REDEFINING FINANCIAL SERVICES MARKETING
The Rise of the Hyper-Relevant CMO
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Introduction

Marketing in Financial Services is undergoing a profound and lasting shift. Yesterday’s marketing blueprints are no longer appropriate. The rise of the hyper-relevant CMO turns marketing organizations into powerhouses for sustained relevance and growth.

Industry boundaries are also blurring, allowing new entrants to challenge long-held notions of how Financial Services are defined and how they are delivered. Players are focusing more on customers’ core needs, such as housing, mobility, health and leisure, which are also being offered by players from other industries such as real estate agencies, car manufacturers, hospitals, travel agents, retailers and others.

Moreover, the traditional operating model is under sustained pressure:

- In servicing core needs, the one-off acquisition of a product or service is being challenged by subscription-based services such as streaming television or pay-as-you-use insurance;
- Organizations need to be able to use large amounts of “consented” internal, external and inferred data, with real-time propensity models to drive interactions and predict the “next best action” the company can take;
- And the use of channels is changing, with new channels delivering interactions such as always-on-messaging or voice assistants, typically provided by the large GAFAs* platforms.

*Google, Apple, Facebook, Amazon

We call this Living FS Marketing

Living FS Marketing is a new approach through which CMOs ensure that brands, products and services are hyper-relevant to each and every customer, and are presented as part of a unique, personalized experience that dynamically changes as the customer’s expectations evolve.

In Living FS Marketing, the CMOs focus initially on increasing contacts through multiple channels (including social media) and through orchestration and/or participation in ecosystems. They then work to convert these contacts through personalized engagement into sales with the help of tools ranging from state-of-the-art customer relationship management (CRM) software to the use of Artificial Intelligence (AI), machine learning and other emerging technologies.
Among Financial Services, for CMOs:

- 78% agree that new entrants use customer experience as their key differentiator;
- 80% agree that customers are becoming more open to engaging and services and offerings from these new entrants, and
- 76% agree that these new companies are better at providing more relevant offerings than traditional players.

To help their organizations drive revenue growth in this environment, chief marketing officers (CMOs) and their peers throughout the enterprise need to address a very different agenda, with new tools, new methods and a new mindset.

Living FS Marketing is not just a new way of marketing; it is a company-wide shift in mindset, behaviors and priorities, as reflected in Figure 1.

We recently surveyed 1,500 CEOs and CMOs, 270 of whom were in Financial Services. Among the 500 CEOs in the group, 31 percent expect their CMOs to be at the helm when it comes to finding new sources of growth. The CMOs, in turn, constantly seek new sources of growth through the reinvention of the customer experience, breakthrough innovation or the creation of entirely new revenue streams.

Successfully orchestrating these changes is critical to delivering Living FS Marketing that, in turn, drives sustainable growth.
GETTING IT RIGHT: INNOVATION IN FS MARKETING

A select number of traditional Financial Services players are gaining advantage by acting as digital leaders

**BBVA**

In Spain, BBVA’s Valora uses analytics, augmented reality and other advanced technologies to help prospective buyers and renters find a home. The proposition—available both to BBVA customers and others, via mobile or on BBVA’s website—allows users to find the approximate purchase and sale price of a house and to see the prices of similar properties in the area. Users can explore the impact of the purchase on their finances, running simulations to see whether or not it makes sense to buy or rent. In its first six months, BBVA Valora (app and web page) received over 500,000 hits, half of which by non-BBVA customers.1

**DISCOVERY**

On the insurance side, South Africa’s Discovery has used the Vitality incentive and behavior change program to build and support its health insurance business and is now extending Vitality into the life insurance business. Among other benefits, Vitality increases physical activity and health awareness. The program has over 1.9 million members in South Africa and is expanding rapidly through partnerships around the world, currently impacting 17.8 million lives globally.

**DBS**

DBS, a Singapore-based bank operating in China, provides rich content through the WeChat platform and uses data and analytics tools to analyze content consumption patterns and sharing behaviors. DBS enriched the customer experience, leveraging livestreaming and gamification as well as introducing a “social currency” to incentivize sharing and networking, with the currency convertible to gifts, rewards and privileges. The initiative delivered a 5 percent reduction of customer acquisition costs, and 25 percent of referrals were from non-DBS customers.
Changing consumer needs and the availability of new technologies are revolutionizing the nature of all of marketing—allowing companies to reach targeted consumers through the channels of their choice with highly personalized, hyper-relevant offers—but the industry faces some very specific challenges and related opportunities. These include:

FS brands that are often weak and not well-recognized by consumers.

