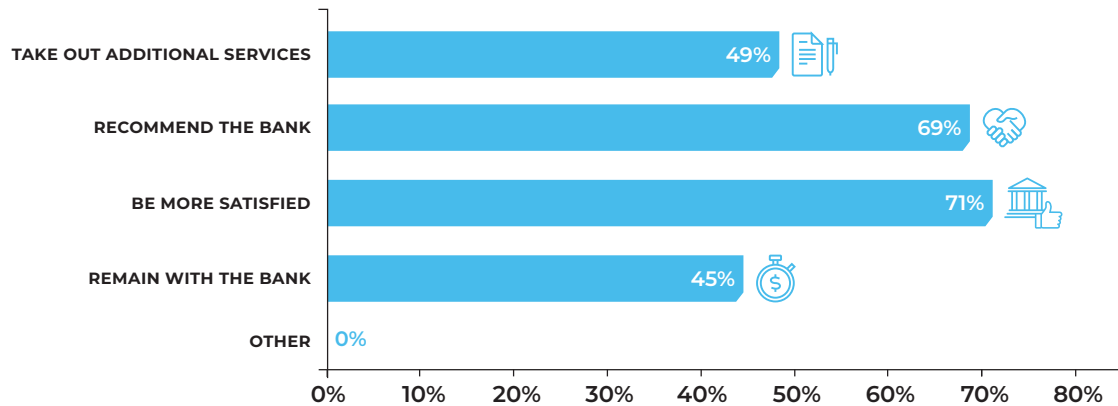
According to our survey respondents, relevance and choice of benefits not only drive redemption, but also deepen their relationships with their primary banks. **Nearly two-thirds of customers surveyed agree that a wide selection of highly relevant rewards and offers will engender positive brand engagement and loyalty.** Customers are willing to meet you halfway—provided you do the work to show how much you value their loyalty.

INSIGHT

Offer value and relevance encourage profitable behavior

QUESTION

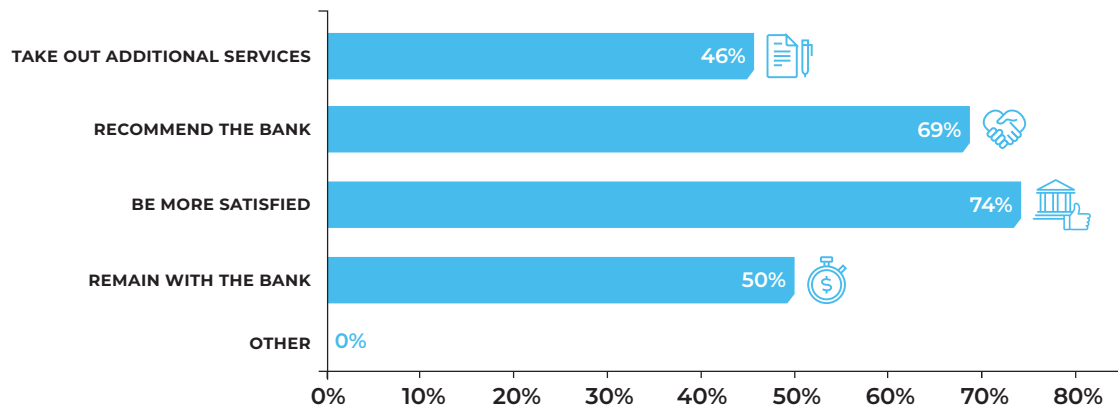
More relevant benefits from my bank makes me more likely to...



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

QUESTION

A wider range of benefit choices from my bank makes me more likely to...



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

Customers will reward you for your loyalty

One of the common misconceptions about loyalty marketing is that it is designed to extract more loyalty from your customers. **Rather, loyalty marketing is a strategy to demonstrate your loyalty to your customers.**

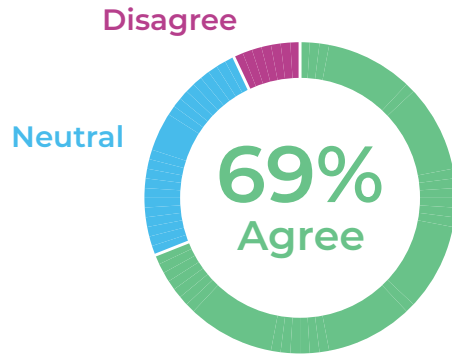
If you demonstrate that loyalty by delivering a wider range of more personalized and relevant benefit offers, then **your customers will respond with behavior that directly impacts your bottom line.** Our survey shows that around half to two-thirds of customers who engage with your benefits are more likely to take up other banking products, recommend your bank to their family and friends, and demonstrate higher Net Promoter Scores. They also become far less likely to churn. **There is a strong correlation between customer loyalty and incremental revenue.**

