MOTISTA™

Making the Emotional Connection

How Financial Companies Are Harnessing Customer Emotions to Generate Growth

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Our research strongly indicates that financial companies can achieve sustainable growth by accessing an overlooked, underleveraged asset: the Emotional Connection they have built — and can continue to build — with their customers.

In many industries, achieving sustainable organic growth these days is both the holy grail and the impossible dream. Everyone needs to do it, but few have found a successful approach.

This is notably true in U.S. financial services, in which a number of environmental factors present significant obstacles to growth:

- Population growth is low.
- Income growth has been tepid for many years.
- The baby boomers' asset accumulation phase is ending.
- Millennials are taking their banking, borrowing and investing needs to digital alternatives.
- Tighter regulation limits traditional marketing and selling practices (and is only likely to increase).
- Fintech companies are emerging as a competitive threat.

Financial institutions have tried to cope with the anti-growth environment in different ways, none of which has been particularly successful: Product innovation is short-lived; cost-cutting is a short-term fix rather than a long-term solution; and raising customer satisfaction isn't much of a competitive differentiator because satisfaction is already high.[1] And while rising interest rates can take some pressure off of the bottom line, they aren't a source of long-term organic growth.

Motista believes there is a clear way forward. Our research strongly indicates that financial companies can achieve sustainable growth by accessing an overlooked, underleveraged asset: their Emotional Connection with their customers.

Emotional Connection 101

Appealing to customers' deepest emotions is far from a new idea, but technological advances and the rise of big data have taken it to a new level of sophistication.

We combine the social sciences of anthropology and psychology with over one billion data points on customer emotions and profitable behaviors to build predictive models. These models, in turn, determine the precise emotions that most motivate customer behavior across dozens of B2C and B2B industries. Our unique emotional motivators — validated with our clients over time — form the bedrock of a new approach to driving profitable growth.

Emotional Connection occurs when customers link their deepest motivations, values and aspirations to a brand. When customers feel a financial institution helps them realize such personal values as "achieve social acceptance," "attain freedom and independence in life" or "simplify life in a complex world," for instance, those customers have an Emotional Connection to the institution. These types of unspoken emotional needs — typically not captured in traditional market and consumer insight research — are the strongest drivers of customer value[2] in the industry, the true reason why customers remain loyal, concentrate products and balances, exhibit lower price sensitivity and become active advocates for their financial institution.

[1] Source: *J.D. Power 2016 U.S. Retail Banking Satisfaction Study*, J.D. Power and Associates, April 28, 2016.

[2] We define customer value as the net revenue a customer generates while he/she is a customer of a specific company, i.e., revenue minus the costs of acquiring and servicing the customer.

Although customers exhibit increasing connection at each stage, their value rises dramatically when they reach the final stage of Emotional Connection: The average Emotionally Connected customer generates 52% more annual value than one who is Highly Satisfied.

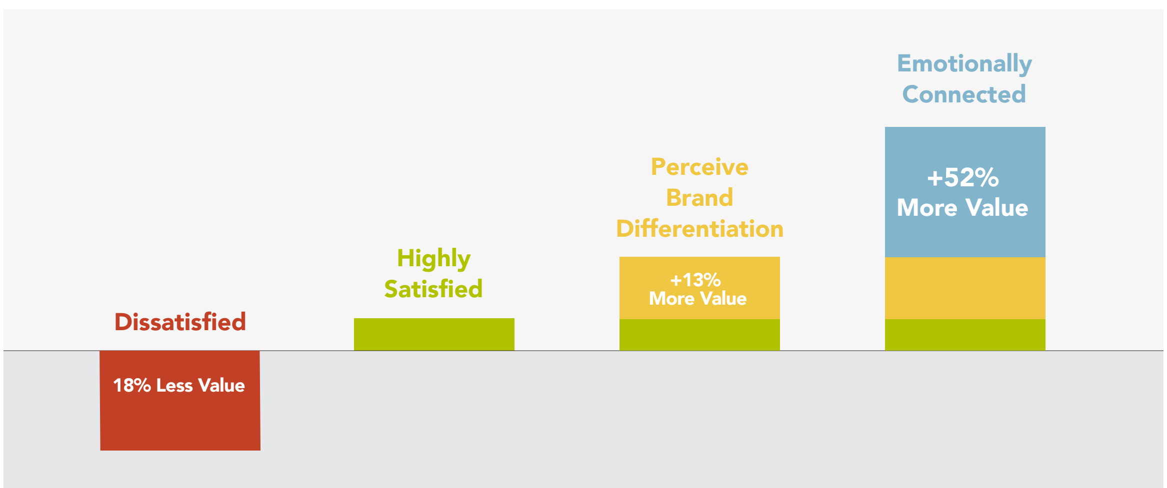
Following the Pathway

Customers tend to follow a predictable pattern of emotional relationship to brands. This "emotional connection pathway" has four stages:

1. **Fail to Connect**: People for whom no brand in the category is inspiring in any way, or who actually have negative feelings about the brand or category
2. **Highly Satisfied**: People for whom a particular brand satisfies a high level of functional expectations, such as quality, trust, value and service
3. **Perceive Brand Differentiation**: People who believe the brand stands out from other brands, such as by personalizing relationships or being the best in its business
4. **Emotionally Connected**: People who connect the deepest, most motivating values and aspirations in their lives to the brand, such as freedom, success in life, social acceptance and family

Although customers exhibit increasing connection at each stage, their value rises dramatically when they reach the final stage of Emotional Connection: The average Emotionally Connected customer generates 52% more annual value than one who is Highly Satisfied. This discrepancy in value is consistent across a variety of metrics, such as purchases, retention and frequency of use and, as we'll see later, even higher in most financial services categories.