Strong brands should be visible across physical and digital touchpoints, with physical spaces and digital properties carefully designed to reflect brand values such as simplicity, ease of interaction and transparency.
FS business models that are evolving to incorporate ecosystems.

As we have explored elsewhere, Financial Services firms seeking revenue growth need first to become a Trusted Financial Services Advisor and then to progressively develop ecosystem plays, first becoming an Ecosystem Orchestrator and then being a GAFA Ecosystems participant, all of which rely upon extended ecosystems to engage customers and provide them with relevant value propositions and experiences. Industry CMOs need marketing strategies aligned with these new models. And consumers tell us, in a survey of 47,000 respondents undertaken by Accenture Research, that they are interested in propositions which address their core needs (Figure 2).

### Figure 2: Appetite for propositions addressing customers’ core needs

<table>
<thead>
<tr>
<th>Propositions</th>
<th>Pioneers</th>
<th>Pragmatists</th>
<th>Skeptics</th>
<th>Traditionalists</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interested in integrated propositions overall</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willing to pay</td>
<td>80%</td>
<td>57%</td>
<td>43%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Car-care propositions</strong> including</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car loans and insurance, remote</td>
<td>82%</td>
<td>60%</td>
<td>43%</td>
<td>18%</td>
</tr>
<tr>
<td>monitoring of performance, regular</td>
<td>Willing to pay:</td>
<td>63% Willing to pay:</td>
<td>36% Willing to pay:</td>
<td>21% Willing to pay:</td>
</tr>
<tr>
<td>maintenance checks, and advice and/or lessons</td>
<td>63%</td>
<td>36%</td>
<td>21%</td>
<td>6%</td>
</tr>
<tr>
<td>on how to drive more safely</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Home-care propositions</strong> covering</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>home insurance and improvement loans, a service</td>
<td>82%</td>
<td>61%</td>
<td>45%</td>
<td>22%</td>
</tr>
<tr>
<td>to cover essential home repairs, and all home</td>
<td>Willing to pay:</td>
<td>64% Willing to pay:</td>
<td>40% Willing to pay:</td>
<td>26% Willing to pay:</td>
</tr>
<tr>
<td>utilities</td>
<td>64%</td>
<td>40%</td>
<td>26%</td>
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<td><strong>Home-buying service</strong> provided by banks,</td>
<td></td>
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<td>including advice on searching for a new home,</td>
<td>76%</td>
<td>45%</td>
<td>36%</td>
<td>13%</td>
</tr>
<tr>
<td>mortgage deal, home insurance, and legal advice</td>
<td>Willing to pay:</td>
<td>55% Willing to pay:</td>
<td>23% Willing to pay:</td>
<td>13% Willing to pay:</td>
</tr>
<tr>
<td>and procedures</td>
<td>55%</td>
<td>23%</td>
<td>13%</td>
<td>4%</td>
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<td><strong>Home-security propositions</strong> that include</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>content insurance, remote home</td>
<td>81%</td>
<td>53%</td>
<td>42%</td>
<td>17%</td>
</tr>
<tr>
<td>monitoring, and security tips</td>
<td>Willing to pay:</td>
<td>63% Willing to pay:</td>
<td>35% Willing to pay:</td>
<td>24% Willing to pay:</td>
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<tr>
<td><strong>Personal finance propositions</strong>, provided</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>to banking customers, that include an analysis</td>
<td>81%</td>
<td>60%</td>
<td>41%</td>
<td>16%</td>
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<tr>
<td>of spending habits and advice on effective</td>
<td>Willing to pay:</td>
<td>54% Willing to pay:</td>
<td>23% Willing to pay:</td>
<td>14% Willing to pay:</td>
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<td>money management</td>
<td>54%</td>
<td>23%</td>
<td>14%</td>
<td>3%</td>
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<td><strong>Health and wellbeing propositions</strong> that</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bundle annual medical checks, access to video</td>
<td>80%</td>
<td>60%</td>
<td>48%</td>
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<tr>
<td>appointments with medical professionals, and</td>
<td>Willing to pay:</td>
<td>63% Willing to pay:</td>
<td>37% Willing to pay:</td>
<td>26% Willing to pay:</td>
</tr>
<tr>
<td>remote health monitoring</td>
<td>63%</td>
<td>37%</td>
<td>26%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Sample of 47,000 respondents in 28 countries. We identified four broad personas—Traditionalists, Skeptics, Pioneers and Pragmatists—based on how respondents perceive and engage with banks and insurers. For more information about the personas and the key finding of the study visit: [www.accenture.com/FSConsumerStudy2019](http://www.accenture.com/FSConsumerStudy2019)
The need for increased consumer trust and loyalty.

