

A woman with dark, curly hair, wearing a mustard-colored button-down shirt, is smiling while looking at a smartphone in her right hand. A laptop is open in front of her on a wooden desk. In the background, there are shelves with yellow and blue binders. A small potted plant sits on the desk near the laptop. The overall scene is a professional office environment.

Delivering Personalized Experiences in a Digital-First World

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Consumer expectations for personalized interactions are largely being driven by the experiences they have come to know and trust from the major retailers and tech giants of the world to the media and entertainment companies they interact with daily. From listening to music and watching TV, to shopping online and tracking habits for a healthier lifestyle—personalization is ingrained into every aspect of day-to-day life.

Many industries and consumer brands have paved the way and are raising the bar.

- // Digital music provider, Spotify, for example, uses algorithms to provide users a new, weekly playlist of 30 songs they have never heard before based on the music they have listened to.
- // Netflix uses personalization algorithms to predict what a user will watch next, shortly after their current movie or show begins, then gives the user individualized recommendations to match their interests.
- // Sleep Number, the manufacturer of smart and adjustable beds, uses its touchless, biometric sensor technology to track sleep data related to heart rate, motion, and more to deliver a personalized sleep score—linking quality of sleep to individualized wellness. Additionally, each sleeper can determine how automated they want their sleep experience to be, set sleep goals and bedtime routines, and receive personalized advice to optimize sleep. The company takes personalization a step further even, by integrating with Fitbit and other health and wellness apps to analyze how an individual's exercise and lifestyle choices impact sleep.
- // Perhaps a simpler example of enhancing the experience through personalization is one of online fashion and beauty store, ASOS, which adjust its homepage and navigation based on visitor interest. If a customer has previously shopped for or purchased men's clothing, the next time they visit the page, they will automatically land on the men's tab.



What all these companies have in common is delivering value with contextual, hyper-personalized experiences—and not just selling another product to another someone. The continuous, personalized experiences these brands are delivering, are building trust. And the trust they are building is driving loyalty for their brands—in many cases, for a lifetime.

These experiences that are shaping consumer expectations are also influencing the way consumers expect their banks and credit unions to service them. Not only do consumers crave individualized experiences, they want their financial institutions to be able to anticipate their needs and provide meaningful and personalized advice and guidance where and when they need it.

50% of consumers
are interested in receiving
personalized financial advice

In fact, according to Accenture, one in two consumers is interested in receiving personalized financial advice from their financial institution, that is based on their behaviors and interests.¹ Furthermore, in a recent press release issued by J.D. Power, Bob Neuhaus, vice president of financial services intelligence at J.D. Power states, "Great

financial advice is a key differentiator for retail banks at a critical moment in time when, according to research, 41% of U.S. bank customers feel unsatisfied with their current financial condition and 30% are not confident they are doing everything they can to meet their long-term goals."²

As such, in today's digital-first world, to remain relevant and win loyalty, financial institutions must leverage consumer data to deliver contextual and real-time experiences. And at a time when several companies that are setting the standard for personalization are starting to enter the financial services market, the gap will only continue to widen between the personalized experiences they have to offer, and that of traditional banks and credit unions. The time is now to embrace personalization and to lay the foundation for growth.

LAYING THE FOUNDATION FOR PERSONALIZATION IN FINANCIAL SERVICES

Putting the customer at the center of the experience

Retailers, financial institutions, and tech giants alike have been targeting consumers and segmenting offers for decades. However, delivering the personal and meaningful experiences consumers demand goes far beyond digitizing the customer journey or presenting varying product offers to different segments of consumers. It is about forming a relationship of trust and building upon it over time—to become a reliable and trusted advisor.

But first and foremost, before taking their personalization efforts to the next level, financial institutions should ensure they have the table stakes in place. Consumers expect their financial institutions to know and understand who they are. Greeting a customer by name, rather than "dear valued customer," should be at the top of the list. As should presenting appropriate imagery and product offers to the right segments of users. For example, not using an image of a millennial when promoting a product for a retiree. Likewise, it would not be appropriate for a financial institution to promote online statements to a customer who is already enrolled, or to promote its rewards credit card to a customer who already has that product.