Figure 1: Emotional Connection Pathway Across Categories



Source: Motista. Percentages indicate average annual change in customer value using "Highly Satisfied" as the baseline.

The pathway not only directs companies to where they should invest, but also reveals that they often invest in the wrong places. For example, conventional wisdom holds that to increase revenue and market share, companies should focus on turning dissatisfied customers into satisfied ones. Our analysis, however, shows that moving customers from the Highly Satisfied stage to Emotionally Connected can triple the return of moving them from Fail to Connect to Highly Satisfied. And the highest returns often come from customers who already are Emotionally Connected — by maximizing their value and attracting more of them to the brand.

Monetize It!

With the potential to drive growth in annual revenue, profitability, cross-sell and retention, Emotional Connection is an asset that financial institutions should manage aggressively. We believe institutions are leaving money on the table unless they:

- Focus on Emotionally Connected customers to maximize share of products and balance/asset concentration;
- Attract prospective customers based on their Emotional Connection propensity, as these customers generate higher lifetime value;
- Move their less valuable customers up to Emotionally Connected, thus increasing their lifetime value; and
- Prioritize their customer-facing investments to grow Emotional Connection, delivering the highest financial returns on these investments.

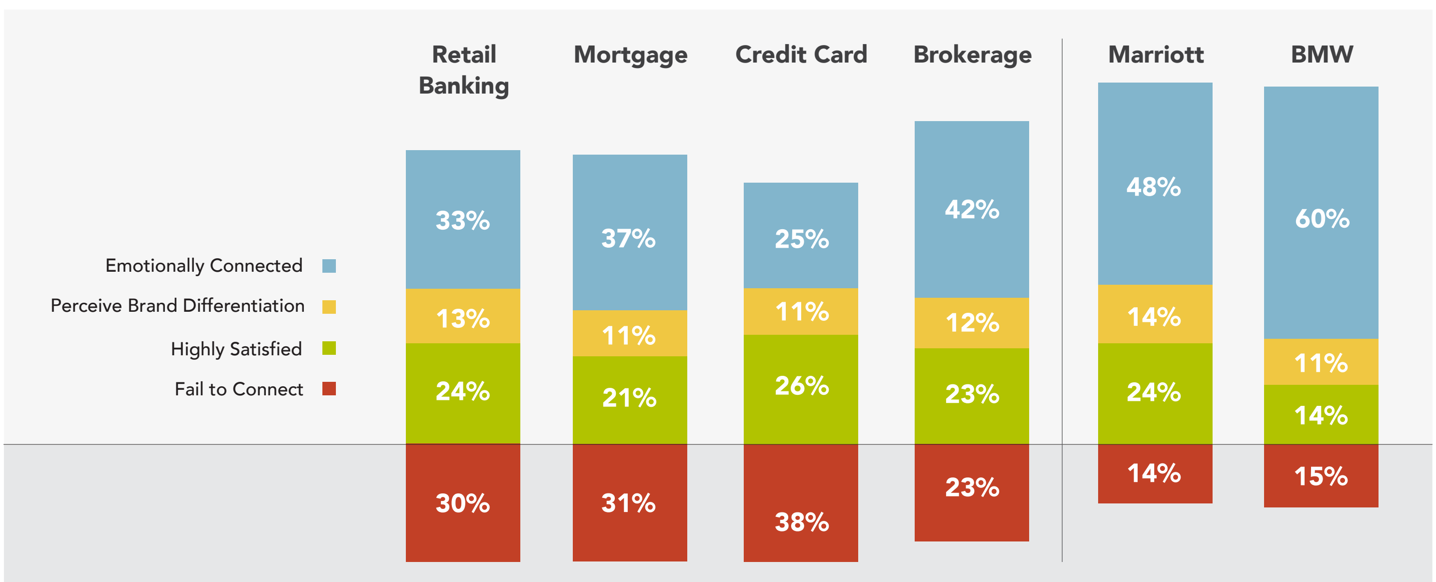
The Upside of Emotional Connection

Given the chance to drive growth and profitability by increasing Emotional Connection, a critical first step is to learn how many current customers are Emotionally Connected to your company — what we call your Emotional Connection Score™ (ECS). In case after case across industries, ECS has proven to be a far stronger predictor of financial outcomes than customer satisfaction or traditional brand metrics.

We've benchmarked major financial sectors and companies to understand how ECS varies across categories and brands. We've also included in our comparison two leading non-financial brands — BMW and Marriott — that we believe provide an upside benchmark to which financial institutions should aspire (see Figure 2).

Emotional Connection of Financial Sectors...

