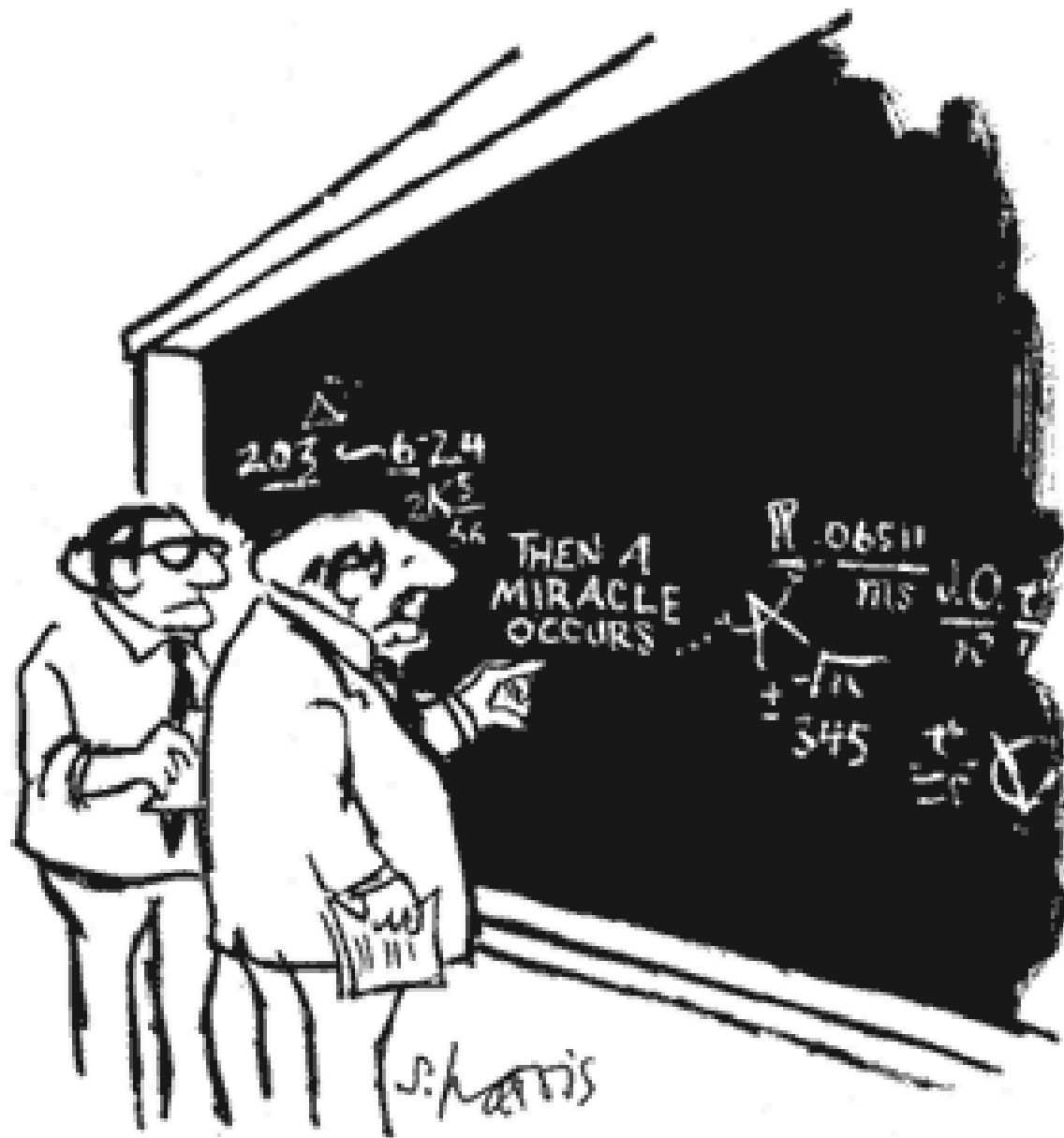


# Collect & Correlate Engagement Measures to Foster Org. Alignment

