



PegaWorld*iN*spire

JUNE 9-11, 2024 | LAS VEGAS

# Personalization to Hyper- Personalization: Navigating the Multi-Channel Journey

Suzanne King, AVP - Orchestration & Analytics  
Caitlin McMillan, Asst. Mgr. - Orchestration & Analytics

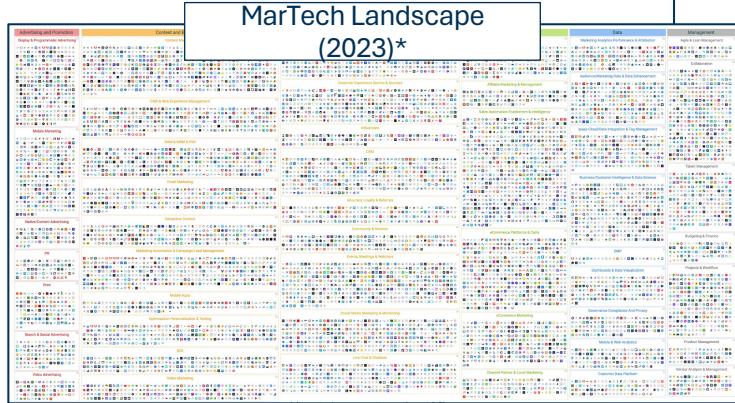
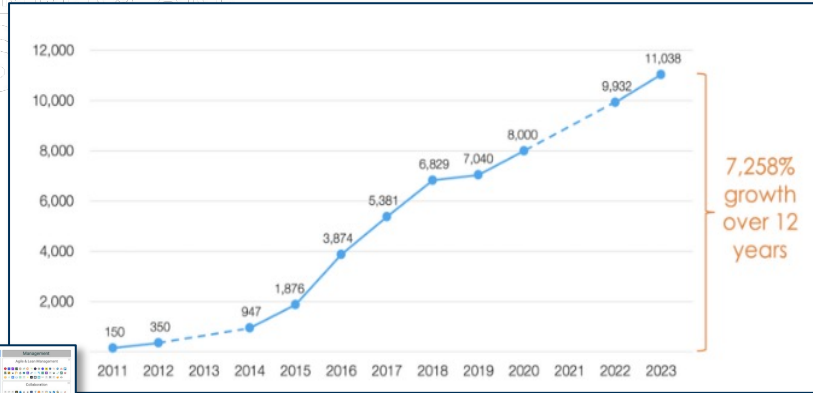
**NAVY**   
**FEDERAL**  
Credit Union®



# The MarTech Landscape is Growing More Complex



## Sustained Increase in MarTech since 2011\*



# Who is Navy Federal Credit Union?



OUR MEMBERS ARE  
THE **MISSION**

**#1 for Customer  
Experience among  
Multichannel  
Banks/Credit Unions**

- Forrester's 2023  
CX Index™ Survey

**Best Military Bank/  
Credit Union**

- The Military Wallet
- US News & World Report
- Money



# Three Mandatories for Success

**1.**

**Change in  
Thinking**

**2.**

**Redefine  
Success**

**3.**

**Centralize  
Data &  
Decision**

# 1. Change in Thinking



# Crossing the Chasm to Hyper-Personalization

## Traditional Marketing

Batch

Delivers an offer to a **group of members**, when the **business is ready**



Real-Time

Rules-Based

Relies on only deterministic **business rules** to determine the campaign audience



AI-Driven

Channel-Specific

Utilizes **independent logic** and strategies, optimizing for **channel-specific KPIs**



Omni-channel

## Hyper-Personalization

Delivers an action to a **single member**, when that **member is ready**

Uses **adaptive models** to pick the most relevant actions and treatments


**One voice** unifies strategies across entire member experience, optimized for **enterprise-level KPIs**

# Early-On Challenges



There is **ORGANIZATIONAL SUPPORT** and **EXCITEMENT** for Pega Customer Decision Hub because everyone at NFCU is wired to be member-centric.

BUT, there was a challenge of initial hesitancy from business unit partners.



## So, we...

...began a journey to gain widespread support for adaptive models.

And, kicked off a **head-to-head test** of batch & blast vs. NBA for Credit Card acquisition:

- **Credit Card Applications:** NBA outperformed by **23%**
- **Approved Applications:** NBA outperformed by **27%**



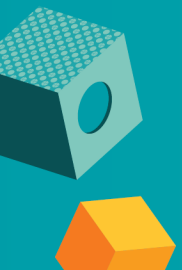
# Pockets of Challenges Still Exist...

There is further need for transparency:

- Which next best action was decided instead of another and why?