Figure 2: Emotional Connection Scores Vary Across Financial Sectors



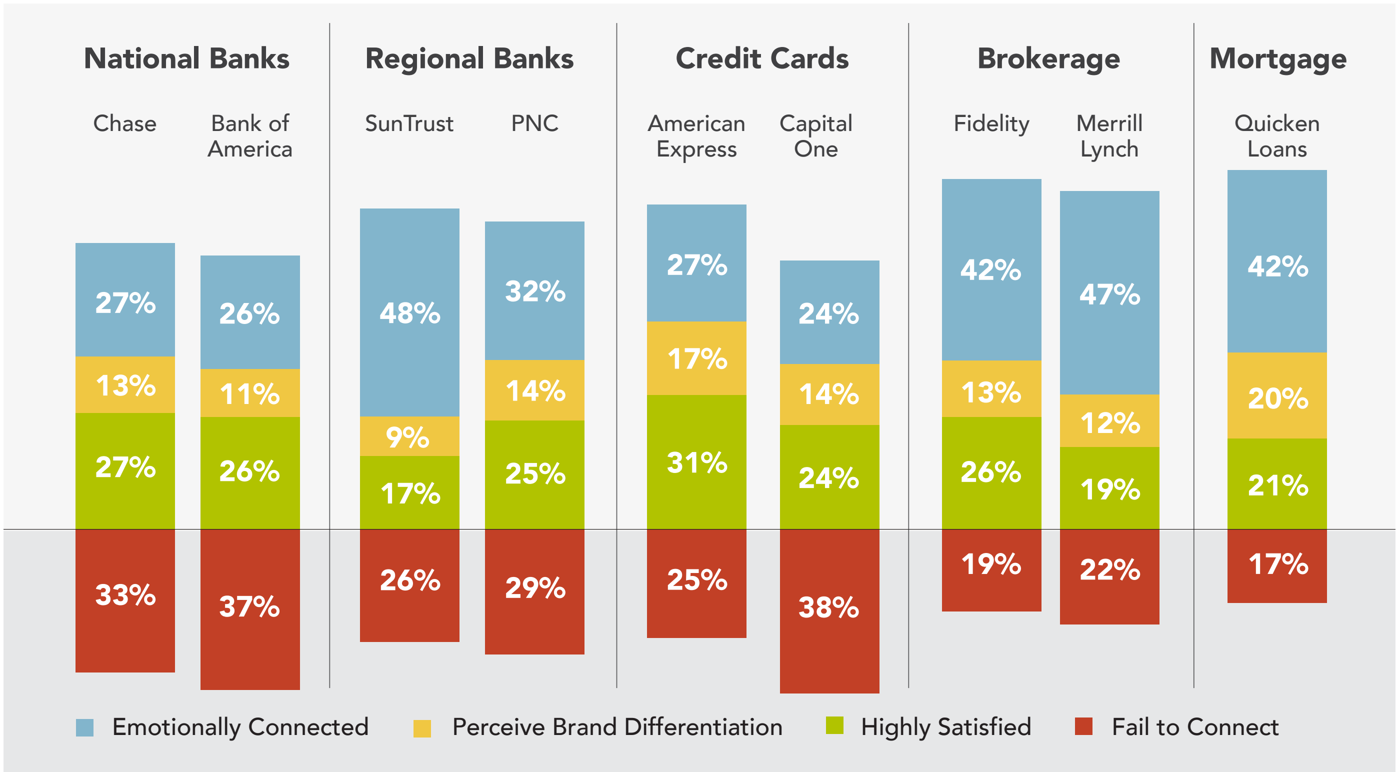
Source: Motista. Differences of 1% are significant at a 95% confidence level.

ECS ranges from 25% to 42% across the retail banking, mortgage, credit card and brokerage sectors. This translates into a significant opportunity:

- Emotionally Connected customers represent low-hanging fruit for revenue growth. Identifying them and using emotion to engage them will drive cross-sell, balance concentration and advocacy.
- New customers most likely to be Emotionally Connected can be targeted for acquisition. This can generate significantly more value and higher returns on acquisition investments than typical shotgun marketing approaches.
- With only 25% to 42% of customers Emotionally Connected today, firms in all the sectors have the potential to grow revenue by building Emotional Connection with the millions of Highly Satisfied and Perceive Brand Differentiation customers.

...and Specific Financial Brands

Figure 3: Emotional Connection Scores Vary Across Select Financial Brands



Source: Motista. Differences of 1% are significant at a 95% confidence level.

We calculated ECS for a diverse group of financial institutions, with the results ranging from 24% to 48%. Notably:

- SunTrust stands out from the pack among retail banks at 48%, versus the 33% sector average. Bank of America (26%) and Chase (27%) underperform the sector average.
- High-touch brokerage firms tend to have incrementally more Emotionally Connected customers than self-directed firms. We see that here with Merrill Lynch (47%) and Fidelity (42%). Self-directed firms can use the Emotional Connection approach to close the gap.
- While American Express's ECS has declined in recent years, its 27% score remains slightly higher than 25% for the credit card category as a whole.

A growing number of financial institutions are tracking their Emotional Connection. To paraphrase Peter Drucker, they know that if you can't measure it, you can't manage it.

How Emotional Connection Drives Customer Value: A Sector-By-Sector View

Across key sectors of consumer financial services — retail banking, mortgage lending, credit cards and investment brokerage — Emotional Connection leads to significantly higher customer value and greater returns on customer-facing investments.