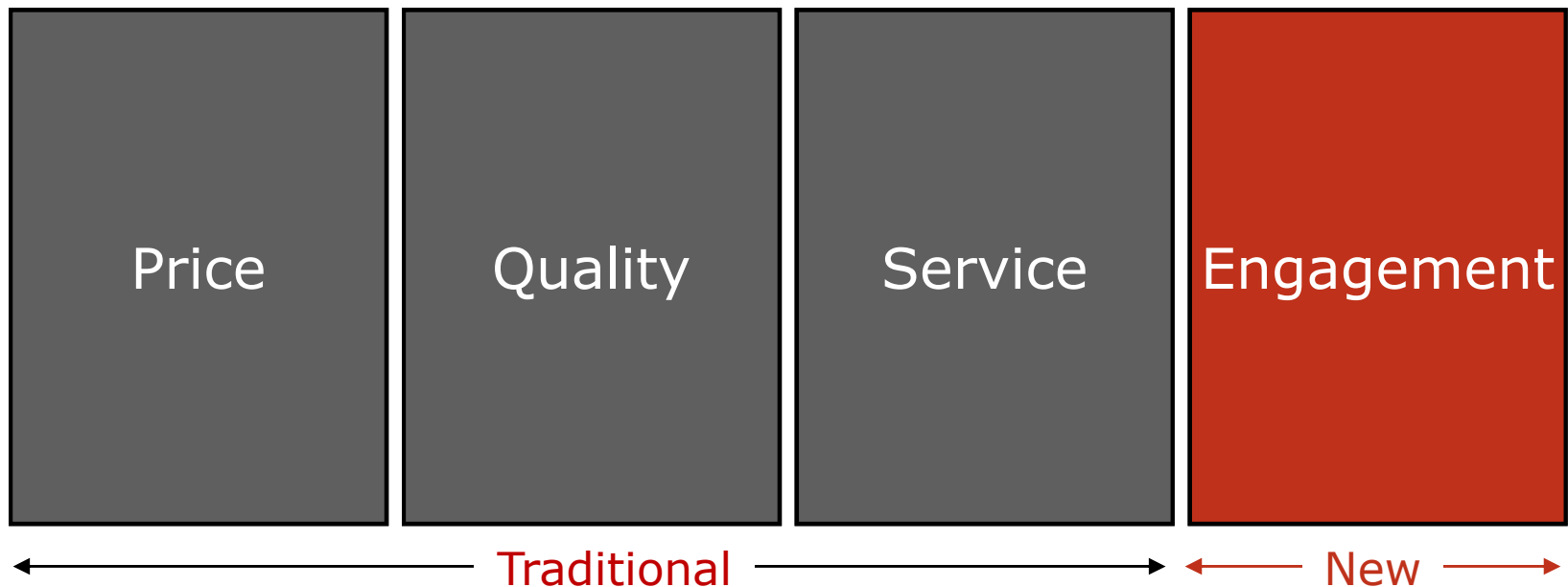
Chris Cottle, Allegiance





"I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO."