For personalization efforts to be successful, financial institutions must always be demonstrating that they know their customers and have their best interests in mind by putting them at the heart of the experience. This means being a step ahead in anticipating their needs and exposing them to things that can help make their financial lives easier. It means providing

advice and guidance that can help them achieve financial wellness—not just promoting an offer to the masses to sell a product or service. It means presenting the right, individualized message or advice, to the right person, at the right time in their journey.

When done right, these individualized experiences also help financial institutions build credibility, differentiate what they have to offer from that of their competitors, and foster a lifetime of loyalty.

It begins with data

That path to success begins with data. Financial institutions can deliver powerful, personalized experiences by leveraging their existing data and customer touchpoints. Data helps drive the insights that determine what is most important to a customer, what their primary pain points are, and where they are in their financial journey. These insights can then help drive individualized advice and guidance that will bring value to customers—helping them make the right financial decisions.

According to a recent study by Aite, with the convergence of data and artificial intelligence, financial institutions have the ability to provide consumers with the financial insights and advice they need to achieve financial wellness—and the ability to reach them in real-time with the prevalence of mobile devices.³

A critical component to leveraging the power of data in financial services is the need for visibility across business lines and channels. In some cases, that requires breaking down data silos to gain a centralized view of the data across an organization—providing a more accurate view of its customers and their interactions. Consider, for example, the customer who begins a new account application online but abandons it before finishing. Having data visibility across channels would mean the next time that customer enters a branch, contacts the call center, or opens a live chat, the banker has enough information to help the customer complete the application, or even suggest a better account for the customer. This visibility also helps bridge physical and digital interactions to provide a seamless connection across channels.

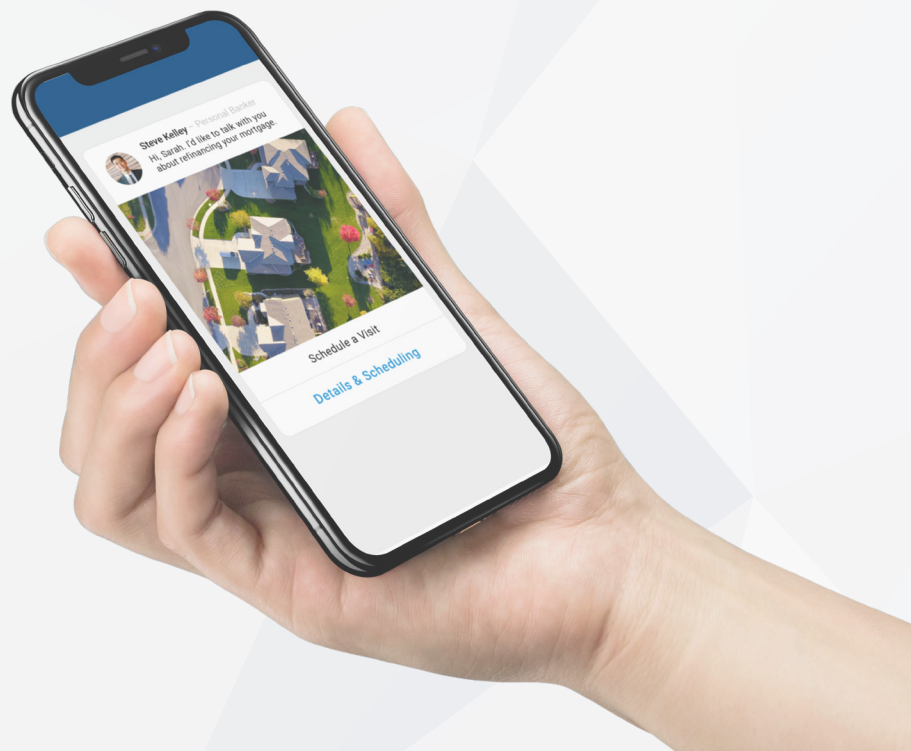
In an age where there is more access to data than ever before, and growing concern over privacy and security matters, financial institutions need to always be mindful of letting their customers know they understand them, without being intrusive.