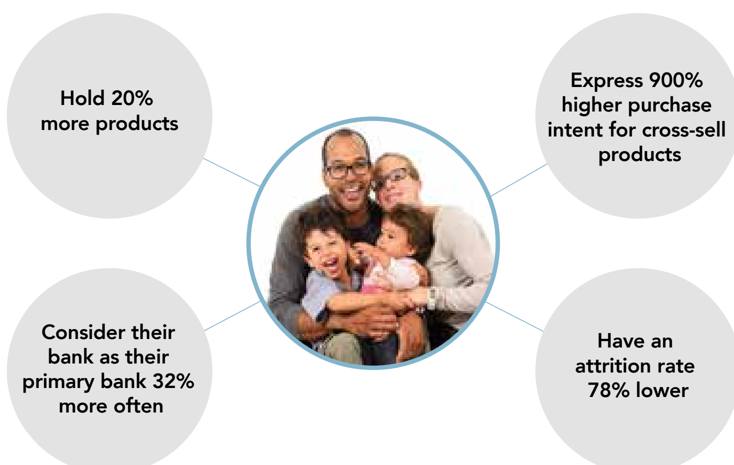
Retail Banking

Emotionally Connected retail banking customers hold more products, concentrate more of their balances, remain customers longer and are more interested in opening more accounts than customers who are Highly Satisfied.[3] They:

- Hold 20% more products[4] with their banks;
- Have an attrition rate 78% lower;
- Consider their bank as their primary bank 32% more often; and
- Express, on average, 900% higher purchase intent for cross-sell products — credit cards, mortgages, personal loans and lines, and brokerage accounts — when needs arise in their lives.

What all of this adds up to is that *Emotionally Connected customers generate lifetime revenue nearly six times that of Highly Satisfied customers.*

Figure 4: Emotionally Connected Banking Customers Are More Loyal



We've learned a great deal about Emotionally Connected banking customers at an even more granular level, including:

- They're more likely to have savings deposits, credit cards and IRAs with their primary bank.
- They're four times more likely to complete bank-to-brokerage conversion and open brokerage accounts with their banks.

[3] Based on Motista data on approximately 60,000 customers of U.S. retail banks, 2013-2016.

[4] Major products may include checking accounts, savings accounts, credit cards, personal loans or lines of credit, home mortgages, home equity loans or lines of credit, automobile loans, brokerage accounts or retirement accounts. Multiple checking accounts are counted as a single product for the sake of clarity.

Emotional Connection has proven to be a winning strategy for retail banks in both good times and bad (and doesn't require aggressive sales tactics and incentives). Our study of banking customers began in 2007, just a year before the Great Recession and the financial crisis. We measured Emotional Connection and its impact on customer behavior before, during and after the crisis. Impressively, Emotionally Connected customers have maintained higher levels of trust and significantly lower attrition rates through the entire cycle, while continuing to advocate more for their banks.

Mortgage Lending

Emotionally Connected mortgage customers are primed to be long-term borrowers and maximize lifetime value by using the same lender again and recommending it repeatedly.

Customer engagement with mortgage lenders is typically low. Maintaining an Emotional Connection with customers thus makes an especially big difference for mortgage lenders.

Emotional Connection breaks through the engagement barrier, positioning mortgage lenders for valuable repeat business and customer referrals. Emotionally Connected customers are seven times more likely than Highly Satisfied customers to choose their mortgage lender again when purchasing or refinancing a home; six times more likely to consider paying a higher rate and higher fees for a future loan from their lender; and recommend their mortgage lenders to friends or family members twice as often.[5]

Figure 5: Emotionally Connected Mortgage Customers Are Highly Attractive

Source: Motista

Our extensive findings about Emotionally Connected mortgage customers include:

- Holding an adjustable-rate or interest-only mortgage doesn't reduce Emotional Connection even though these products can reset, leading to higher customer payments in the future.
- How a customer completes the application process affects Emotional Connection. Applying directly (i.e., through the lender's website, retail branch or office) leads to higher Emotional Connection. Customers applying through an independent mortgage broker are significantly less Emotionally Connected.
- Ninety percent of Emotionally Connected customers feel their lenders are highly trustworthy, even when overall trust of financial institutions lingers at around 50% and hasn't fully recovered since the financial crisis.

[5] Based on Motista data on approximately 20,000 customers of U.S. mortgage lenders, 2013-2016.

Credit Cards

Emotionally Connected credit card customers generate significantly more value for card issuers than their Highly Satisfied counterparts, as they concentrate their purchases and stay much longer. Operating in arguably the most commoditized category of financial services, credit card brands are poised to benefit greatly if they can boost Emotional Connection with customers.

With most card issuers focusing on features, rewards and omni-channel experiences that are hard to differentiate, Emotional Connection is a highly effective way for issuers to grow customer value. It also is a less risky — and more rewarding — growth strategy than marketing to higher-risk applicants, which some leading card issuers are doing as we write in late 2016.

Emotionally Connected credit card customers:[6]

- Complete 71% more card transactions and spend 46% more with their cards each year than Highly Satisfied customers;
- Hold fewer major credit cards[7] in their wallets;
- Have an attrition rate 82% lower;
- Use their cards as their primary personal cards 29% more often; and
- Generate *nearly eight times the lifetime card spend* as a result.