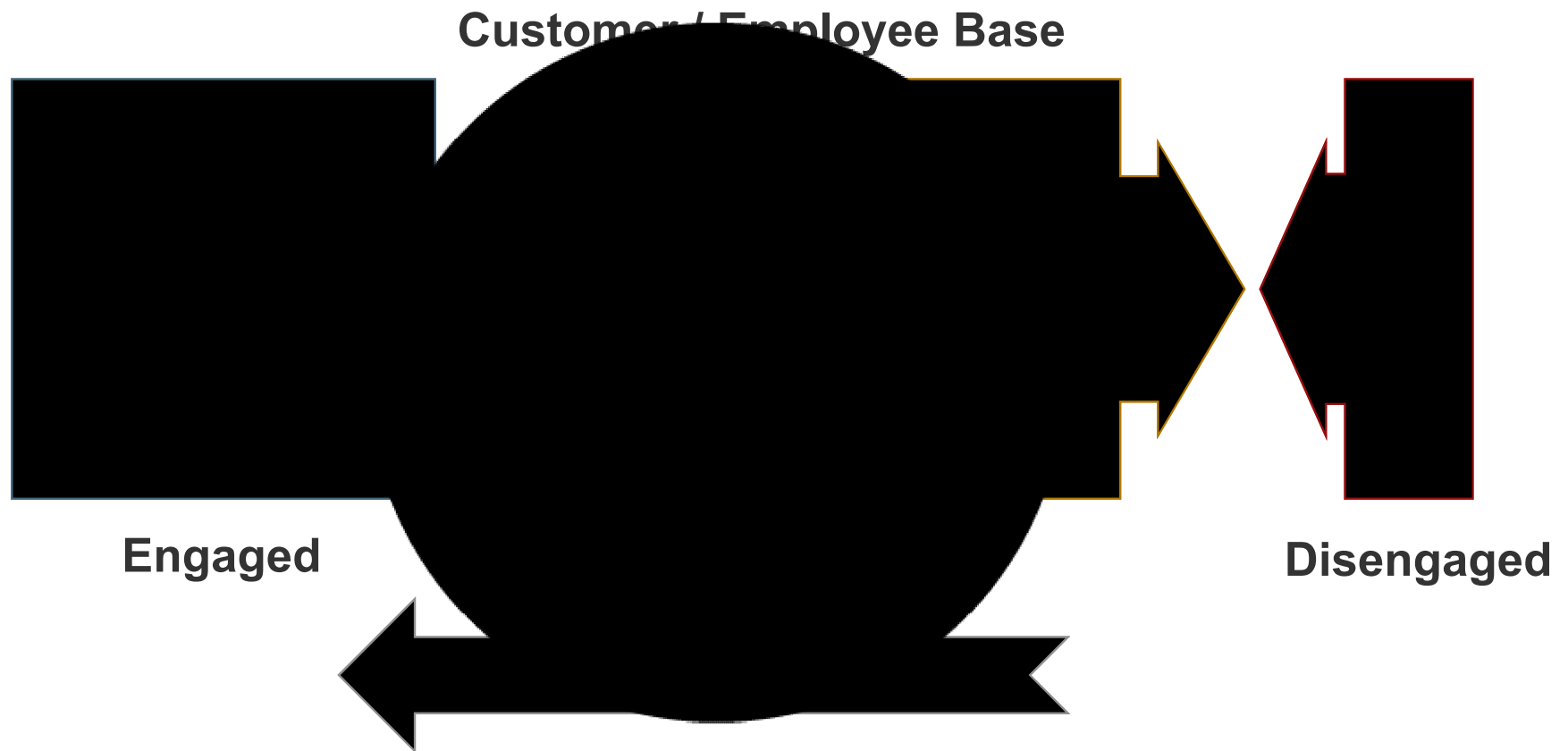
# Traditional Battlegrounds



- > “Engagement is one of the most powerful emerging business opportunities of the 21<sup>st</sup> century”

– *Dr. Gary Rhoads, loyalty & engagement expert*

# What Is Engagement?



# Engagement Management = Measuring Attitude & Emotion

- > **Seek out attitudinal views**
  - Not just demographic, psychographic, geographic
- > **Understand drivers of Engagement**
- > **Try to understand relationship 'spark'**
  - What got them interested in the first place, what keeps them interested?



# Evidence of Engagement

## Drivers

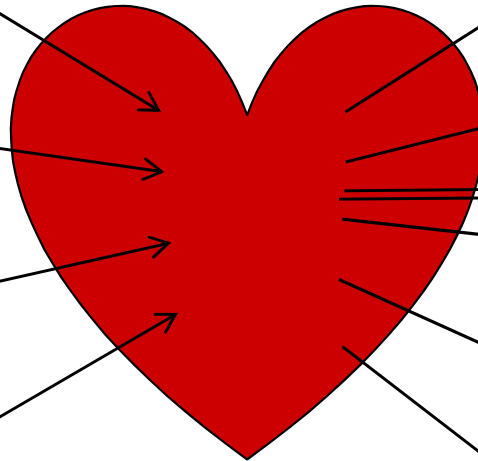
Helpful Service

Confident & Informed

Feeling Valued

Feeling Protected

## Engagement



## Behaviors

Word-of-Mouth

Referrals

Share of Wallet

Churn

Reduced Risk

# 1% Engagement Increase Benefit

Category	Improvement
Share of Wallet (existing customers)	\$1,380,000
Positive Referrals (new customers)	\$282,740
Churn (reduced expense)	\$200,000
Feedback Response (saved revenue)	\$3,375,000
<b>Total Benefit</b>	<b>\$5,237,740</b>