INSIGHT

Dynamic, active benefits build long-term loyalty

QUESTION

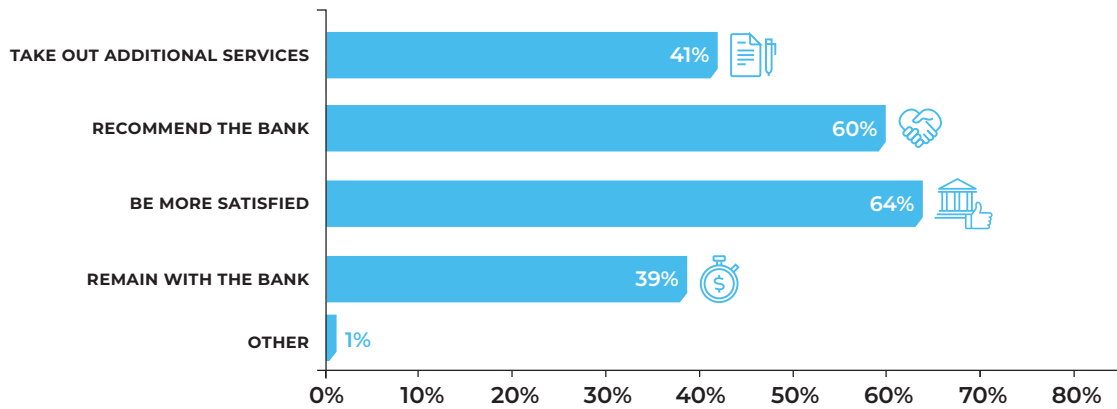
Would you like rewards and benefits to evolve with your life stage?



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

QUESTION

Benefits that evolve with my life stage would make me more likely to...



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

Customers want long-term banking relationships

One of the primary reasons customers disengage with banks is that **many banks don't do the work to maintain the relationship**. Customer needs evolve over time; send the same marketing offer to a married customer with a newborn that you sent when that customer was a single professional, and she will quickly stop listening to you.

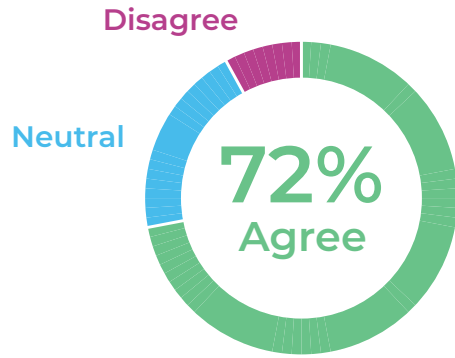
Our survey reveals the importance of this new imperative. **Not only do nearly two-thirds of customers surveys want benefits that evolve with their life stage, but they will also respond by engaging in profitable behavior:** taking up new products, recommending you, and sticking with you. Offers fueled by active listening and dynamic intelligence are the key to driving this behavior.

INSIGHT

A frictionless experience is essential to customer loyalty

QUESTION

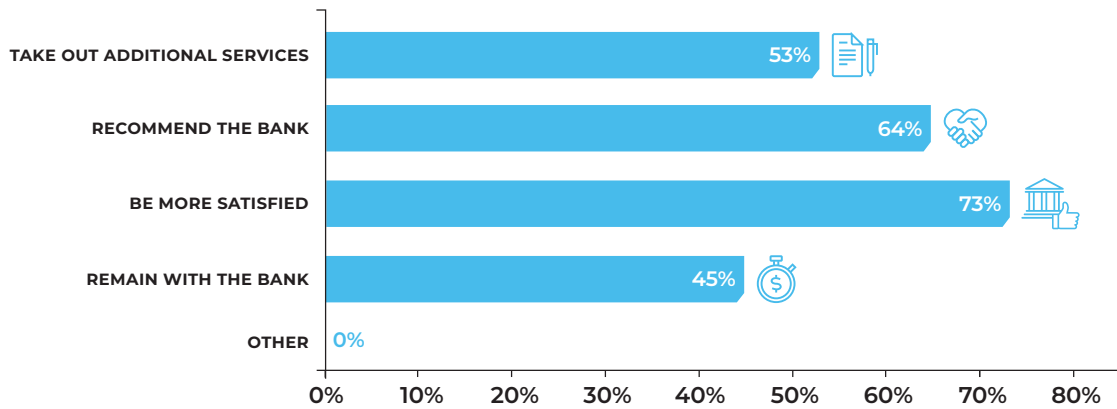
Would a dedicated benefits website or app make you more likely to redeem?