Figure 6: Value Is High Among Emotionally Connected Credit Card Customers

	Highly Satisfied Customers	Emotionally Connected Customers	Emotional Connection Multiple
Annual transactions on card	77	132	1.7x
Annual spending on card	$6,094	$8,897	1.5x
Major cards in wallet[7]	2.32	2.03	0.9x
Annual attrition rate	11%	2%	0.2x
Primary card	66%	85%	1.3x
Lifetime card spend	$55,280	$440,950	8.0x

Source: Motista

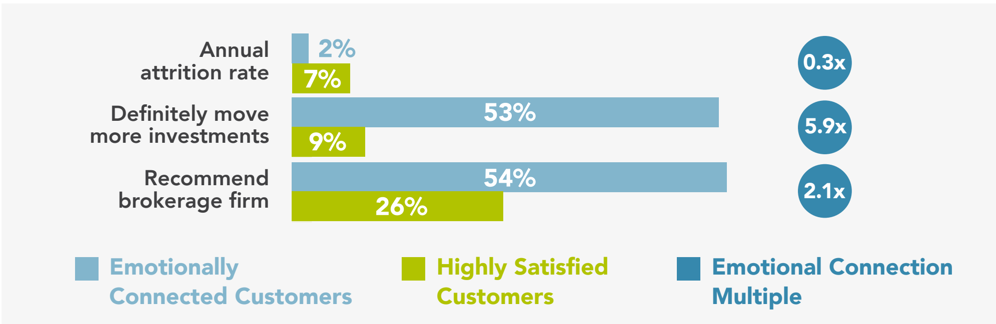
Compared to Highly Satisfied cardholders, Emotionally Connected customers display other distinct behaviors. For example, when they enter multiline financial institutions through a credit card account, they express three-times-higher purchase intent for personal lending and deposit products. In addition, they are more likely to hold cards providing cash rewards, airline miles on specific airlines and reward points with specific hotels.

[6] Based on Motista data on approximately 40,000 customers of U.S. card issuers, 2013-2016.
[7] Count of general-purpose credit cards in wallet only. Excludes merchant-branded cards.

Investment Brokerage

For brokerage firms — both full-service and self-directed — Emotional Connection drives retention, asset concentration, cross-sell and advocacy.

Figure 7: Investment Brokerage Customers Are More Valuable When Emotionally Connected



Source: Motista

Clients who are emotionally connected to their firms are more likely to sustain and expand their relationships throughout their lives.

Emotionally Connected clients' attrition rate is 71% lower than that of Highly Satisfied customers,[8] and they are nearly six times more likely to move more investments to their firms. They also actually recommend their firms (i.e., not just say they will) to family, friends and colleagues more than twice as often.

Brokerage firms seeking to cross-sell complementary products benefit from Emotional Connection, as these clients are twice as likely to hold checking accounts, three times as likely to hold mortgages and twice as likely to hold insurance policies with their firm.

Brokerages have long tried to engage clients based on their life stages and life events such as starting a family, saving for college and retirement, and entering the empty-nester and golden years. They know that retaining clients as they progress through these stages and continuing to grow share of assets with them is vital to profitable growth, and generates high returns on expensive customer acquisition and engagement costs.

Emotional Connection is critical to this longevity strategy: Clients who are Emotionally Connected to their firms are most likely to sustain and expand their relationships throughout their lives. This suggests various ways to capitalize on Emotional Connection across clients' lifecycles:

- For clients ages 25–44, cross-sell of non-brokerage products is three times higher for Emotionally Connected clients than for Highly Satisfied clients.
- Emotionally Connected clients ages 35–54 — the peak earnings years — are five-to-eight times more likely to concentrate assets with their firms than Highly Satisfied clients.
- Older clients — ages 55–74 — exhibit 80% lower attrition if they are Emotionally Connected versus Highly Satisfied. As anyone running a brokerage firm can attest, losing a client at this stage of life — given the sunk costs of acquisition and engagement and typically higher asset and revenue levels for these clients — really hurts. Emotional Connection is a sound strategy for preventing this from happening.

Implementing Emotional Connection Strategies: Three Case Studies

Top-10 Bank: Increasing Cross-Sell By Activating Emotional Connection

At a top-10 U.S. bank, one of the leadership team's main goals was to raise the effectiveness of the bank's cross-selling efforts. The team knew that traditional strategies — increasing customer satisfaction and Net Promoter Score®,[10] building brand awareness and consideration, and differentiating through products and channels — had become mere table stakes and were no longer sources of competitive advantage.

After identifying Emotionally Connected customers on their CRM database, the bank found that these customers had higher balance concentrations, greater share of products, and remained customers longer, all of which generated higher returns on acquisition and engagement investments. Emotionally Connected customers were more likely to combine banking and brokerage needs, sign up for credit card accounts, and combine deposit and home lending products — all cherished cross-sell outcomes.

The bank's Emotional Connection Score™ (ECS) — the percentage of clients relating their emotions and values to the firm — was initially benchmarked at 28%. A size-of-prize model estimated a $300 million–$475 million annual revenue opportunity associated with monetizing existing Emotionally Connected customers and increasing their number.

Identifying Emotionally Connected Customers

Predictive analytics enabled the bank to identify a specific group of Emotionally Connected customers, dubbed "Happy Realists," that immediately became a focus for cross-sell efforts.

Unlike traditional banking segments (e.g., defined by financial needs, behaviors or demographics), Happy Realists were predisposed to connect their deepest emotions and aspirations to financial services brands. They tended to be ages 30 to 40 (older Millennials and younger Gen Xers), mass-affluent and often married with young children, and lived in a mix of large urban areas and mid-sized cities within the bank's footprint. They also were among the best-primed customers — based on their likelihood to become Emotionally Connected — to open new-home lending, personal lending, brokerage and insurance accounts with the bank.