- Increased assets under management
- Greater than 10X ROI (annual)
- 100% payback within 6 months year-1, 30 days year-2 +

“For every 1 million customers a bank has, a 5% increase in the number of customers shifting from ‘moderately committed’ to ‘highly committed’ can lead to an additional US \$1 billion in deposits.”

*J.D. Power and Assoc. Retail Banking Satisfaction Study, 2007*

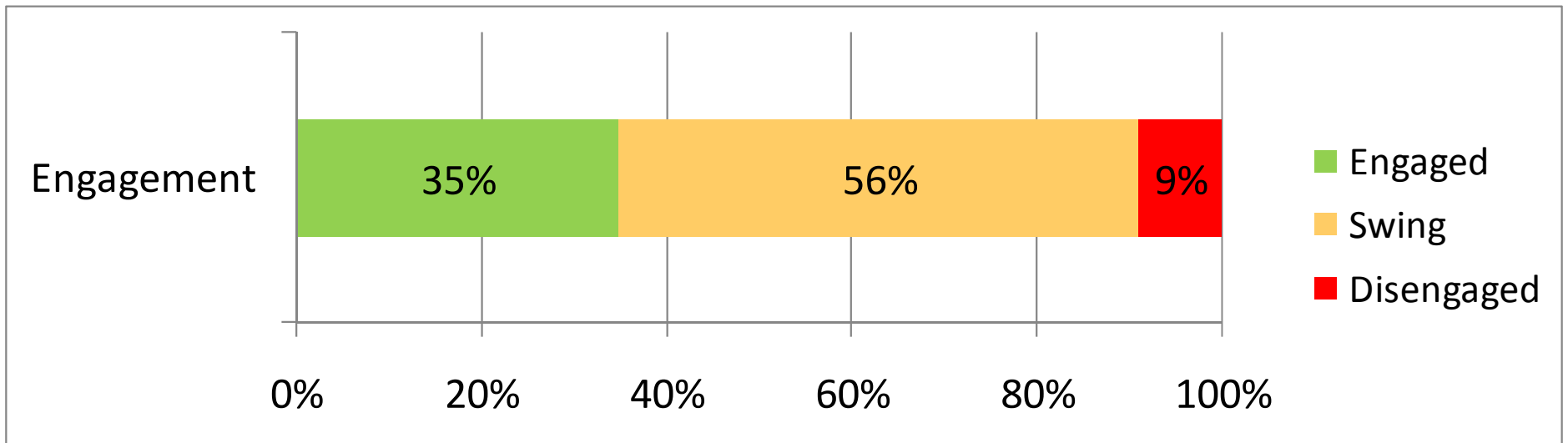
# Principles for Success

## > Those who succeed have...

- Enough political clout
- Ability to rally people
- Right brained and left brained
- See through the trees