Consumer trust and loyalty must be earned as well as kept secure. This is especially relevant to Financial Services, where trust is necessary to sell products and service, and to be granted access to customers’ data.

An analysis conducted by Accenture Research shows that lack of trust is directly associated to negative revenue growth, but, at the same time, customers are open to sharing data for benefits in return, such as better prices, better service, and better meeting their broader needs (Figure 3).

Ways to build trust include nurturing and maintaining an upright reputation, consistently exposing the brand (and the brand’s DNA) across daily behaviors and touchpoints and implementing and/or operating initiatives a social agenda, where aspects such as financial education and community sponsorships provide good opportunities for increased engagement.

FS firms should be thinking about how to be loyal to their consumers, delivering value not only to individuals but to the community at large, and leveraging this goodwill to drive trust.

Trust, by nature of customers granting consent to FS players to accessing and using their data, allows the FS player to gather insights on actions, behaviors, likes and other elements and to leverage algorithms and/or propensity models to generate actions. These, in turn, create hyper-relevant services and experiences, reinforcing trust in a virtuous cycle.

Figure 3: Willingness to share data with FS players for reciprocal benefits

| Willing to share data in return for advice that is more relevant to your personal circumstances | Pioneers | Pragmatists | Skeptics | Traditionalists |
| Wishing to share data in return for receiving faster, easier services (e.g., rapid loan approval) | 95% | 87% | 82% | 58% |
| Wishing to share data to receive personalized offers based on your current location | 94% | 82% | 76% | 50% |
| Wishing to share data to receive a priority service (e.g., fast-tracked claims settlement) | 95% | 87% | 82% | 59% |
| Wishing to share data to receive discounts on non-FS related products or services | 94% | 79% | 77% | 45% |
| Wishing to share data to receive more competitive/lower prices (e.g., based on health, driving behavior, exercise habits etc.) | 96% | 89% | 84% | 63% |

Source: 2019 Accenture Global Financial Services Consumer Study, Accenture Research, February 2019. Sample of 47,000 respondents in 28 countries. We identified four broad personas—Traditionalists, Skeptics, Pioneers and Pragmatists—based on how respondents perceive and engage with banks and insurers. For more information about the personas and the key finding of the study visit: www.accenture.com/FSConsumerStudy2019
The Living FS Marketing building blocks

Addressing these challenges successfully calls for a new breed of CMO, able to manage the complexities of the current agenda while adapting readily to a rapidly changing environment. In our view, the “new model” CMO in Financial Services will focus on creating value for the individual consumer while connecting with that consumer at key moments in his or her life.

CMOs will need to revisit some key parts of their business, such as:

- Executing a business agenda to drive trust, leveraging consented data. How to become hyper-relevant? Which priority propositions make us hyper-relevant so that customers grant consent to allow use of their own data?

- Redefining the consumer experience across all touchpoints, also with new narratives aimed at satisfying customers’ core needs, such as housing, mobility, or setting up a business. Which experiences, relationships and level of engagement does the customer want and can we offer it at an acceptable value-to-cost ratio?

- Powering-up the social agenda, driving trust and hyper-relevance by focusing on financial education and use of spaces. What financial learning and education activities really matter to our clients, our prospective clients and our local communities? How can we best leverage physical spaces to create stronger ties with local communities?

- Mastering relevant marketing technology (MarTech) capabilities, including analytics, AI and machine learning, and nurturing an innovation ecosystem made of a mix of partnerships and acquisitions and/or participations. What does marketing need to do better and differently to win? What can be done alone and what with others?

- Building a new marketing organization can be done, recruiting and empowering new skillsets, while changing the mindset to that of a lean, agile, data-driven organization. How many data scientists, scrum master and storytellers, to name a few, does marketing employ? How can we integrate organization, people, processes, skills and culture for true customer-centricity?
• Measure outcomes, using large amounts of data (from different sources, including those external to the organization) in real-time. How do we identify the biggest growth opportunities? How will we measure the ROI of hyper-relevant customer interactions?