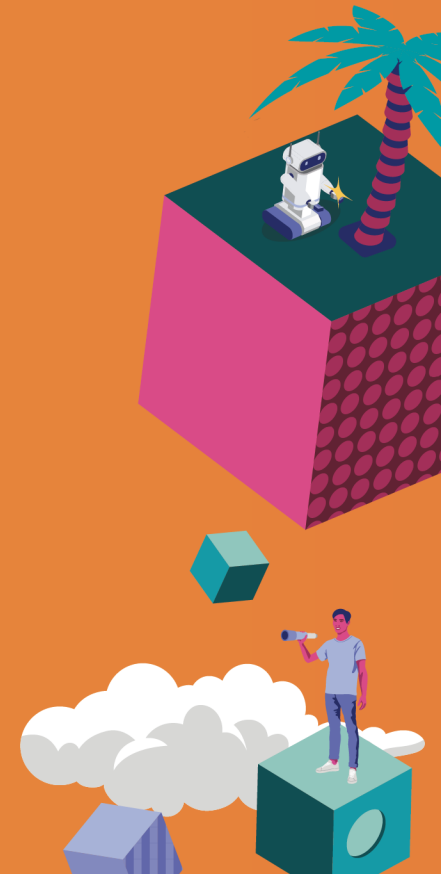
Once we solve for this (with Pega's help), the support will be even greater.

And we will turn skeptics into believers.





## 2. Redefine Success




# Member Needs

- **Insight:** Members are paying out-of-network ATM fees for balance inquiries
- **Why it matters:** Members can avoid the fee by using NFCU mobile app, Online Banking or in-network ATM
- **Result:** 79% reduction in out-of-network balance inquiries

NAVY FEDERAL CREDIT UNION

Navy Federal Security Zone: Email for Suzanne | Access

## Check Your Balance Without Paying ATM Fees



Suzanne, when you used an out-of-network ATM to check your balance in the last month, you were charged an ATM fee.

Each time you use an out-of-network ATM, even if you're only checking your account balance, you're racking up fees. **Save yourself the fees** by using:

- our mobile app\*
- online banking
- [in-network ATMs](#)

Don't have the app or not enrolled in online banking? No problem—you can get both by tapping the button below.

[Get Mobile or Online Banking](#)