## > And do these 7 things...

# 1. Move the 'Swing' Group

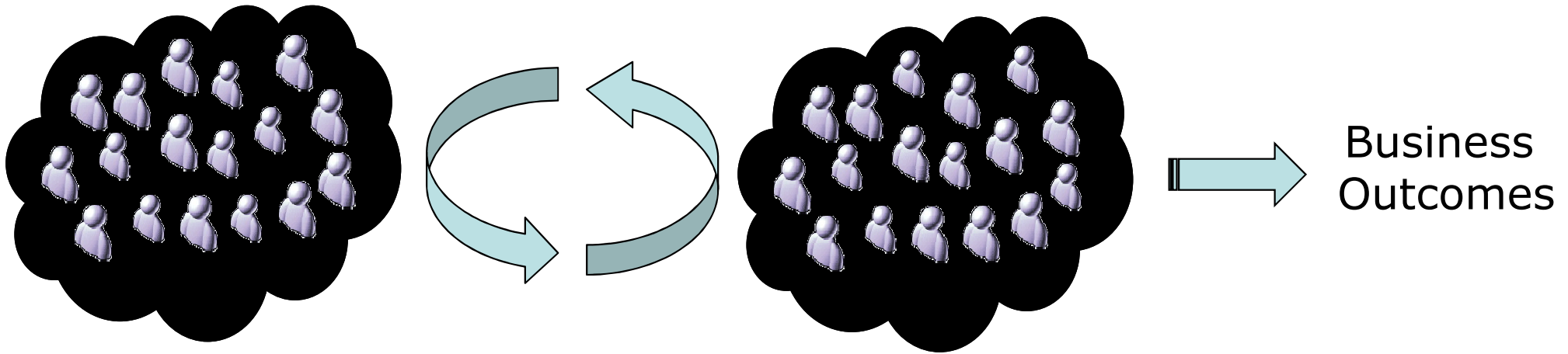


- > 35% feel an emotional bond
- > 9% feel negative emotions
- > 56% could be swayed either way

Implication: Over 50% of customer can be swayed either way

1. Source: Allegiance Pulse of America – Banking, 2007-2008

## 2. Connect Employee & Customer Engagement



### Employee:

- Attitudes
- Intentions
- Behaviors
- Engagement

### Customer:

- Attitudes
- Intentions
- Behavior
- Engagement

# Link Customer & Employee

## > *Spillover Effect*

> Engaged employees create engaged customers

> Employee engagement – leading indicator

## > Engaged employees

- Reduced turnover
- Increased productivity
- More expensive to recruit away\*

### Pay to Switch

I would not switch jobs no matter what they offered

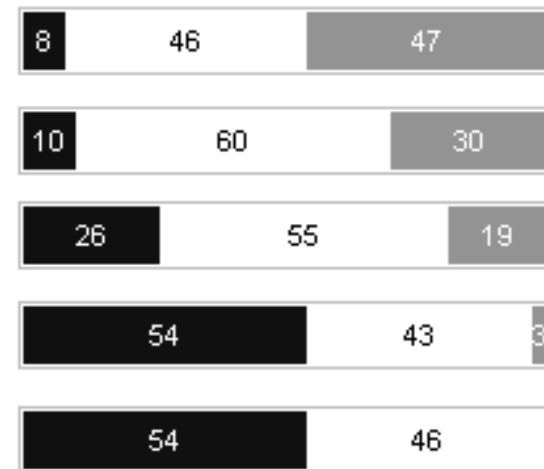
20% increase to switch

10% increase to switch

I would switch even with no increase

I would switch even with a 10% reduction

■ Disengaged □ Swing ■ Engaged



\* Allegiance Pulse of America (2008) survey of 3284 employed persons across all industries & occupations

# 3. Target Engagement Segments

Understand engagement by segment

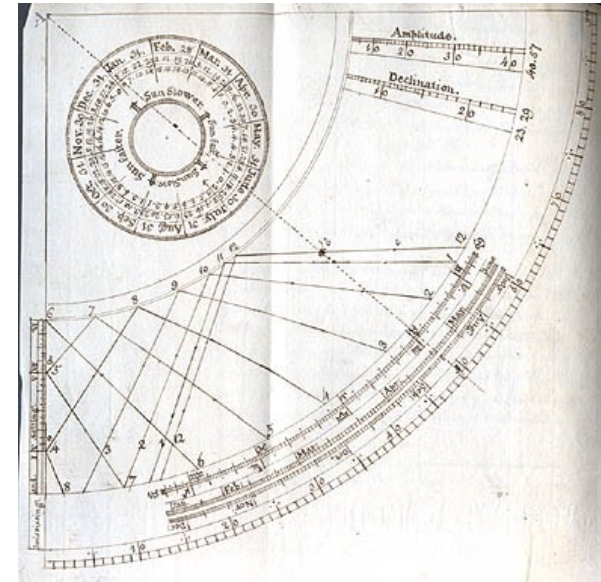
- > Young & old
- > Assets & income
- > Geographic areas
- > High-revenue customers

