

Banks' Call to Arms: Personalization is No Longer an Option

Personalization is table stakes when it comes to delivering a real customer-focused digital experience. Banks that are doing it well have faster revenue growth rates than their peers.

Remote work, social distancing, and other “new normal behaviors” demand deeper, enriching consumer experiences in digital channels. Personalization matters more than ever before and the numbers prove this out. More than **70 percent** of customers now expect some form of personalization from the start, and 76 percent get frustrated when they don't find it. And banks drive **30-40% more of their revenue through better personalized** customer experiences.



The surge of online transactions since the onset of the pandemic in 2020 escalated expectations, raising the bar for everyone.

Consumers' relationships with their financial institutions (FIs) shifted because of this, and many switched to new FIs, closed seldom used accounts, or adopted products and services from different consumer-focused sources.

There isn't going to be a “return to normal.” This is the next normal.

Customers demand personalization

Personalization most often drives a **10-15 percent revenue** lift. The more skillful a bank and personalization partner become at applying data to customers' needs, many FIs are seeing numbers **reaching 25%** based on the ability to execute well integrated hyper personalization strategies. That's why FIs work with digitally savvy companies that forge a data-driven, individualized model because personalization isn't just about how they market themselves; it's how they function.

Banks that achieve the best results from personalization approach it holistically. Rather than seeing personalization solely as a marketing, technology, or analytics problem, they view it as an organization-wide opportunity to build customer relationships not solely for short-term wins but a long-term driver of growth and customer lifetime value.



The 5 requirements for a data-driven personalized approach

1. Opportunity identification.

Using first-party data to understand where the customer lifecycle brings the highest adoption, including focus and outreach.

2. Speed-to-market and at scale.

AI-driven decisioning, dynamic content, and constant measurement enables flexibility and actions across digital touchpoints. Speed-to-market is important but must also be scalable to provide for long-term growth and expansion of capabilities.

3. Technology and data enablement.

Partner with digital technology and AI, marketing, and data-insight experts with dynamic platforms to power hyper-personal customer-focused financial requirements.

4. Agile operating model.

Work with firms that use an agile methodology for quick deployment with a rapid test and learn engine operating with the right roles, cross-functional talent, and ways of functioning to deliver individualized content, lead generation, and impact return.

5. Capability building.

Technology, analytics, and talent sustain influence over time.

These five facets help CIOs foster operational changes and a cultural shift to deliver on personal customer experiences. The urgency of the personalization mission is to drive performance and improve customer relationships with objectives grounded in efforts for customer-centric key performance indicators (KPIs). What transformation looks like is to leverage member data, demographic personas, segments, microsegments, and factor in behavioral, transactional, and

engagement trends. It allows banks to build out propensity and follow best product/service models.

Nearly three out of four CIO and marketing leaders surveyed in a Deloitte study said they needed to better use data analytics and AI to develop high-quality propensity scoring to understand customers' needs and to deliver content that fits those needs. Banks that are leading in personalization achieve lift by tailoring offers and outreach content to the right customer at the right moment with suitable activities to elevate the customer experience.

Customers' 11 key personalization touchpoints

1. Make it easy for me to navigate to important decision-making content digitally
2. Provide relevant product and service recommendations
3. Tailor the messaging to my needs
4. Offer me targeted promotions
5. Celebrate my milestones (birthday, anniversary, loan payoff)
6. Timely communications tied to key life stage moments
7. Follow up with me on post-purchase/ adoptions
8. Personally address communications to me
9. Triggers based on my behaviors, actions, maturity dates
10. Engage and onboard me when I first open my account
11. Show up in my frequently visited websites/apps



Thoughtful touchpoint communications generate positive brand perceptions. Personalization is especially effective at driving repeat engagement and loyalty over time. Recurring engagement creates more data from which a bank can design increasingly relevant experiences for a customer that, in the end, builds substantial lifetime value.

Boost lifetime value

Deliver a fully automated and interactive relevant digital customer engagement experience includes essential features like: Welcome/Onboarding, Retargeting, Product & Services Cross-Sell, Time-Triggered, Ad Hoc campaigns, and Thank You for Adopting a New Product/Service.



These unique individual experiences are designed to engage on a one-to-one, data-driven, and automated basis for personal and SME customer while generating leads and driving customers to your website for additional actionable engagement.

This approach enables your bank to scale its digital marketing capacity and get personal communications into the market quickly. Acknowledges critical economic events and cross-sells throughout the customer's many seasons of life to enhance the relationship and increase the chance for long-term loyalty and share-of-wallet.

Over 40 Years of Experience. Paula Tompkins has been driving digital personalization that integrates marketing, sales, and service channels to drive loyalty and retention in the financial, automotive, and home improvement industries. She holds multiple technology patents and utilized a Software as a Service (SaaS) model to create seamless ROI-driven customer experiences. Paula boasts a blue-chip roster of clients in the financial sector and beyond using her digital platforms to drive retention and revenue in an increasingly omnichannel business environment.