

Re-imagining Banking for Gen Z

From Legacy to First-Choice

EXECUTIVE SUMMARY

Problem

The banking industry is being disrupted by Fintechs. 10% of Gen Z customers leave CIBC annually, resulting in CIBC losing out on \$205 million in student revenue alone by 2030.

- Gen Z is more likely to identify a neobank, major technology company, or fintech firm as their main financial service provider than any other age bracket.
- 1 in 10 students leave CIBC post-graduation. At this rate CIBC will lose 857 000 Gen Z customers by 2030.
- Gen Z is leading the transition from traditional banks to Fintechs and neo-banks.

Solution

A multi-pronged approach to expand and improve CIBC's services by increasing financial literacy among Gen Z and developing new, instantly gratifying products and services.

- Progress Bar: an incentive program allowing Gen Z to earn prizes by engaging with and using CIBC's tools and services.
- Cash-Back Rewards: a customizable system where users choose what categories of their spending they would like to receive cash -back rewards for.
- TikTok Marketing: An "edutainment" marketing approach to establish strong relationships with Gen Z customers, increasing retention and brand loyalty .

Outcome

Modernized CIBC brand, making it more appealing and engaging to Gen Z customers, resulting in a revenue increase up to 25% (\$1.55 billion by 2030).

- Reduces wealth fragmentation, and improves likelihood Gen Z will allocate majority of their funds to CIBC's platform.
- Develops personal relationships with Gen Z, increasing brand loyalty and customer satisfaction. Establishes a frequent method of communication customers and CIBC.
- Educate Gen Z about CIBC's products, services, offered pathways to financial prosperity, sustainability actions, sponsorships, and basic financial advice.

Understanding Gen Z

Gen Z will be the **least brand-loyal** demographic with the most spending power (\$140B).



Personalization

Gen Z has no time for a one-size-fits-all solutions, making Fintechs an easy alternative. Gen Z wants what is best for them, but doesn't know what is best for them. Providing in-depth **personal analytics and recommendations** provides Gen Z with the comfort they desire.

Transparency

Unpredictable startup, like the FTX crisis, is what promotes Gen Z to keep their money with safer, and more stable institutions like CIBC. Frequent, authentic **communication is key** to maintaining positive relationships with customers.

Rewards

Cash back programs have seen great success with millennial customers. For the next generation, however, **tangible rewards** have more of a dopamine-boosting value. Gen Z customers want their gratification to come in larger sizes, but less often.

Education

Gen Z wants financial education more than any other generation, but struggles with finding correct information from reputable sources. With banks providing the **financial education** they need, they are more likely to remain with that bank in the long-term.



Current Issues Facing CIBC

Shift Away From In-Person Banking

Reliable access to technology allows Gen Z to stay out of bank branches and manage their finances at their fingertips. Less than 40% of students have visited a branch in the last year, while over 98% of these students have used some sort of mobile financial service in the past year. Less bank traffic means less points of sale in the current business model.

Fintech and Challenger Bank Competition

Gen Z is the least brand-loyal generation thus far, giving them the power to pick their services based on best deal and experience. Goldman Sachs estimates \$4.7 Trillion will be diverted from financial institutions to financial services startups.

[CIBC's Existing Solutions](#)

CIBC: The Students' Bank

By targeting the desires of the next generation, CIBC can become the **first choice** for their innovative digital financial services

1

Increasing Mobile Engagement Through Gamification

Increasing time spent on the CIBC app will increase the number of mobile services customers will interact with. Adding an element of competition and gamification will push usage of the CIBC app to daily, contributing to stronger retention.

2

Providing Personalized Cashback Rewards

Gone are the days of generic 2% cash back rewards. The next generation wants to be in control of their rewards. Giving users a chance to get money back on what matters to them is more enticing to students. CIBC will also reap the benefits of leveraging partnerships for this program.

