Marketing, Moments, Obsession and Outcomes

How retail banks can harness big data to deliver meaningful customer experiences
People crave superior banking customer experiences made just for them. Retail banks have the data to connect with customers in new ways. But can banks fully activate the right data insights to stop marketing to the masses and start anticipating life moments?
Agile banks put customers first

Retail banks must be single minded about putting customers first, to compete in a disrupted, digital landscape crowded with new competitors. This customer-obsessed, outside-in focus is what agile banks do well. So well that they can reduce fixed costs, grow market share and deliver relevant banking customer experiences at scale and speed.

Most banks are not there yet. Seventy-nine percent of customers say their banking relationships are transactional, reveals the 2015 Accenture North America Digital Banking Survey. Yet if banks can deepen customer relationships—become trusted personal advisors, not transaction processors—they can deliver more meaningful customer experiences. What’s more, consumers are open to more value-added services, and say they would positively influence loyalty.

Delivering what customers want starts with understanding them. And understanding customers starts with analyzing customer data and turning it into insights to serve how people live.

Such insight fuels agile bank distribution and marketing. Agile banks know what customers actually want, the channels they use, and the moments that they will respond to offers. With this insight, agile banks design meaningful customer experiences. It’s intelligent one-to-one marketing that balances military-like precision with turn-on-a-dime flexibility.

Out with the old, in with the new

To engage customers in these striking new ways, retail banks must turn everything they know about marketing upside down in several critical areas:

- **From segments to individuals.** Retail bank marketing today still relies heavily on generic audience segmentation that uses a static group level approach based on shared demographic, geographic or behavioral characteristics. To become more agile, banks must pivot to a dynamic and granular approach. With customer insight based segmentation, banks can use the power of new marketing technology and data analytics to predict how individual consumers—not broader groups—will respond to a specific interaction, offer or experience.

- **From funnels to journeys.** The traditional sales funnel is a relic. It does not reflect how today’s customers behave. Rather than move linearly from awareness to post purchase, customers move back and forth across channels based on their needs at the moment. What’s more, banks typically manage the sales funnel in a way that fragments data, obscuring customer insights. Instead, agile banks have data that allows them to walk in their customers’ shoes, understanding—even anticipating—their journeys.

- **From crossed fingers to targeted outcomes.** Marketing approaches that blanket generic segments with the same messages are inefficient and create marketing waste. Agile banks eschew these “spray and pray” techniques. They emphasize deliberate, data-driven approaches, defining clear, measurable digital outcomes for their marketing initiatives. They rely on algorithms to identify messages, channels and moments that truly connect with customers. Data insight helps them design and tweak customer experiences to optimize outcomes such as acquisition, up-selling or cross-selling and loyalty.
Data here, data there, data everywhere

Data is the lifeblood of this new marketing reality. Retail banks luckily have no shortage of transactional customer data. What's more, an overwhelming 86 percent of customers trust banks over all other physical institutions to securely manage their personal data. This sets banks up well to build the data foundation they need to truly know customers.

However, to get the full picture of customers, agile banks augment transactional data with second- (partners and ecosystem) and third-party (external) data. They use analytics to develop deeper insights into customer behaviors and demographics beyond what their banking interactions alone reveal. Banks can do this and remain compliant with fair lending and privacy laws. They can micro-target individuals using common attributes that do not contain protected class variables such as race or gender.

The marketing platform grows up

Until now, retail bank marketing platforms have ignored this deep-dive analysis of individual customers in favor of defining segments or preferred channels for marketing. After all, such approaches were essentially the only affordable, scalable and actionable options. Not anymore.

With today's mature enterprise marketing platform, agile banks can make quick and accurate decisions about messaging at the customer level and support a centralized single customer view so they truly know the customer at every touchpoint—across both physical and digital channels. It's about continually blurring the lines between physical and digital in the name of customer obsession. The platform includes several important elements:

- **Cross-device utilization, cross-channel enablement.** People own so many connected devices today, creating an explosion of digital footprints for each customer. Banks are challenged to engage with customers completely and seamlessly because each digital identifier appears as a separate individual. That's why agile banks use cross-device systems to unify customer profiles, pooling all data and all devices with certainty.

  This is not limited to digital channels. For instance, banks can deliver seamless cross-channel customer experiences by using beacon technology and geo-fencing within physical spaces that interact with customers' devices to give them relevant information and offers. Banks can also extend customer service by enabling customers to start a transaction on their device, and use the same device to authenticate at a chosen physical location to complete their transaction.

- **Programmatic marketing platforms.** Increasingly common among digital leaders in industries like retail and hospitality, programmatic marketing empowers agile bank marketers to make automated, data-powered decisions in real time about when and where to reach customers.

  Programmatic marketing works at the intersection of advertising and marketing technologies. It relies on data management platforms that store and cull rich customer attribute data from first-, second- and third-party data to build customer insight.

  Using this insight, data activation platforms place "made-for-me advertising" on paid and owned media channels to reach customers with highly specialized messages and offers. The focus is not on transactions. It is about connecting with people on an emotional level with experiences that are relevant to unique moments in their lives.

- **Artificial intelligence platforms.** Making meaningful one-to-one connections with thousands of customers is impossible without automation to speed processes, limit resource use and cut costs. That is why a platform that features machine learning and artificial intelligence is important.