**Understand engagement action items by segment**

Target new programs to specific segments who need support

# 4. Engagement Science = Methodology

- > Ground the centerpiece of your engagement strategy in a scientific method
- > Lots of companies do engagement, few take a scientific approach
  - Q12, CE11: Hierarchical Values Model
  - NPS: Service Quality Model
  - ACSI: Macroeconomic Model
  - Allegiance: Means-Ends Chain



# 5. Use Technology, Reports & Analytics

## > Real Time and Actionable

## > Predictive Analytics

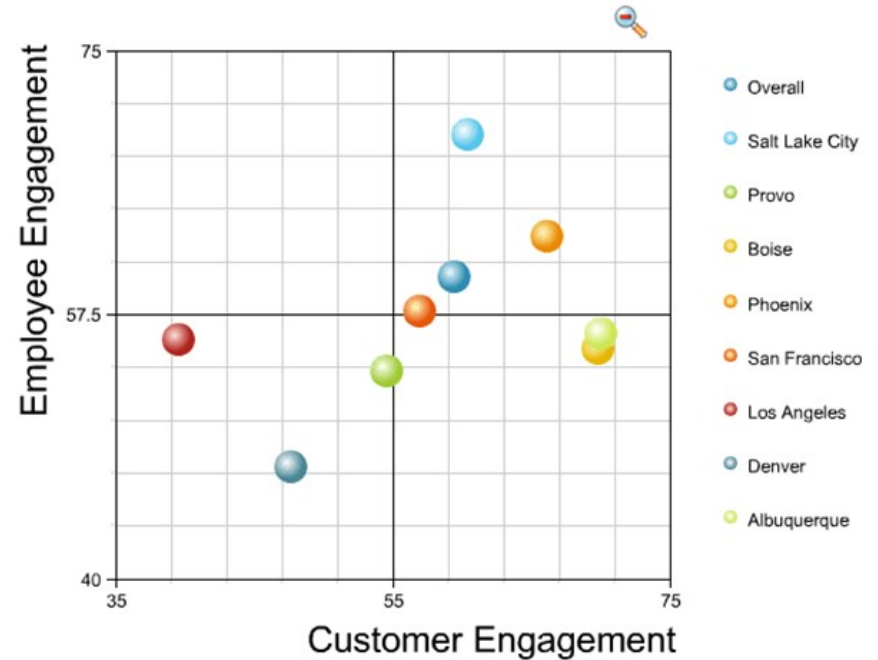
- Utilize historical indices and data to model and predict future behavior (trends) and outcomes
- Know which drivers and indices have the most impact on specific future business outcomes
- Leading indicators help you know what's coming; be proactive instead of reactive

## > Trend Engagement

- Accurately know the tactics and drivers that move key indices, and their correlation
- Easily know what areas of your business need attention

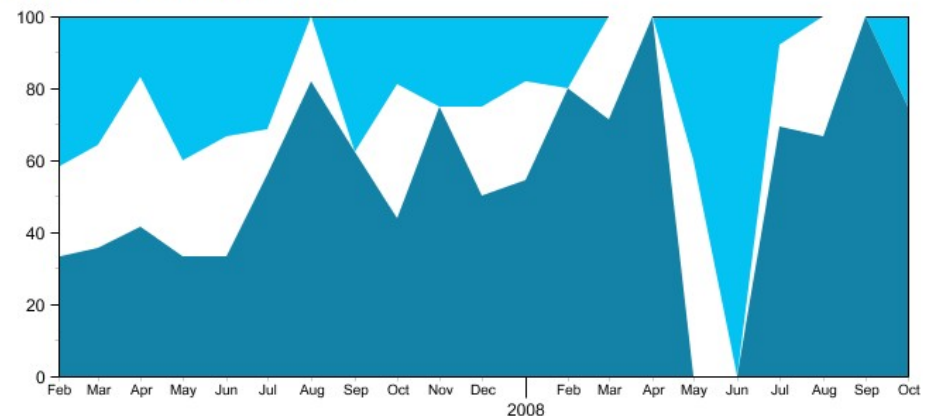
20/20 Analysis

Click on graph to view drivers



15 Focus 0.18 Company representatives care about me and my financial well-being  
18 Maintain 0.04 This organization gives me control over my finances and future

