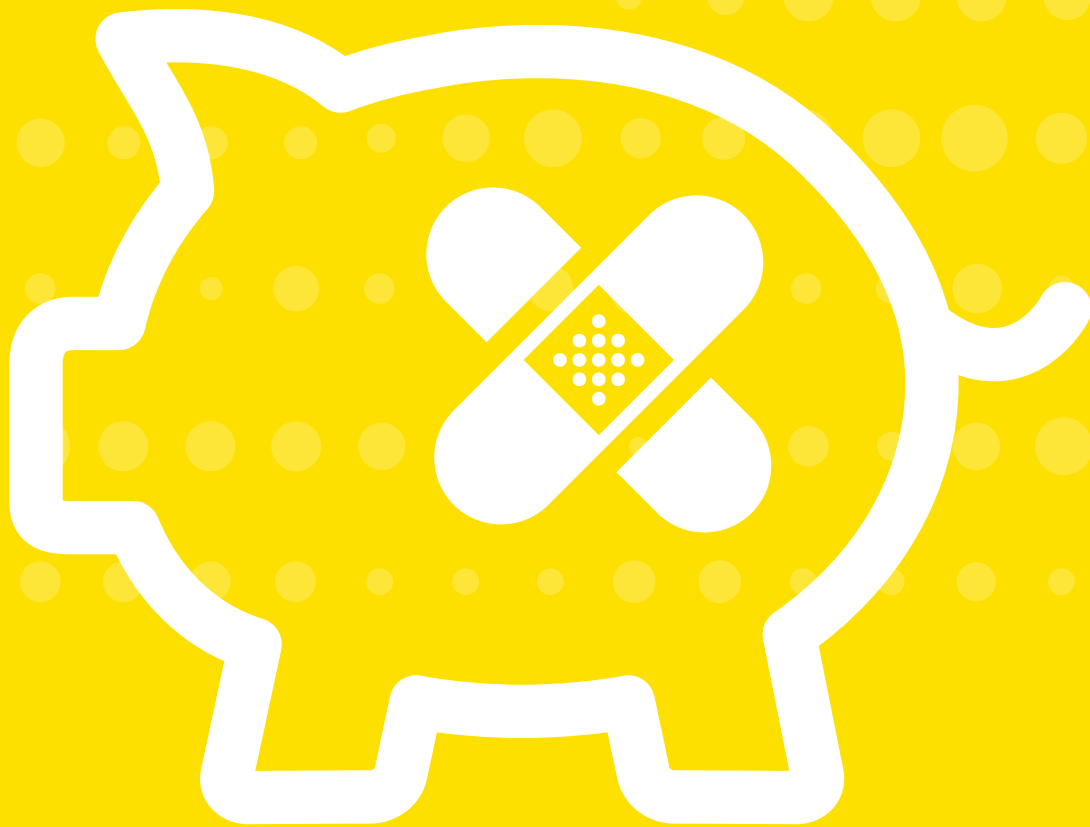


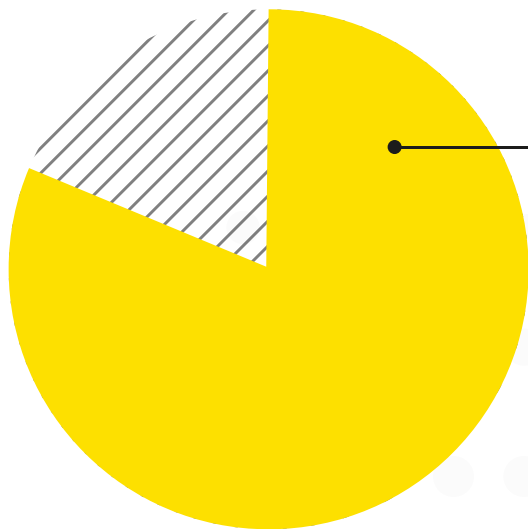
The Broken Piggybank

How banks can help customers repair the personal savings deficit with digital advice and guidance



There's no way around it: Many Americans are struggling to save money. That's because they're first struggling to make ends meet. Faced with stagnant wages, the rising cost of living, student loans, credit card debt and even unemployment, many people can't put aside enough money for a rainy day.

Until now, they haven't had much help from their banks. Who doesn't remember, as a child, stepping into a bank for the first time with your piggybank in hand to proudly open your first bank account, and being personally greeted by a smiling banker? Unfortunately, for many customers this would be the first and last personalized experience with a bank. Banks largely fail to offer individualized experiences to adult wage-earners, who would appreciate a personalized touch when trying to manage their money. People want to save and need advice on how they can put enough money aside while meeting financial obligations. They're not turning to their banks for advice because there is no personal connection. They view banks as institutions that serve many people but not their individual needs.



79%

OF CONSUMERS CONSIDER THEIR BANKING RELATIONSHIP TO BE TRANSACTIONAL— UP 8 PERCENT SINCE 2014.