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

QUESTION

Accessing benefits from a digital hub makes me more likely to...



Source: Tenuity Banking Benefits Survey. Response percentages rounded for simplicity.

Your customers' time is valuable, so don't waste it

Even if you build your benefits strategy around increased value and relevance, you customers won't respond if you don't make it as easy and as frictionless as possible to access and redeem their rewards and benefits. **For many of these customers, their time is just as valuable, if not more so, than the economic value of the rewards.**

Nearly two-thirds of banking customers we surveyed agree that a dedicated digital hub would make them more likely to redeem rewards and benefits. Those customers are also far more likely to display profitable behavior in the form of cross-sell, recommendations, and long-term loyalty.

Strategic Takeaways

1

To build sustainable loyalty, get personal

To stand out in a commoditized marketplace, you'll need to deliver more than "one size fits all" offers to every customer. Personalization and relevance are the keys to encouraging customers to actively engage with your rewards and benefits. Complement your cashback and protection benefits with offers that are highly personalized and relevant.

Deliver memorable, immersive experiences

Cash and money-saving offers appeal to the "rational" side of your customers' brains—but they are equally motivated by the "emotional," experiential drivers of loyalty. On the experiential side of the benefits equation, it is no longer acceptable to deliver the same travel, dining, or event offers to every customer. You must deliver highly curated, memorable, and immersive customer experiences.

2

3

Leverage the latest data tools to drive benefit relevance

Today's marketing engines utilize artificial intelligence, machine learning, and data insights to create offers and experiences that are highly curated, hyper-personalized, and deeply memorable. To turbocharge banking customer relationships, look for a technology partner who can leverage these cutting-edge tools to deliver curated rewards and benefits that build sustainable loyalty.

Focus on commercial optimization to increase revenue

To justify your investment in banking benefits and rewards, you must deliver measurable return in the form of increased customer spend, cross-sell, and lower attrition. Commercial optimization is the process of targeting content spend not based on demographics or profiles, but on customer value and potential, likelihood to churn, and Net Promoter Scores. You might even turn views, clicks, and usage into revenue!

4

5

Build your foundation on the pillars of Intelligent Engagement

Intelligent Engagement is a marketing strategy that leverages user, content, and marketing intelligence to create highly personalized marketing offers and immersive customer experiences that build stronger customer relationships. In turn, increased loyalty drives incremental revenue through profitable behavioral change—a virtuous circle encompassing banks and their loyal customers. Intelligent Engagement brings together three critical "intelligences" essential to success.

THE THREE PILLARS OF INTELLIGENT ENGAGEMENT



User intelligence



Content intelligence



Marketing intelligence

Build User Intelligence to recognize and remember customers

The old marketing tactics—campaign management tools, segmentation at scale, demographic targeting—no longer achieve the same results. You must now recognize and remember customers as individuals, not as members of broad segments. User Intelligence models and scores customers based on behavioral data to more accurately predict customer response—a crucial requirement in today's post-cookie marketing environment.



Use Content Intelligence to match customers with offers

Our survey reveals that customers will respond to more relevant and personalized offers and benefits. Instead of sending the same offers to broad segments, build your marketing plan around Content Intelligence: an AI-powered process that captures, scores, and enhances offer, incentive, benefit, and experience data (“content”) to help you match the right customer with the right offer.

Implement Marketing Intelligence to encourage conversations

Marketing Intelligence automates every customer interaction with AI, analytics, and intelligence tools at each stage of the customer lifecycle. From seasonal to life stage to attrition-risk communications, Marketing Intelligence tools allow you to engage in one-to-one, contextualized conversations to deliver the right offer at the right time and through your customers' preferred channels.