3

Modernizing Brand Image

CIBC needs to leave the "vault" image behind and commit their brand message to students. By providing financial literacy and brand awareness to the fingertips of the next generation, CIBC can reshape its image to attract and retain Gen Z customers.

1

Increasing Mobile Engagement Through Gamification

2

Providing Personalized Cashback Rewards

3

Modernizing Brand Image

My Progress Bar

83%

of Gen Z wants **bonus rewards** on certain spend categories [\[1\]](#)

Our Vision

Individuality and transparency are the two of the most important attributes GenZ is looking for in their financial service provider. In fact, **44% of Gen Z would provide additional personal data to enable a more individualized experience.** By gamifying the clients' experience, CIBC can create an engaging and personalized experience for each customer resulting in greater service appeal to Gen Z clients.

Our Proposal

Create an **incentive system** allowing customers to earn prizes by engaging with CIBC's tools and services. Using a progress bar, customers can earn points by utilizing CIBC's financial literacy resources, implementing their learnings using CIBC's offered tools and services, and then redeeming their points for prizes offered through CIBC's partnerships (e.g. Montreal Canadiens, Canada Soccer, Canadian Premier League). This program also allows CIBC to target specific audiences with content and strategies in an engaging way.

The Process

Implementing the My Progress Bar will bring a gamified experience to CIBC's mobile app. Following a similar point scale to the current (but outdated) rewards system. This Progress Bar will provide longevity in CIBC's Gen Z client base through sustained interactions with the bank.

Progress Bar Features

1 Earn Points Through Engagement

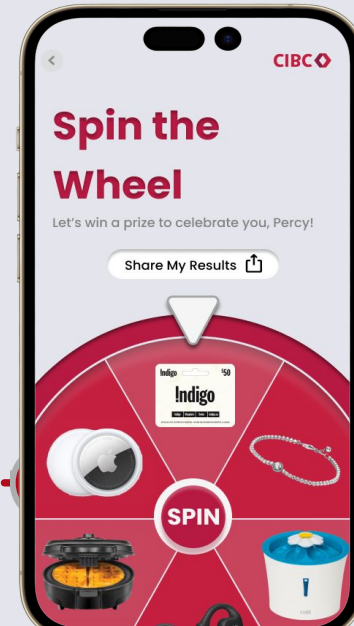
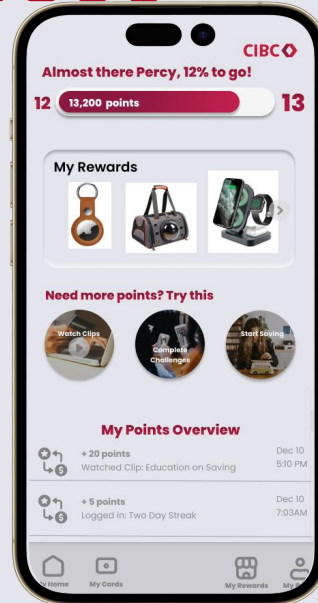
Whenever Gen-Z watches financially educational videos, takes comprehension quizzes, saves money, uses CIBC tools & services, and completes challenges they earn points so they can level up and win rewards! These financially strengthening actions are instantly gratified and give Gen Z tangible rewards.

2 Level Up and Spin the Wheel to Win

Everytime a level is gained they have the option to use their points to spin the wheel and win a "Level X" reward. Every level has different rewards corresponding to the amount of points required to get there. The rewards are from CIBCs' pre-existing reward pool.

3 Share With Your Friends and Enjoy!

If they are happy with their reward they can share it with their friends on social media, this further modernizes CIBCs' Brand Image and reduces it being seen as just "a vault." The rewards are then available for pick-up or delivery from the fulfiller.



[View the prototype](#)

Advantages



Catering to Gen Z

80% of consumers are more likely to buy from a company that provides a personalized experience.

