

Solving the Pricing Problem from Start to Finish



Today's customers want a bank that offers services tailored to their individual needs.

Retail banks are now under pressure to provide personalized banking products, lending and savings recommendations, and other customized experiences to each individual account holder.



At the same time, traditional banks face new, digital banking and lending upstarts that are chipping away at their most valuable customer relationships. To add to the mix are the macro-economic pressures brought on by a persistent flat to declining interest rate environment and regulatory constraints that continue to squeeze traditional sources of value creation.



This pressurized customer, macro and competitive dynamic requires a transformation – a fundamentally new way for financial institutions to deliver value for their customers. Winning institutions are looking to customer-centric pricing as a key driver of this value transformation. And they are implementing it holistically across their organization through the three key elements described below.

How do you solve pricing end to end across your organization, so you consistently get the right pricing to the customers you need to attract and more importantly retain?

1 Reliably Meet Your Targets

The first element of successful customer-centric pricing is identifying the distinct customer segments you serve and aligning pricing to their preferences, potential and profitability. Or in short, pricing optimization. Pricing optimization takes into account regional economic factors, price sensitivity, market competition, and the customer's own behavioral data to analyze scenarios and dynamically determine the right pricing for each of your products, for each of your segments.

This "optimized" pricing – when done right – aligns the need to meet customer demands, with the objective of driving profitable growth for your financial institution, enabling you to reliably meet your targets.



75%

75% of bankers agree that effective use of data/analytics is critical to competitive pricing, 57% say pricing will become more dynamic, customized, and flexible than it is today.

2018 Retail Bank Pricing Survey | Accenture

2 Achieve Agile Execution

Is there a way I can define and fulfill personalized offers faster and more reliably?



While price optimization is a critical element of customer-centricity, it isn't the only one. Personalization, ultimately, requires that pricing and offers be managed and fulfilled at the client-level. This task is excruciatingly challenging given the rigidity of legacy front-line and core, back-office systems.

Financial institutions can free themselves from such rigidity by using a centralized, data-aware price & offer engine to manage all rate, fee and cash-back offers. Agile execution enables you to achieve strategic flexibility for the business and rapid speed-to-market, while reducing operational risks.

40% of bank operations leaders say that their limitations of legacy systems are among the top three impediments to digital transformation.

2018 North America Banking Operations Survey | Accenture

40%

3 Empower Your Front Line

Despite the on-going shift to digital, front-line advisors and bankers continue to play a crucial role in communicating and selling the value of your products and services. Unfortunately, they are often mired in a sea of disconnected systems and under-equipped to deliver the level of guidance your clients seek in a manner that also achieves the bank's goals. The third and critical element to delivering personalized, customer-centric pricing and offers requires empowering your front-line with the information and tools to manage the product and pricing conversation.

Connecting these three essential elements together creates the ability to generate on-going value creation. Financial institutions can track KPIs across the customer journey to enable a better understanding of customers and continually improved decisions.



10%

Only **10%** of retail banks have moved towards customer centric pricing.

Ready, Set, Next | Accenture



74%

74% of bank operations leaders say that customer experience is their top strategic priority.

2018 North America Banking Operations Survey | Accenture

It's easy to find a banking solution that can address your price optimization needs. But the second and third phases of this journey are critical to improving your pricing strategy over time while providing more responsive, personalized service to your customers. To achieve this vision, a holistic pricing solution is needed.

Go Beyond Pricing Optimization