The CMO will need to own and manage what we call the Customer Trust Model (as shown in Figure 4) where hyper-relevance, brand, reputation, social agenda and other elements combine to create trust between the customer and the bank or insurer. Gaining the trust of the customer means that the bank or insurer can ask (and obtain) consent to use the customer’s data, allowing the organization to generate insights and eventually actions (new offers, new services, new interactions) which make it hyper-relevant to the customer. This, in turn, confirms and/or reinforces the customer’s level of trust and continues the cycle.

Financial Services firms have typically had access to large amounts of customer data. But having access to large amounts of data is no longer the issue; success comes from being able to use internal and external data in real time. In our research, nearly two-thirds (64 percent) of Financial Services CMOs told us that they have increasing levels of access to key data, but that they are struggling to make better decisions and to apply insights from this data to their businesses.4

Companies that cannot deliver on brand promise or transparency will lose customer trust and, consequently, the customer’s business. A recent Accenture Strategy study of 25,000 global consumers found that, of customers who switched companies in the past year, 46 percent did so because they lost trust in the company. And switching does not represent the total cost of lost trust: Customers are willing to speak up, organize and boycott when their expectations are not met.

Data is not the only problem. In our research nearly half of CMOs said they struggle to understand what customers really want, and to predict and/or adapt to disruption. They cite increasingly unpredictable customers as the biggest obstacle to creating relevant, personalized customer experiences across channels.6

As currently structured, most Financial Services marketing teams are not well-equipped to deal with these issues. They typically operate in organizational silos, rely heavily on agency partners and remain product- rather than customer-focused (for example, focusing on the mortgage rather than the home buying experience and associated needs in terms of advice, information or how other, similar people approached home-buying). Working across the functions and brands and geographies inside the organization and connecting with outside partners is a new core competency of Living FS Marketing CMOs.
Figure 4: The Customer Trust Model in Financial Services

- Consent
- Data
- Acquire
- Retain
- Service
- Right time
- Right channel
- Right content
Breathe new life into FS Marketing organizations

The digital ecosystem provides new types and sources of data that can significantly increase marketers’ ability to “know the customer” and respond with more relevant and timely messages. But to create relevant, personalized customer experiences that drive revenue growth, the CMO needs to transform into a “growth agent,” breathing new life into the marketing organization and gaining relevance in the CEO’s primary agenda.

We believe for the CMO to do so and establish and maintain growth momentum, three key steps should be taken:

1. **Live in the Moment.**

Customers want deep, authentic connections, but this means more than having convenient experiences when buying a product. It means being heard and appreciated across all the brand’s channels and touchpoints. It means receiving a personal, relevant and life-enhancing experience. These are the new keys to value creation.

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**Seizing the Car Buying Moment**

Understanding the uncertainties and concerns related to buying, managing and selling a car, DBS, a Singapore-based bank, developed a marketplace that offers services to both prospective buyers and car owners. Prospective buyers can browse cars from established dealers or those listed by owners and enjoy savings on their car loan, insurance and related services. Customers that already are car owners can benefit from savings on petrol, car insurance and related products—and they can sell their car on the DBS Car Marketplace when the time comes.
2. Gear Up for Speed and Innovation.

To achieve the change that is needed, at the speed required, leaders need to create an Intelligent Marketing organization—one that works as a connected organism committed to ensuring flawless, seamless customer experience across every customer touchpoint. As seen in Figure 5, an intelligent organization is powered by new skillsets essential to the CMO’s ability to deliver growth, a purposeful culture and optimized ways of working. It is supremely capable of working with an increasingly broad range of internal and external partners. Winning brands are not only willing to redefine the marketing operating model but are open to creating liquid talent pools to address unique market demands. Command and control give way to fast innovation, collaboration and experimentation.

3. Pivot to the New.

CMOs need to strengthen the basics of marketing while expanding the impact marketing has on growth. This will mean rethinking where to place investment in what Accenture calls “the New” to ensure that the organization has the adequate marketing-technology capabilities. The CMO should be prepared to take on this growth responsibility, which requires the right tool set, the right skillset and the right organizational span of control. In effect, evolving business models require a triangular control and feedback matrix for customer experience and growth that involves the CMO, the Chief Experience Officer and the Chief Data Officer—with the CEO sitting in the middle and holding ultimate responsibility.