Our Members Are the Mission®

*“Member was very grateful for the suggestion!”*

- Member Service Rep

*“Good insight to offer members!”*

- Member Service Rep



# Member Needs Drive the Communication

## Member Action/Trigger

## Communication

Financial Mistake

Paid ATM fee for balance inquiry



Reminder to use mobile app

Milestone

Paid off auto loan



Incentive to save portion of loan payment

Financial Distress

Missing credit card/loan payments



Recommendation to change payment due date to be closer to payday

Life Stage

Turned 18

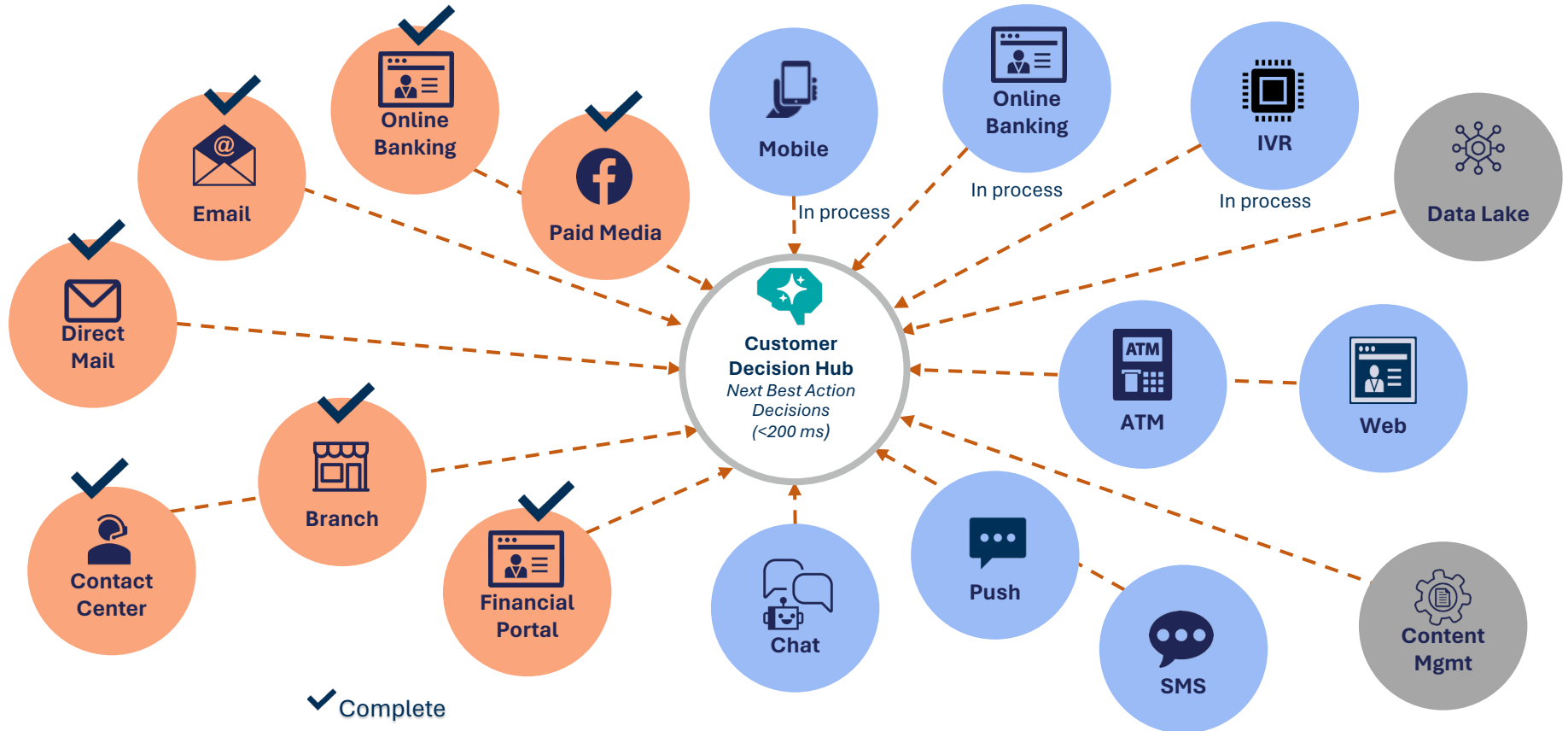


Financial advice

# 3. Centralize Data and Decision



# Member Experience Done Right



# Inbound Powers Outbound (and vice-versa)

## Inbound



Streaming Data

Pattern Detection

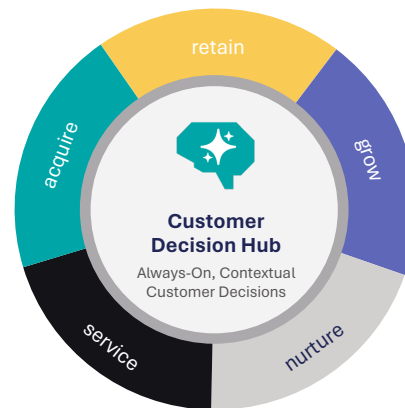
**Interests**  
*What are they interested in?*

**Interactions**  
*What are they doing in channel?*

**Notifications**  
*Is there something to tell them?*

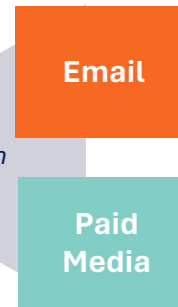
**Holdings**  
*What products do they have?*

## Decision



Action

## Outbound



# Let's Meet a New Member!



**Michelle**  
Member

28, Single, \$41k/yr

Sister of a Marine

Undergraduate  
degree with no loans

*I am doing okay financially, but I still need guidance.*



**Day-to-Day Expenses:**  
Zelle & Cash

**Monthly Bills:**  
Checking Account



**Monthly Activity:**  
IN: Cash deposits  
2x/mo.

**OUT:** Biggest expenses are rent, car repairs



**No Credit Card:**  
Wants to manage spend



**Digitally & Financially Savvy:**  
Calls Contact Center or visits Branch to get assistance with most needs



# Next Best Action... In Action

A new member's potential journey



MSR shares debit card features w/ Michelle

Wants help setting up Direct Deposit



Michelle sees banner in Online Banking about doing more with her debit card

Confirm paycheck was deposited

INSIGHT PAUSED



Michelle is reminded via email of how a debit card can help her manage her spend

21 days later

★ MICHELLE USES DEBIT – INSIGHT SUCCESS! CARD



MSR upgrades Michelle to eChecking

★ MICHELLE RECEIVES \$10/MO IN ATM FEE REBATES – INSIGHT SUCCESS!



# What Was Accomplished in This Journey?



**Made real-time decisions at the point of contact**



**Recalculated the Next-Best-Action based on member activity**



**Retained relevance and context across different channels**



**Helped Member Service Representatives identify opportunities**



# In Summary



## Change In Thinking

- Change management journey
- Head-to-head test
- Increase transparency into decisioning



## Redefine Success

- Think in terms of solving the customer's problem
- Trigger next best actions on insights



## Centralize Data & Decision

- Collect insights from all channels
- Inbound powers the outbound and vice-versa
- Power more channels with NBA for omni-channel, unified voice





# PegaWorld*iN*spire

JUNE 9-11, 2024 | LAS VEGAS