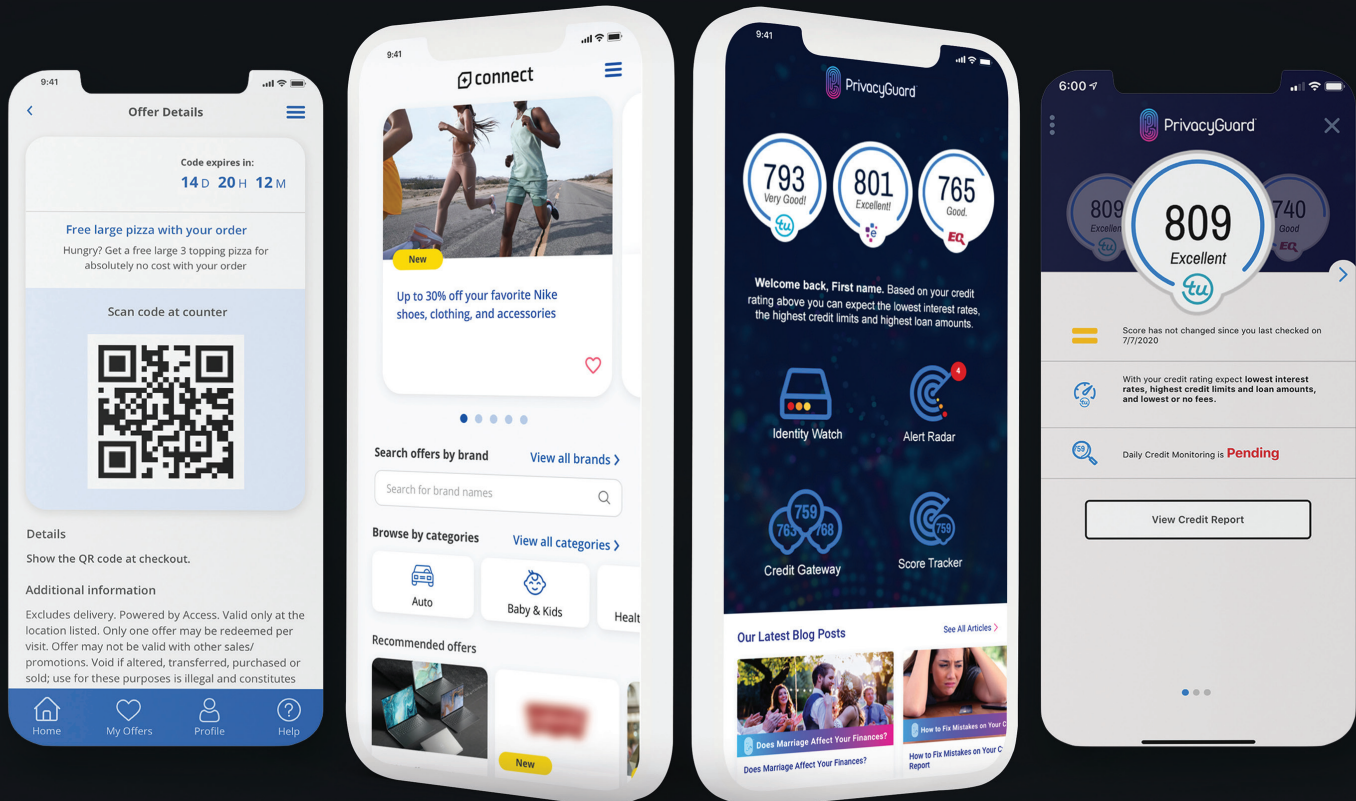
Build a digital benefit hub to provide a frictionless experience

Our survey reveals that banking customers want a one-stop digital hub to access their rewards and benefits. **To provide this frictionless customer experience while meeting your core business objectives**, your technology platform should provide an engaging customer experience powered by cutting-edge AI, machine learning, and data analytics tools. That's how you bridge the gap between marketing art and science.

Tenerity enables great experiences that engage your customers.

connect

PrivacyGuard™



Tenerity is an intelligent engagement company with solutions like Connect and PrivacyGuard that help brands generate revenue and drive profitable loyalty.

Connect: Attract customers daily with exclusive offers using intelligence and automation.

PrivacyGuard Business: gives you the power to quickly add an end-to-end managed cyber and ID protection program.

Email sales@tenerity.com

Or for a demo, go to <https://go.tenerity.com/TenerityDemo>

Generate revenue and drive profitable loyalty.

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