(1) Thus, establishing the My Progress Bar and the personalized rewards that target the users spending habits will result in a higher growth rate, and keep the attrition rate to a minimum. **Research shows that personalization most often drives a 10 to 20 percent revenue lift. (2)**



Increasing Financial Resilience

A quick way that Gen Z can earn points is through watching financially educating clips that help them learn about the market and how to do deal with tasks that are essential for their financial stability such as: saving, investing, debt management, loans and mortgages. **98% of Gen Z are actively making plans to strengthen their financial resilience. (3)**



Increased Engagement

Gamification can increase customer engagement by up to 47% when properly utilised. (4) Implementing the gamified rewards system will drive customer engagement through multiple channels including: the CIBC app, and social media. **77% of customers will recommend a company after a positive experience. (5)**

Personalized Cashback



Our Vision

64% of Gen Z are looking for a personalized banking experience, therefore allowing Gen Z to interact with their banking solution and provide their input is at the forefront of our solution to help attract and retain long-term Gen Z Customers.



Our Proposal

A customizable cash-back system where users can choose to get money on what they value most in their lives. Depending on the customer's spending habits, activities and expenses, they can receive cash-back rewards to best suit them and their lifestyles.



The Process

CIBC offers personalized cash-back rewards to customers based on their spending habits to encourage responsible money management among Gen Z. By analyzing spending habits and providing incentives for regular balance checking, CIBC promotes good financial habits and builds strong relationships with the next generation of consumers.

Personalized Cashback

1

Personalize

At the start of every month, customers select which 4 categories of items they want to distribute their cashback to. There will be multiple options to select from so they have the choice to get money back on what matters to them.

2

Buy

They make a purchase within any category they selected for cashback and they receive the percentage they selected off the item's price. This also provides a sense of instant gratification to reward Gen Z for being a smart spender.

3

Repeat

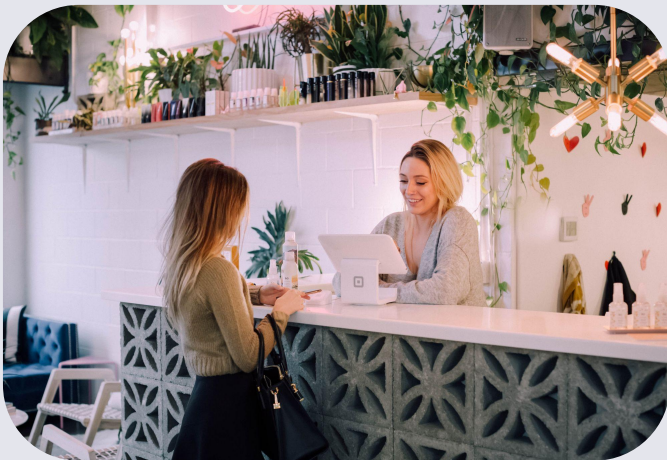
Until the end of the month they continue to get cashback on all eligible purchases, then next month they get to select brand new cashback allocations. This gives them a chance to set up for the new month and frees them of a commitment to the same reward.

5% TOTAL

1.5% limit per category



Advantages



Enhance Customer Loyalty

By providing a personalized service, CIBC is able to demonstrate their value of customers and foster long-term relationships. Personalized services are key to accessing the emotional connection consumers feel with certain companies. 80% of consumers are more likely to buy from a company that provides a tailored experience therefore a personalized cash-back system can enhance CIBC's customer loyalty by making Gen Z customers feel valued and understood.



Lower Acquisition Costs

Personalized services create a strong positive impression which can attract new Gen Z customers and retain previous ones. Personalized services reduce acquisition costs as word-to-word marketing is more likely to occur. Additionally, personalized services increase satisfaction, which reduce the chance of customers switching to a competitor's product.