Finding Them — and Motivating Them to Buy

With Happy Realist customers identified, the bank next determined the specific emotions most motivating them to acquire additional products.

The bank's then-current messaging emphasized security, product breadth, service and convenience, which were common advertising claims for the bank and its competitors but not actual predictors of cross-sell success.

Instead, to increase the purchase of additional products, customers needed to connect different emotions to the bank such as:

- ***Reflects my lifestyle***: When customers feel that their lifestyles — their aspirations, challenges and complexities — are understood and reflected by the bank
- ***Belonging***: When customers feel they belong with other customers using the bank
- ***Admire me***: When customers feel they are more respected, accepted and, ultimately, admired by their families and friends through their financial decisions, including doing business with the bank

These were high-impact emotions that the bank could own to drive results with Happy Realists.

Taking the Right Steps

Armed with these critical insights, leadership turned its attention to activation via both marketing and the customer experience.

As one example, the team used Emotional Connection-based analytics to prioritize high-impact marketing and communications touch points, learning that specific types of social media content — especially organic Facebook conversations and reviews and YouTube how-to videos — represented high-potential opportunities to emotionally connect with Happy Realist customers.

Using the key emotions, especially *Belonging* and *Admire me*, the bank took a fresh look at its original content and created easier-to-use social forums for customers to share their opinions about products and experiences.

As leadership proceeded to implementation, it redirected existing operating budgets to execute on Emotional Connection. Those dollars yielded significant returns.

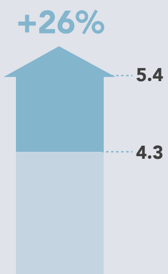
[10] Net Promoter Score and NPS are registered trademarks of Satmetrix Systems, Bain & Company and Fred Reichheld.

The Payoff

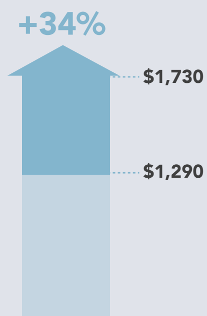
Focusing on the right emotions correctly predicted higher cross-sell, revenue, retention and lifetime value.

Two years after implementation began:

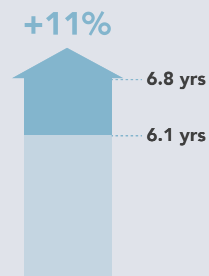
Average products held had increased 26%, to 5.4 from 4.3.



Average annual revenue per customer had improved 34%, to $1,730 from $1,290, reflecting both product and balance concentrations.

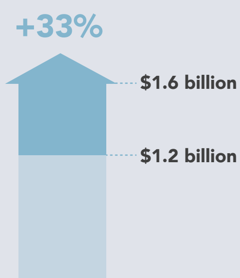


Average tenure had risen to 6.8 years from 6.1 years.

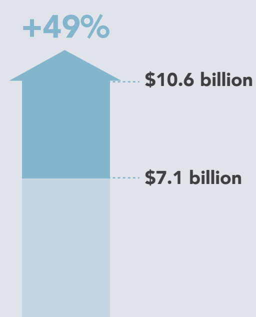


As a result:

Annual revenue associated with Happy Realists grew 33%, to $1.6 billion from approximately $1.2 billion, in line with the initial size-of-prize projection.



The segment's lifetime revenue grew 49%, to $10.6 billion from approximately $7.1 billion, reflecting the significant benefits of both higher annual revenue and longer tenure.

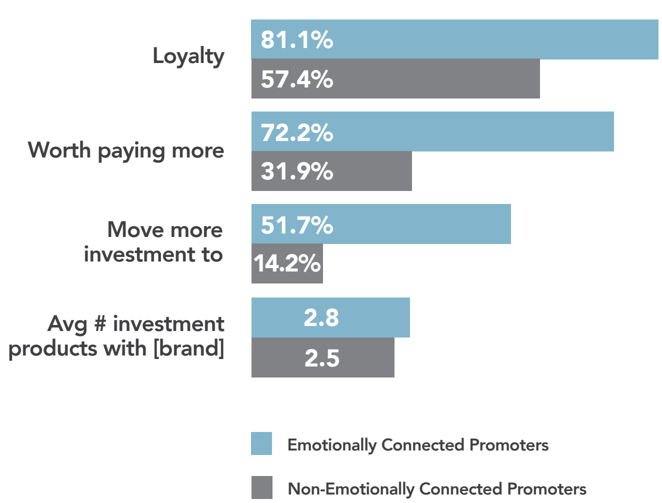


Emotional Connection and Net Promoter Score®

For financial firms that measure their Net Promoter Score® (NPS), we've found that growing Emotional Connection with customers leads to more — and more valuable — Promoters.

At one brokerage client, 72% of Emotionally Connected customers also were Promoters, versus 32% of those who weren't Emotionally Connected. And Emotionally Connected Promoters turned out to be more valuable Promoters: over three-and-a-half times as likely to consolidate investments and more than twice as willing to pay more for the firm's services, as shown in the figure to the right. This firm activated Emotional Connection insights as the "why" behind their Net Promoter Score, deploying strategies and investments to maximize the growth and profit potential of Emotionally Connected customers while increasing their NPS.