I don't have to wait long for service



## 6. Take Action to Improve

- Don't just ogle insights – USE THEM
- Tout your success
- Network with others
- Be proactive
- Share data with others
- Make it a focal point of co.
- Become a hero!



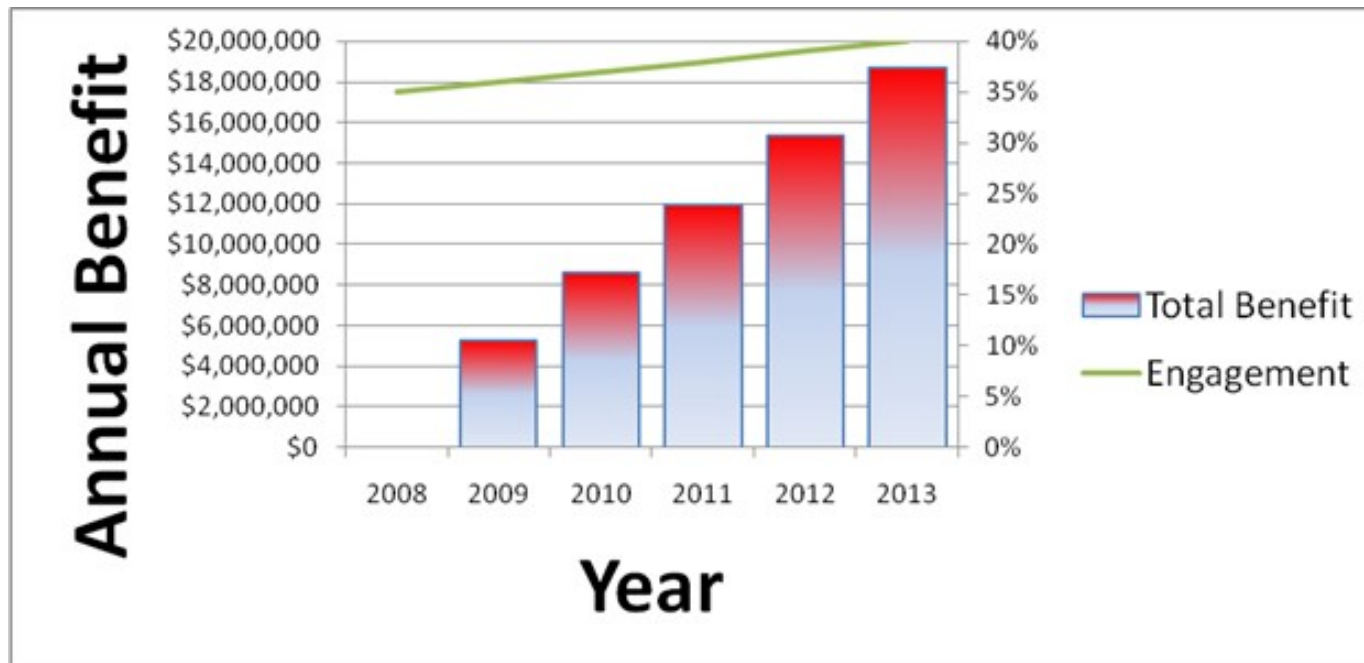
# 7. Measure Outcomes

## Goal:

Increase engagement group  
by 1% per year

## Result:

Engagement gains  
accumulate



# One of the Fastest Growing Private Companies in America



**#5** in Software

## COMPANY

- Founded in 2005