Why TikTok Marketing

- ★ Gen Z is the largest and most active demographic on TikTok, with over 60% of its users falling into this age group. This makes TikTok an ideal platform for reaching and engaging Gen Z.
- ★ 97% of Gen Z consumers say social media is one of their top sources of shopping inspiration. The #tiktokmademebuyit has over 2.3 billion views.
- ★ A TikTok account gives CIBC the opportunity to change their brand image from that of a "vault" to that of a companion.
- ★ TikTok is a platform that encourages creativity and authenticity, and it provides users with a wide range of tools and features that allow them to create unique and original content. This is attractive to Gen Z, who value individuality and authenticity, and who are looking for companies that are transparent and genuine.

Gen Z Demographic

Shopping Inspiration

Brand Image

Gen Z Values

TikTok Marketing Analysis



1

Ryanair is the perfect example of how low-cost yet original creatives demonstrate authenticity and humour; values that Gen Z demand.

2

Ryanair's short-form content is appealing to Gen Z due to their progressive decline in attention span.

3

Ryanair records an average engagement rate of 9.6%, which far exceeds TikTok average values.



CIBC TikTok Approach

1

Simplify Personal Finance Education

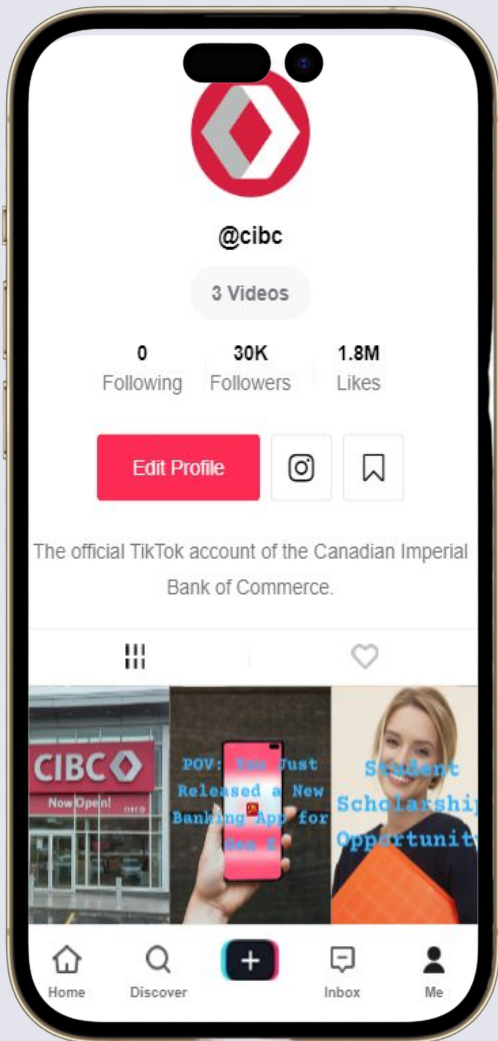
84% of Gen Z receive financial advice from family and friends. Parents aren't the best source of advice as elder generations grew up with different financial advice. On top of that, Gen Z grew up observing millennials with student loans and debt; viewing personal finance as an extremely hesitant and dicey topic.

With a 'edutainment' marketing approach, CIBC can have a strong emotional connection with Gen Z customers. A strong emotional connection results in client retention and brand loyalty.

2

Launch New Products and Services Relevant to Gen Z

With client retention and brand loyalty, TikTok is the ideal place for promoting new products and services with lower acquisition costs. With the use of trends and sounds, CIBC is promoting its products to brand loyal Gen Z customers and further developing its brand image and appeal to Gen Z.



