Financial marketers can use consumer data to inform the entire customer journey

Article

What we're watching: Today's data-rich society is a treasure trove of useful information for financial institutions (FIs). FIs that are able to use big data to develop effective marketing

strategies stand to win over more customers with personalized financial solutions, per The Financial Brand.

Where does it come from? FIs can tap into a variety of sources to gather data on their customers.

- **Social media:** Platforms like Facebook, Twitter, and YouTube reveal valuable information on users' interests and preferences. Studying different demographic groups on these platforms can help FIs create targeted advertisements for these groups based on what they're consuming. FIs can also use social media platforms to connect and engage with customers and prospects.

- **Online transactions:** Knowing where your customers are shopping and browsing can give FIs insight into which financial products might best serve those customers. FIs can also discover which customer service experiences yield the greatest customer satisfaction and implement those methods into their own processes.

- **Connected devices:** The internet has connected much of the population with one another and with the devices they use daily. This connectivity is a channel for delivering highly personalized advertising based on the type of device and the networks in which they're connected.

- **Website analytics:** FIs should monitor traffic to their websites and learn how customers are engaging with the firm via this channel. This can help FIs determine which products customers find most valuable, and which products might not be a good fit for the client base, or might need some rethinking.

What are the challenges in using data? Gathering the data is just the first step. But FIs face some obstacles in putting the data to use.
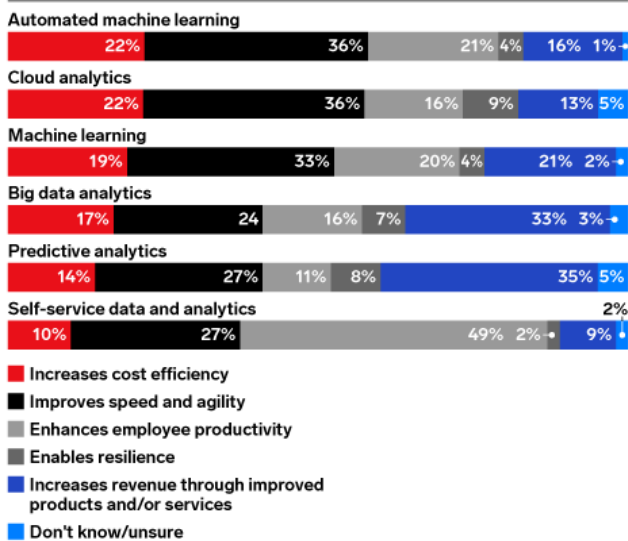
- **Reliable and accurate models:** FIs will need to build models to collect and analyze this data. But ensuring the models are accurate is challenging due to the rapid and never-ending influx of new data.

- **Clean and validated data:** FIs must also validate the data and ensure it's accurate before using it to inform marketing strategies. Some FIs might consider turning to third-party vendors or fintechs for help.

- **Seamless integration:** FIs are typically siloed by department, but for data to add value, it must be usable throughout the company. This ensures a holistic view of the customer.

- **Data privacy and security:** The more data an FI has, the more important it is to keep it safe and secure from breaches and unauthorized parties. Data privacy is necessary to build and maintain trust with customers.

How can FIs win? The way an FI uses the data it collects will ultimately dictate its success. The most successful FIs will use data to create a top-notch customer journey from beginning to end. This starts with giving employees the data they need to provide the best customer service. It also requires the data to inform a consistent experience through all customer-facing channels.

How Select Digital Technologies Are Valuable to Finance Executives Worldwide, by Technology, Dec 2021

% of respondents

	Increases cost efficiency	Improves speed and agility	Enhances employee productivity	Enables resilience	Increases revenue through improved products and/or services	Don't know/unsure
Automated machine learning	22%	36%	21%	4%	16%	1%
Cloud analytics	22%	36%	16%	9%	13%	5%
Machine learning	19%	33%	20%	4%	21%	2%
Big data analytics	17%	24	16%	7%	33%	3%
Predictive analytics	14%	27%	11%	8%	35%	5%
Self-service data and analytics	10%	27%	49%	2%	9%	2%

Note: n=400; numbers may not add up to 100% due to rounding
Source: Gartner, "2021 Gartner Survey on Finance Technologies" as cited in press release, May 2022

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