  Machine learning is reactive, improving performance based on past experience. Artificial intelligence systems mimic human cognitive functioning. More proactive than machine learning, artificial intelligence culls through data looking for hidden associations and attributes to infer the next-best-action that will move a customer.
Agile Imagined: My Life, Not Your System

Meet Sally and Bill. They are starting to look for their dream home. They want a house on a tree-lined cul-de-sac in a good school district that’s not too far from work.

What if their bank focused more on their journey to homeownership than on the mortgage process?

Lucky for them, their bank is an agile bank. It is going beyond providing a mortgage. Their bank is investing to understand how Sally and Bill dream, shop, buy, move and live. The goal? To be present at these critical life moments either directly or through partners to provide the resources and assistance they need.

Working with ecosystem partners and using new digital marketing technology capabilities tuned to the moments of influence in Sally’s and Bill’s journey, the bank becomes a critical partner. The bank helps them research neighborhoods and find a realtor. When they are ready to move, it price shops and schedules movers for them.

And once Sally and Bill move into their dream home, the bank helps them order new kitchen appliances with a preferred financing option, which can even be added to their monthly mortgage payment, plan some home improvements, and get a discount on a security system bundled with an umbrella home insurance policy. The bank even helps the couple scope out connected sensors to alert them of any leaks, moving toward prevention vs. coverage.

These are services that the couple cares about and needs and would have had to shop in many different places, if not conveniently facilitated and centralized by their bank. Because owning a home is about so much more than getting a mortgage. It’s about living.
Life is a collection of moments

With a mature marketing platform, agile banks can analyze and act on unique customer journeys that contain moments of influence where banks can connect with and deepen their relationships with customers.

Agile banks seize on these moments of influence. They track how customer purchase paths and channel preferences vary, explore potential barriers to purchase, and assess customers’ responses to messages. All this is part of developing, shaping and affecting customer journeys with analytics.

However, agile banks take this insight a step further. They know which moments of influence are best suited for advertising specific products and services to specific individuals. They also look for specific triggers or events to detect where a customer is in a given journey so that interactions and offers are relevant and personalized.

Many agile banks rely on a programmatic marketing platforms and advanced analytics capabilities to do this. Consider the new advancements in artificial intelligence technology platforms, they identify patterns, relationships and hidden associations in the data that consumers generate during their journeys, calculating and scoring how different data points correspond to customers’ likelihood to respond to messages.

Such technology identifies new patterns and evolves insights to feed into customer experience management. Agile banks can then dynamically understand customers at a deeper level with insight into device usage patterns, recent behavior trends, purchase history and more, continually evolving customer understanding, and in turn, customer interactions.

Stop guessing, start knowing

Most banks have work to do to manage customer data with the precision and foresight that are the hallmarks of agile banks. To build momentum for change, banks should focus on these actions:

- **Get the data house in order.** Retail banks must elevate their own data management practices, developing standards and permissions and security controls. The enterprise must commit to data unification—including second-party and third-party data, and advanced analytics modeling—to realize comprehensive customer insight. Having capacity, flexibility and real-time access to quality data is critical.

- **Marry data strategy with distribution and marketing strategy.** Data strategy must be in lock step with distribution and marketing strategy. This way, banks can align product development, enhance customer engagement and increase market share and brand loyalty. It’s about relying on customer data insight to deliver the right value proposition.

- **Find strength in numbers.** Banks must forge smart, mutually-beneficial—and often unconventional—ecosystem partnerships to provide services and immersive experiences that extend beyond their customers’ financial lives.

- **Hire right-brain and left-brain talent.** There is an art and a science to omni-channel marketing today. This is why banks should consider hiring not just creative and marketing operations talent but skilled data scientists too.

- **Keep the conversation constant.** Today’s customers expect to be engaged at all times. Experiences must be relevant, intuitive and differentiated. Banks should invest in enterprise marketing platforms that enable them to have coordinated, “always-on” experiences across physical and digital environments.

- **Test, learn and tweak.** Agile banks are constantly looking outward. As they retrieve insights about customer desires and behaviors and market trends, they infuse what they learn into their distribution and marketing strategy and product development and then observe customers reaction and listen to their feedback to constantly optimize the experience. This “test, learn, tweak” approach keeps agile banks customer savvy, fresh and relevant.

A defining moment

Banks are at a turning point when it comes to their marketing strategies. Will they stick with the status quo or will they take action to become agile banks? If they want to consistently deliver customer experiences that attract, engage and keep customers, the choice is clear. And the place to start is with comprehensive customer data insight to power tailored experiences.
Five Characteristics of the Agile Bank

FAST TWITCH
Flexes distribution, making channel decisions quickly and often.

TEST, LEARN, TWEAK
Replaces complex distribution processes, continually adjusting offerings as the market dictates.

RIGHT CHANNELING
Combines digital and physical channels to help grow market share without traditional branches.

CUSTOMER FIRST
Offers customers “what they need,” not “what the bank has,” hyper-personalized products and services.

REVENUE READY
Transforms fixed costs into variable costs and invests savings in revenue generation opportunities.

Accenture Agile Bank Series

This series introduces agile banking concepts, explores the building blocks for getting started, and provides insights into how retail banks can strategically rethink all the elements of distribution and marketing to address the demands of the digital age.

To find out more, visit:
www.accenture.com/theagilebank
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