-ACCENTURE, 2015 NORTH AMERICA CONSUMER DIGITAL BANKING SURVEY

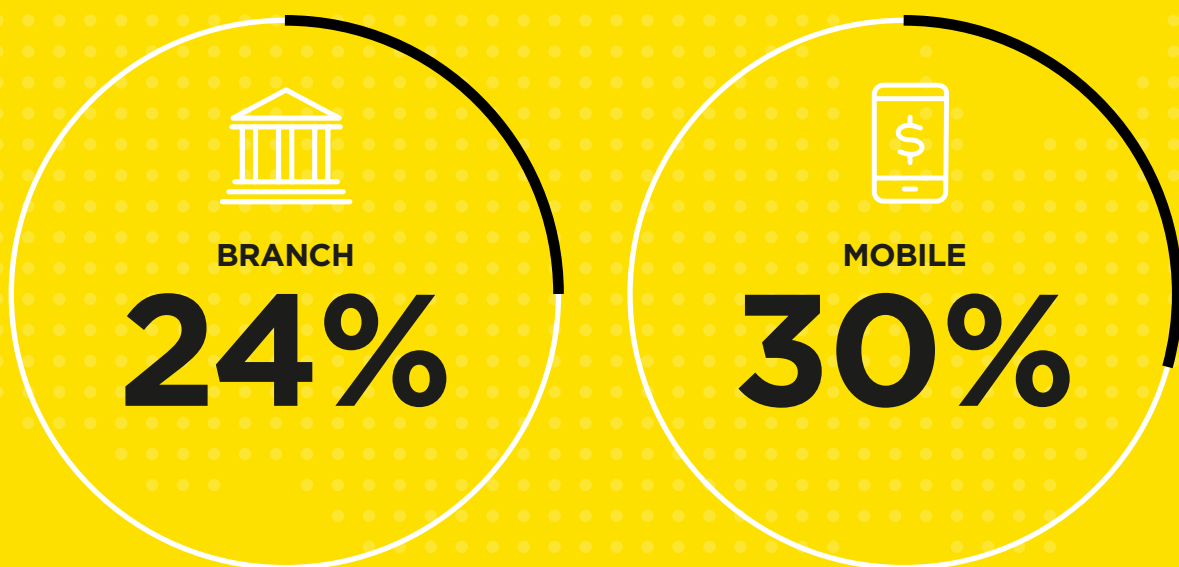
The emergence of the digital channel as the primary mode of interaction presents banks with new opportunities to redefine their relationships with customers. Banks can engage customers with contextual, personalized advice through digital initiatives that illustrate how people can stretch a dollar and make savings an exciting, achievable routine.

By digitally guiding customers throughout their financial journey, banks can shed their reputation as impersonal establishments and become go-to resources for individualized advice on savings.

How can banks do it?

Read on to find out!

Mobile Banking Exceeds Branch Banking



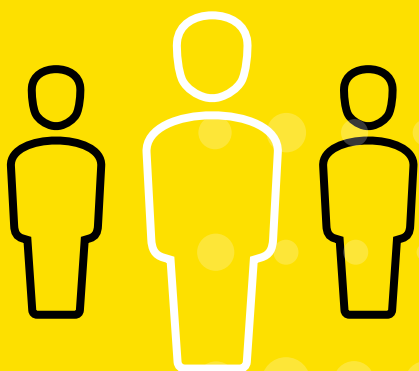
SOURCE: JAVELIN, 2015 MOBILE BANKING, SMARTPHONE AND TABLET FORECAST

The State of Personal Savings: A Failing Grade

An abundance of surveys confirms the personal savings deficit – maybe none more distressing than the finding that most Americans are only \$1,000 away from financial ruin. Car repairs, home appliance replacements and medical procedures that are not fully covered by insurance are just some of the emergency expenses life throws at each and every one of us at one point or another in our lives. But few people tuck away enough money to pay for those unexpected expenses, forcing people into financial distress and an overreliance on high-interest credit card cash advances (for those that still have access to it) or payday loans (for the less fortunate).

The lack of savings also fails to prepare consumers for the big lifetime expenses that eventually come. Not many people have saved nearly enough to pay for the climbing costs of a college education, saddling students and their parents with debt that totals nearly \$1.2 trillion.

Looking further down the road, retirement looms. One out of three Americans have saved nothing (\$0!) for retirement. As life expectancies extend, many are feeling less confident that they have enough money to enjoy a full retirement. As many as two-thirds of Americans believe they will outlive their retirement savings.



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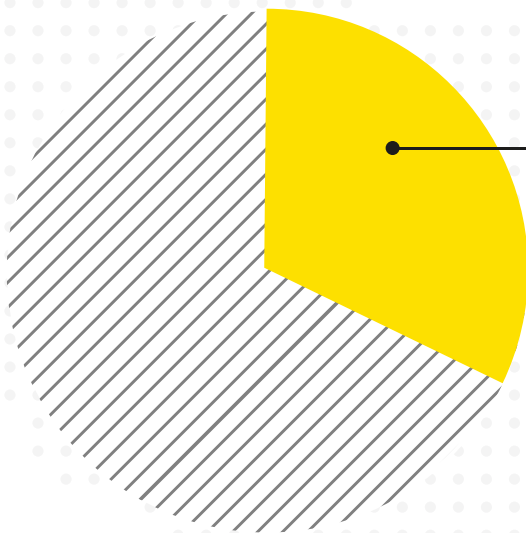
AMERICANS HAVE SAVED
NOTHING (\$0!) FOR RETIREMENT.