Emotionally Connected Promoters Are More Valuable



Credit Card Issuer: Growing Millennial Revenue Using Unique Emotional Motivators

A leading credit card issuer was struggling to grow revenue from its increasingly important Millennial customers. New-account growth was tepid and the issuer had underperformed its goals for card usage and revenue per customer among existing Millennial account holders. For several years, it had employed numerous strategies that cost hundreds of millions of dollars but generated little growth.

The executive team analyzed the value of Emotional Connection alongside how much the issuer's rewards program, customer satisfaction and teaser rates, for example, really caused Millennial prospects to sign up for cards and existing Millennial cardholders to use their cards more often. Emotional Connection between Millennial customers and the company turned out to be one of the most powerful drivers of behavior: When these customers related their emotional motivations to the company, they became exponentially more valuable.

Seeing Emotional Connection's untapped potential to accelerate revenue growth, the executive team revised its customer strategy to:

1. Target Millennial prospects who were most likely to become Emotionally Connected to the firm;
2. Identify existing Emotionally Connected Millennial customers and prioritize them for continued revenue gains; and
3. Grow Emotional Connection with other Millennial customers to increase customer value across the segment.

What Were the Emotional Drivers?

For Millennial customers and prospects, two emotions proved particularly powerful:

- ***Improving the environment.*** Millennials, more than any other generation, seek to improve the environment. When they feel a particular brand helps them do so, they become heavy users and deeply loyal.
- ***Fitting in.*** Millennials face social pressures as they shape their identities and build confidence. Brands that help them to fit in with friends and colleagues especially benefit from profitable behaviors such as swipes, total dollar charges and loyalty.

Armed with these specific emotional insights on how best to motivate Millennial customers, the team developed focused acquisition and engagement strategies to build Emotional Connection.

Putting Emotion to Work

The team identified Emotionally Connected Millennials in its CRM database. Other Millennial customers — those not yet Emotionally Connected — were scored for their likelihood to become Emotionally Connected. Finally, Millennial prospects most likely to become Emotionally Connected to the brand were identified so that acquisition efforts could focus on those with the highest potential.

With the key emotions known and Millennial targets prioritized, execution began quickly, starting with product development. The product team designed and launched one of the industry's first credit cards centered around environmental causes, enabling cardholders to accrue rewards that could be converted into charitable contributions to environmental charities.

The team also developed and offered to cardholders an electronic catalog of environmentally friendly merchandise and experiences so they could spend their rewards in ways that further aligned with their emotional motivations.

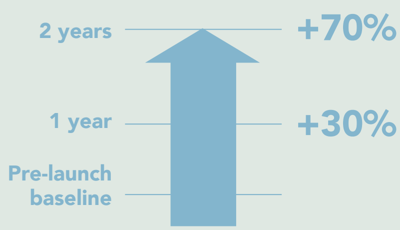
Starting with the critical insight that building Emotional Connection with Millennials was the best path to growth, the team developed and executed a successful playbook of strategies spanning the product, rewards program, marketing to customers and prospects, and digital engagement.

Emotional Connections Lens™ Translates Emotions into Action Steps

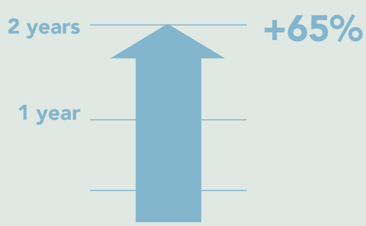
The Payoff

This card for Millennials was, and remains, one of the issuer's most successful product launches.

One year after strategy implementation, card use was up 30% among Millennials versus the pre-launch baseline, and grew to 70% above baseline by the end of the second year.



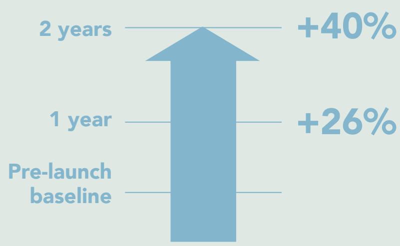
Primary card usage among Millennial customers increased 65% over two years.



These significant increases in usage — the result of growing Emotional Connection — translated into impressive gains in revenue per customer.

Using the Emotional Connection strategy additionally ignited growth in new Millennial customer acquisition:

New-account growth among Millennials expanded 26% versus the pre-launch baseline in one year and 40% above baseline at the end of the second year.



These Millennials churned at slower rates after three, six and 12 months, while ramping their card transactions at a rate faster than historical averages.

Starting with the critical insight that building Emotional Connection with Millennials was the best path to growth, the product team developed and executed a successful playbook of strategies spanning the product, rewards program, marketing to customers and prospects, and digital engagement.

Brokerage Firm: Driving Higher Client Retention and Asset Consolidation With an Emotion-Based Customer Experience

Emotional Connection is a particularly effective strategy for brokerage firms seeking to motivate affluent clients to consolidate assets and remain long-term investors.

A market-leading brokerage sought to grow assets among its customers holding at least $250,000 with the firm. The marketing and customer experience teams began studying Emotional Connection analytics and quickly learned that Emotional Connection was critical to achieving their goal. Based on the insights gained, the firm began to develop and implement a strategy to leverage and grow Emotional Connection with affluent clients.