TAKING PERSONALIZATION TO THE NEXT LEVEL IN FINANCIAL SERVICES

Looking back at the examples discussed earlier, companies like Sleep Number and Fitbit track sleep and lifestyle habits to offer personalized recommendations for a healthier lifestyle. Financial institutions have a similar opportunity when it comes to financial wellness. By looking at transactional activity, and previous actions and engagements, financial institutions can provide individualized advice and guidance on products and services that will help customers achieve financial wellness—like paying down debt faster and making it easier to manage their finances.

For example, by looking at the transactional data it already has, First Digital Bank can identify that a customer is carrying a balance on their credit card and therefore paying monthly interest. The bank can leverage that insight to provide personalized advice informing the customer that by contributing just \$25 more per month, they can pay down their credit card balance six months faster.



Additionally, First Digital notices that a customer frequently overdrafts, or gets down to a low minimum balance each month. The bank can provide personalized recommendations for better money management by offering a complimentary meeting with a financial advisor, educational information related to the bank's budgeting tool, or even by suggesting to add overdraft protection—all to help the customer avoid fees, keep their money, and improve financial wellness.

In the Spotify example, the digital music provider rewards its loyal customers with new playlists based on their music interests. Likewise, financial institutions can look at transactions and shopping trends to reward customers for their loyalty, by providing them with discounts or offers to use at their favorite places to shop or dine.

In the shopping example, ASOS adjusts its homepage and navigation based on a user's past activity and interests. Like ASOS, financial institutions should continually look for ways to improve experiences and make it easier for their customers to do the things they do most. By looking at user behavior in online and mobile banking, financial institutions can make it easier for users to find the features they use most. For example, the customer who is a heavy budget user may see the budgeting tool more prominently displayed in their navigation compared to a user who might not use that feature at all.

A college student, a new account holder, and a high-net-worth individual will all have different interests and needs. Instead of offering a single interface across the entire user base, financial institutions should look for ways to tailor the experience to specific customer segments. Providing individualized value based on customer needs will help differentiate the experience and create loyal customers.

Consumers today want relevant and meaningful information, where and when it is convenient for them. Delivering exceptional experiences and personalized advice, offers, and guidance at every interaction leads to higher engagement and loyalty—often, for a lifetime.

DELIVERING PERSONALIZATION AT SCALE

At NCR, we are investing in the technologies that drive engagement through thoughtful and personalized connections. From creating individualized experiences with custom UX based on user segments, to delivering the right message, in the right place, at the right time with our marketing and campaign management tools—we offer countless ways to deliver personalization at scale.

We have over 100 years of experience serving brick and mortar locations. With our integrated approach to digital self-service, and branch and ATM/ITM technology, we are uniquely positioned to help financial institutions bridge the gap between physical and digital—and create the connected and personalized experiences that users expect.

To learn more about NCR's digital-first strategy and personalization capabilities, please contact us at 1-800-225-5627.

¹ Accenture. (2019). *2019 Accenture global financial services consumer study*. Retrieved May 18, 2020, from https://www.accenture.com/_acnmedia/pdf-95/accenture-2019-global-financial-services-consumer-study.pdf

² J.D. Power. (2020, February 6). *Big banks raising customer satisfaction with effective digital advice tools, J.D. Power finds* [Press release]. Retrieved May 18, 2020, from <https://www.jdpower.com/business/press-releases/2020-us-retail-banking-advice-satisfaction-study>

³ Montez, T. (2020, May). *Financial wellness: Building empowering digital banking experiences*. Aite Group, LLC.