People Want to Save but Need Help

Even though many Americans have trouble saving money, they actually want to do it. In fact, **62% of Americans** enjoy saving money. They have the desire and need, but don't have the means or knowledge to effectively and consistently save.

Sure, there is plenty of advice out there: emails, ads, and a quick Google search all reveal savings tips and strategies offered by banks, accountants and many other financial service providers. But more often than not, the advice is not personalized and not comprehensive.

What is sorely missing is personalized, practical advice that speaks to the specific challenges and situations of each individual. Consumers don't know how to fully apply general advice to their specific financial circumstances. They need some handholding on arguably one of the biggest challenges they face.



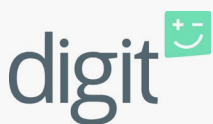
31%

THINK THEIR BANK KNOWS THEM AND
THEIR FINANCIAL NEEDS VERY WELL

-GFK, 2014 BANKING CONSUMER SURVEY

Millennials Save More, Look for Online Advice and Tools

Watching their parents struggle to save money, millennials – 18-to 29-year-olds – are more aware of the need to save than previous generations and are saving larger portions of their paychecks than any other age group. For that matter, millennials are more comfortable with their net worth, debt and overall financial health. Frightened by an inability to repay student loans, this young age group is motivated to save for financial emergencies and retirement. Unlike older generations, millennials also seek financial help from places other than traditional resources. Millennials are far more ready to embrace new and innovative digital services to help them save more and achieve their short- and long-term financial goals.



Mobile app Digit has helped users save over **\$125m** in its first 16 months



AVERAGE AGE OF SAVER



Banks Can be a Valuable Partner. Here's How.

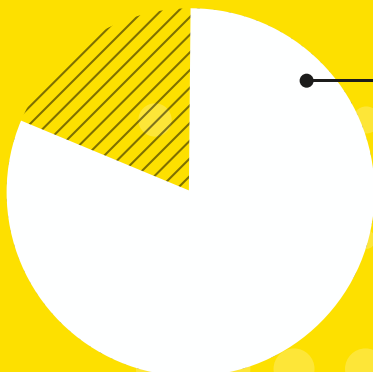
Banks can step into this void. Consumers already trust their banks more than any other institution and would welcome individualized counsel on how they can best save.

By following a few tried and true methodologies, banks can readily position themselves as the go-to resources for individualized advice:

Form Habits, Create Trust

Before a bank even starts providing advice, it should first establish a baseline level of digital engagement that demonstrates value and encourages customers to come back for more. A bank can do this by offering snippets of personalized information and insights that help customers feel in control of their day-to-day finances.

For example: Tell customers about meaningful events in their accounts; highlight unusual activity that might require action; inform them of changes in their spending patterns; point out services that would simplify their banking. By doing this consistently, customers get into the habit of using the bank's digital platform and grow to trust the information provided as accurate and useful.



86%

OF CONSUMERS TRUST THEIR BANK OVER ALL OTHER INSTITUTIONS TO SECURELY MANAGE THEIR PERSONAL DATA.

-ACCENTURE, 2015 NORTH AMERICA CONSUMER DIGITAL BANKING SURVEY

Impact Spending and Saving Behavior

Once trust is established, the bank is well-positioned to help customers improve their savings situations. The first step is to **educate** customers, offering insights about their fiscal activities and helping them understand personal finance through quizzes and educational articles.

Next, it's time to **advise and motivate**, offering each customer a manageable path to increased savings that match their individual income, spending needs, and financial security goals.

Maybe most critical is the ability for the customer to create a transaction that **activates** the advice – be it a one-time transfer, an automated saving plan, or anything else that would get the customer closer to their goal.

Lastly, positive reinforcement is proven to encourage savings, so **congratulate** the customer by highlighting her or his progress toward their saving goals!

Keep it Simple

Throughout this process, don't expect customers to do any extra work, as most customers would just not do it. To avoid any friction, don't make them enter data. Don't expect them to download a new app or go to a different website. Use existing digital channels they already use to shape their habits, earn their trust and impact their behavior.



TAKING DIGITAL BANKING
PERSONAL

How Can Personetics Help?

Personetics helps over 15 million digital users of the world's leading financial institutions receive personalized real-time guidance at each step along the customer journey.

Using the power of predictive analytics, Personetics enables financial institutions to provide personalized advice and guidance that can help customers increase savings and get closer to meeting their financial objectives:

- Guide customers towards realistic yet ambitious saving goals
- Help them understand and modify spending patterns
- Prompt for action at opportune times (e.g. large deposit received)
- Suggest ways to increase the return on savings (e.g. longer-term CD, tax-deferred accounts)
- Engage and educate through spending- and saving-related quizzes and gaming technologies

To learn more, **visit www.personetics.com**.



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