Discovering the Key Emotions

The firm had already segmented its affluent customers based on investing attitudes and behaviors. Predictive analytics uncovered specific emotions motivating each segment to consolidate assets and remain loyal. For one such segment, "Multi-Channel Boomers" (i.e., affluent baby boomers with high perceived investing IQs who are prone to combining advisor collaboration and independent trading), analytics guided the marketing and customer experience teams to focus on three critical emotions:

- ***Helps me stand out***. Multi-Channel Boomers are motivated to stand out, look smart and enhance their personal perceptions among friends, colleagues and family members. When clients connected this emotion to the firm, consolidation behaviors were higher.
- ***Makes me a more interesting person***. These clients seek to use their knowledge of and experience with investing and markets to be more interesting people. Connecting this motivation to the firm resulted in higher consolidation and longer retention as well.
- ***Order and structure to life***. These clients often are senior professionals with teenage or college-age kids and aging parents, resulting in busy and complex lives. They are motivated to bring order and structure to their lives — so when they connected this emotion to the brokerage firm, they were more loyal and more likely to concentrate assets.

In addition to the Multi-Channel Boomers, specific emotions predicting consolidation and retention were developed for each of the firm's other segments, representing a powerful Emotional Connection Lens™ to inform action.

The teams next proceeded to use analytics to understand which touch points across the client journey were most likely to grow Emotional Connection.

Executing Via the Customer Experience and Marketing

With a portfolio of key Emotional Connection insights for each segment, the customer experience and marketing teams moved into execution mode. Customer experience teams applied knowledge of the key emotions and touch points to the advisor-client relationship, including:

- Revising scripts and verbal questionnaires used by financial advisors across interactions with clients to emphasize the key emotions;
- Encouraging advisors to engage clients proactively through digital and social channels and recommend video conference meetings; and
- Helping advisors understand how unsolicited conversations about insurance and related topics (e.g., estate planning) actually appealed to clients' emotional motivations.

In parallel, using an "Emotional Connection Playbook" they had developed for each segment, the marketing team applied the insights to:

- Inform the creation and testing of new digital content to deliver on the key emotions, including podcasts, social videos and videos on the firm's websites and mobile app;
- Adjust and test the usability, imagery and messages of the firm's websites and mobile app; and
- Stimulate conversations likely to grow Emotional Connection through social media properties such as Twitter and Facebook.

Emotional Connection's intuitive appeal, combined with the precision of predictive analytics, were especially valuable in motivating advisory and service teams to support and roll out the firm's new strategies.

A Virtuous Cycle of Measuring, Testing and Learning

The firm's executive team realized that Emotional Connection could not be grown and harnessed over time from a one-off initiative. The virtuous cycle of ongoing measurement, testing and learning, and continuous improvement was critical to growing Emotional Connection into a sustainable competitive advantage.

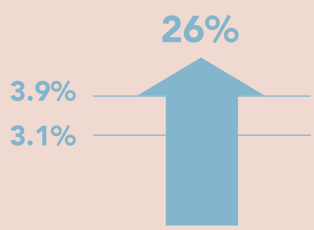
The firm now measures its Emotional Connection with clients on an ongoing basis. The Emotional Connection Score (ECS) is measured at the firm and segment levels each month. At a customer level, behavioral and financial results are matched to the ECS, enabling leadership to see how Emotional Connection can predict customer value over time.

In addition, surveys triggered by client experiences have been updated to include tailored questions to measure Emotional Connection. The firm measures in-market tests of marketing and client experiences for their impact on Emotional Connection as well.

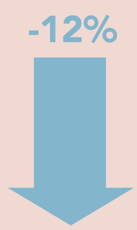
The Payoff

Adopting the Emotional Connection strategy has directly contributed to the firm's strong results.

The revenue growth rate among affluent clients accelerated to 3.9% from 3.1% in two years, reflecting increases in asset consolidation and retention.



The number of affluent clients leaving the firm fell 12% during the period.



The executive team continues to set new growth goals for assets, retention and revenue, and measures and manages Emotional Connection as the way to achieve these goals.

Emotional Connection is a particularly effective strategy for brokerage firms seeking to motivate affluent clients to consolidate assets and remain long-term investors.

Conclusion: Leverage Your Emotional Connection Asset

Leaders of financial institutions are under pressure to achieve sustainable organic growth — at a time when doing so seems more challenging than ever. Consumers perceive scant differentiation among financial firms, making it tougher for even the industry's historically strongest brands to grow revenues profitably.

We believe that by understanding and tapping into the emotions that motivate customer behavior, financial institutions can produce meaningful growth and lasting competitive advantage. The institutions that already have adopted the Emotional Connection strategy have shown compelling results.

Data and tools now exist for firms to manage and execute on Emotional Connection with precision and accuracy. We encourage you to better understand and activate Emotional Connection across marketing, customer targeting, the customer experience and product innovation. Doing so will yield the high-value, long-term customers who can drive profitable growth for your business for years to come.

Contact Us

We welcome your comments and questions. Please feel free to contact us.

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About Motista

Motista's predictive intelligence enables business leaders to accelerate growth by activating Emotional Connection. Using big data that ties emotions to behaviors, Motista delivers solutions that generate up to 100% gains in annual customer value. Leaders in retail, financial services, packaged goods, technology, healthcare and hospitality use Motista's predictive intelligence on Emotional Connection to target and acquire more profitable customers, significantly increase customer lifetime value and position their brands for growth and differentiation. With revenue stagnant in most categories, Motista's clients are accelerating profitable growth by activating Emotional Connection. Please visit www.motista.com to learn more.

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