[View the CIBC content strategy.](#)

[CIBC TikTok Playbook](#)

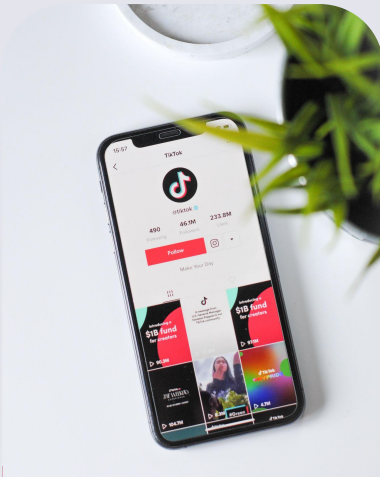
Implementation

54% of Gen-Z says social media influences them more than any other marketing channel. (1)

52% of Gen-Z trusts social media influencers for product or brand advice. (1)

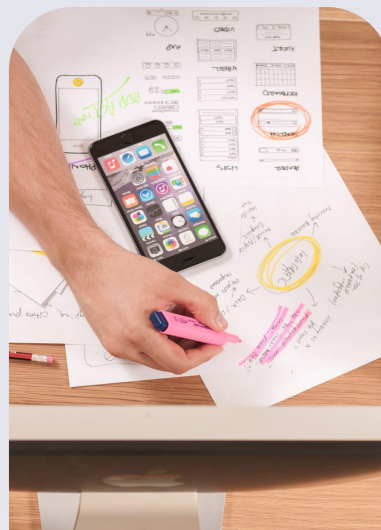
85% of Gen-Z learns about new products through social media. (1)

Gen-Z spends an average of just under three hours on social media each day, almost an hour more than the average Millennial. (1)



Vision:

Increase engagement, awareness, and connection to Gen Z client base, fostering personalized and long-lasting business relationships.



Proposal:

Employ relatable influencers to give advice on borrowing, saving and investing using tools and services offered by CIBC.



Process:

Short video content and easily digestible sound "bites", addressing commonly faced inquiries by providing pathways or solutions offered by CIBC.

Advantages

Innovator, Not Inhibitor

Evolving from “the vault”, CIBC can improve its current student attrition rate (10%), and potentially attract a new audience. **CIBC can position itself as a stable and safe, yet rewarding, alternative to Fintechs** as its “low risk, high reward” system is displayed through its continued stability and incentive programs.

A Part of the Future

Unlike Fintechs, CIBC can ride out the volatility of innovation, and has the resources to invest in its creation. By first enticing customers with rewards programs, CIBC can slowly integrate new technologies into their ecosystem, gradually upgrading its legacy systems. CIBC will continue to be #1 in customer satisfaction for online banking services in Canada as they evolve with developing trends.

Customer-Centric Company

Proven by the #1 Online Banking Award, CIBC has superior customer service abilities. By breaking into mainstream social media for Gen Z, CIBC can reinforce its commitment to client satisfaction to Gen Z by showing customizable solutions using CIBC’s tools and services. By helping Gen Z navigate the intricacies of money management, **CIBC establishes itself as a support system for Gen Z** rather than an intimidating corporate entity.

Sustainability

With sustainability as a deciding factor for many, CIBC can leverage their efforts to attract Gen Z customers who care about businesses taking accountability for their impact on society and the planet. From “accelerating climate action”, to “creating access to opportunity”, to maintaining trust and transparency, CIBC is putting in the work, and Gen Z will be eager to support its efforts.



What Experts Have to Say

1

"Banks are starting to focus more and more energy into their mobile apps and are constantly looking for a unique way to gain traction. I love the idea of gamifying money management as this process has worked for other industries and fits really well in finance as well."

- Customer Data Protection at RBC

2

"Introducing a progress bar adds a different element to the digital banking and rewards tracking experience. Engaging Gen Z through the gamification of financial education is an idea worth exploring. Personally, I think banks could see success in attracting and retaining Gen Z clients if these concepts and ideas are adopted and refined."

- Open Banking Consultant at Symcor

Thank You



Tehseen Dahya



Abdur Sajid



Ava Kleiser



Karan Puri



Stella Cobb



This opportunity to explore what banking could look like for our generation has been an amazing learning experience. Speaking with industry experts, researching innovations in financial services, and touring CIBC Square have been some of the most formative experiences throughout this three-week journey. Thank you so much for granting us this opportunity!