Tips for creating an intelligent Living FS Marketing organization built for speed and responsiveness

- Organize key enterprise functions around an always-on experience platform of living channels, media and content
- Crush the traditional functional silos that impede the delivery of meaningful and consistent experiences across the customer lifecycle
- Dynamically assess and reconfigure ecosystem plays
- Establish centers of excellence to drive efficiencies and improve cycle times
- Integrate marketing, advertising and channel technologies
- Transform processes and operating models to enable the orchestration of key functional areas, including IT, global business services, brand marketing and partner ecosystems
- Re-invent the partnership model across digital, media and creative agencies to work horizontally across silos and have one accountable partner for the end-to-end, connected customer experience
Figure 5: The changing skillset required by CMOs and Marketing organizations—

87%

Immersive Experience Designers
who connect digital strategies to physical experiences for a connected customer experience.

82%

Growth Hackers
who lead rapid and relentless experimentation across marketing channels and product development to optimize activity and unlock growth.

81%

Chief Storyteller
who masters storytelling in ways that drive deeper emotional connections with customers.

81%

Marketing Monitors
or Ombudsmen who ensure automated outputs from bots or Artificial Intelligence systems do not conflict with brand values or mistakenly create public relations problems.

80%

Customer Experience Curators
and empathists who design ways to connect customers to brands in hyper-personalized ways.

80%

Futurologists and Trend Setters
whose responsibilities will include the early identification/anticipation of new opportunities for the company based on current and future customer trends.

80%

Reality Checkers
outside people (including consumers) who are constantly feeding in insights into the organization to keep companies grounded.

80%

Trust Leaders
who protect customer data and oversee the design of safe customer experiences that leverage personalized information but don’t risk data breaches or overstepping the trust line with customers.

78%

Cause Matchmakers
an evolution of sponsorship leaders who identify a broad range of opportunities to do good and deliver something back to customers, employees and stakeholders.

77%

Artificial Intelligence Designers
who help engineer robotics and help voice enabled assistants to be more human.

Source: “Way Beyond Marketing – The rise of the hyper-relevant CMO”, March 2019

*Pioneer CMOs show a willingness to innovate and experiment with operating models and work for companies that return better-than-average value to shareholders.
Pursues disruptive growth
Not afraid to pursue radical new avenues for future growth and overturn conventional legacy thinking and processes. Frequently challenges the status quo in pursuit of better customer experiences and more sustained growth.

Re-orientates and re-invigorates the organization around the customer
Unlocks value by relentlessy ensuring they can deliver relevant experiences at every touchpoint. To that end, owns the end-to-end customer experience, and builds agility into the organization to evolve around the changing needs of customers.

Gets granular about growth
CMOs can put the newest and best technologies to the greatest use on the abundance of data they have available—leveraging analytics to drive granular insights that inform growth strategies.

Becomes the architect of a new operating model
Rewires the organization with a new, more connected operating model—one that heightens collaboration among both internal groups and external partners in ways that line up the right skills and behaviors to drive successful and sustained growth.
Change and uncertainty abound. To thrive in this environment, CMOs and their growth partners must re-imagine what marketing means, what it can do and how it can support the organization’s return to growth.

CMOs should play a key role in creating what we call a Living Business, one that continuously adapts at speed, scales to achieve total customer relevance and sustains growth, as discussed in our points of view on Banking as a Living Business®, Insurance as a Living Business®, and Maximizing Revenue Growth in Retail Banking.

Our experience in working with leading banks worldwide indicates that moving to Living FS Marketing can effectively position such organizations in digital ecosystems, targeting a revenue growth rate in developed markets of 10 percent expanding the share of primary relationship customers by 10 percent and reducing churn rate by a quarter.

Savvy leadership teams are ready for the change that lies ahead. Rather than running from the challenges posed by new ways of working, they are running toward them—and toward the growth their new mindsets, organizations and capabilities will bring about. By pivoting their organizations to Living FS Marketing, CMOs can become agents for the growth their organizations desperately need.

The average revenue growth rate in recent years (CAGR 2015-2017) was one to two percent in developed markets. But leaders in developed markets can pursue much bolder targets—as high as the 10 percent range, depending on the geography—and players in growth markets can set even higher goals.
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AUTHORS
Piercarlo Gera
Global Managing Director, Accenture Financial Services
Customer Insight & Growth piercarlo.gera@accenture.com

Alessandro Secchi
Offering Development Lead, Accenture Financial Services
Customer Insight & Growth alessandro.g.secchi@accenture.com

Larry Thomas
Managing Director, North America Practice Lead
Customer Insight & Growth larry.thomas@accenture.com

KEY CONTRIBUTORS
Luca Gagliardi
Accenture Research

Nanna Svahn
Accenture Research

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