- History of Feedback Innovation
- HQ in Utah, Office in Texas

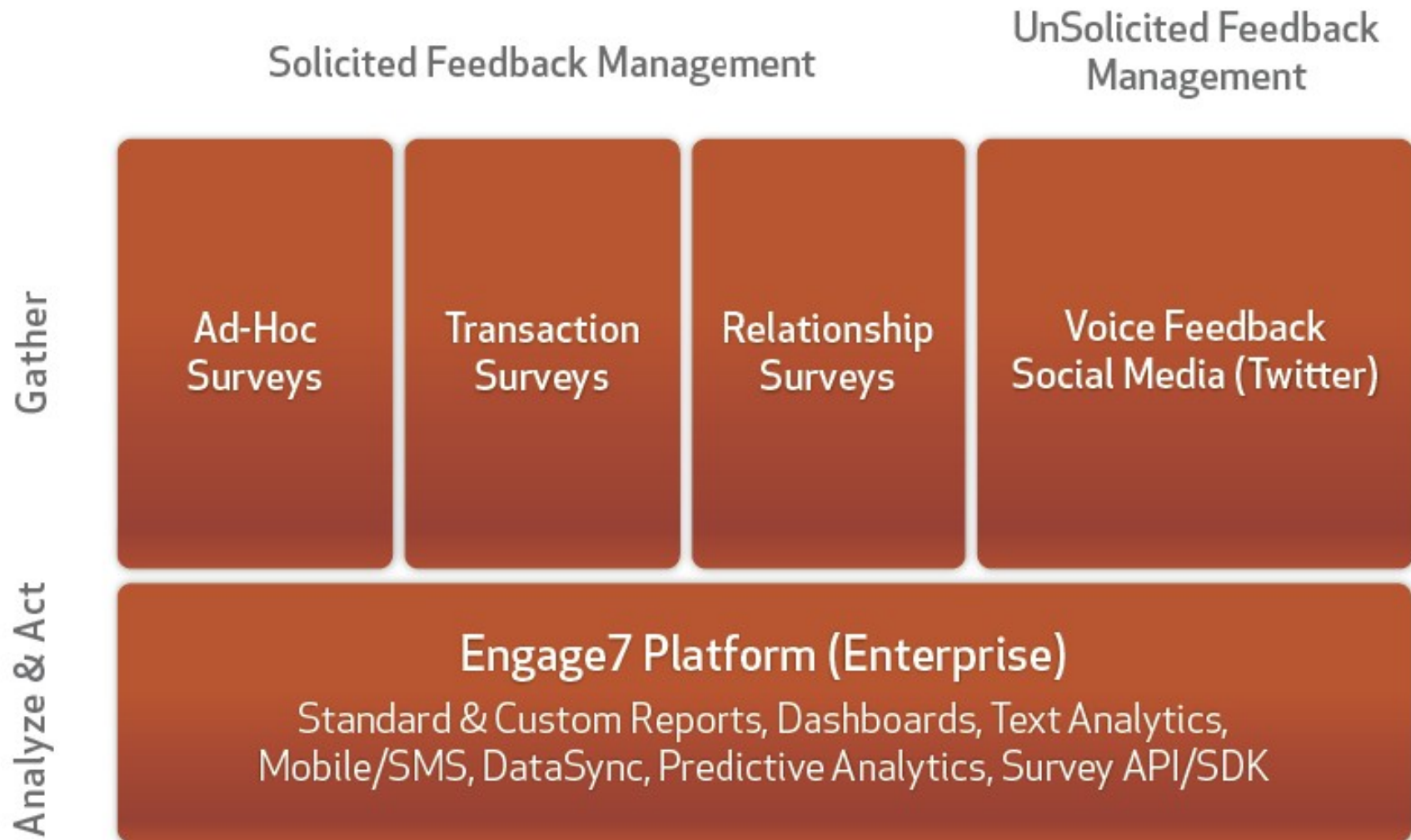
## SOLUTIONS

- Recent Release of 7<sup>th</sup> Generation Platform
- Proven Scalability and Customer Success

## TEAM

- HQ in Utah
- +75 Employees
- +30 Offshore Developers

# Combining 4 Key Areas Onto One Platform



# Complimentary Engagement Book

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