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Financial Services & Insurance: embracing a new era of customer understanding

TABLEAU VIRTUAL ROUNDTABLE
EVENT SUMMARY



Introduction

Driving business value through data

Along with the growing demand from customers that the services they access from banks and insurers are personalised, comes an expectation that the services are easy to access and use; through any channel, on any device, at any time. Sophistication and simplicity are the two value pillars against which the superior customer experience is judged; meanwhile regulatory compliance gets ever tighter.

This Tableau virtual roundtable, hosted by Meet the Boss, explored how financial organisations are leveraging their data to strike the right balance between competitive advantage and essential data governance and privacy compliance.

In attendance were senior executives whose roles focus on using data to understand customer needs ever more closely; a tall order in a sector where regulation intensifies and sits heavily on the uses to which that data may be put. Roles of the participants included Head of Customer Journeys, VP of Data Analytics, Chief Data Officer, Director of Finance, and Chief Data Architect.

The organisations represented were two leading banks, a major insurer, and a principal UK financial sector regulator. They shared their experiences and observations¹ on successfully and swiftly navigating a path through the many challenges pressing in on the sector not just in absolute terms, but also in a comparative sense; consolidating the competitive advantage.

How does business get personal?

The financial services competitive environment appeared to shift up a gear during the global pandemic. While customers had already become accustomed to digital channel engagements, particularly through connected mobile devices, the tendency took an upturn as the requirement to stay at home put a focus on easier – and more intuitive – access to services.

¹ Observations are presented in this private events summary as collective, broadly consensus views, and not ascribed to the individual participants, other than by organisation type.



Although most established banks now compete with FinTechs on a broadly similar agility level, challenges persist around making personalised connections with customers, and understanding both their needs and their lifestyle stages; the point at which needs and timings coincide.

Understanding customer journeys and lifestyle moments

“Tracking and understanding who our customers are, their value to our business, how, when and where they shop is a big challenge for us, to ensure that our trading strategies are always fit for purpose”. **Insurance**

Data sources now abound. This raises the challenge of understanding the customer journey flow, from starting point to outcome. Wading through reams of excel reports is a fruitless task; organisations are looking more and more to automating the process to make analysis easier, and meet customer needs faster - before the competition steals the moment and claims the customer.

It's a process that involves evaluating data insights through a behavioural lens and then assessing the operational value; what to do next and how to do it.

Behavioural segmentation forms the basis for creative campaigns, by tagging a database of millions of customers to provide actionable, 'in the moment', accommodations of customer needs. Precise responses are about hitting a moving target given that behaviours, as one participant observed, “change by the day”.

Organisations are focusing the trigger events in customers' lives that motivate them to change their financial situation, reassess their plans and come onto the market looking for choices and expecting quality service.

The regulation context

Meanwhile, all activities are contextualised and moderated by both regulation and ethics. Activities are not willfully restricted but, rather, sensitised to protect customer data and privilege. With the customer at the heart of a bank's operations, the use of data is not by definition intrusive or invasive. Customer histories, and systems of records, for example, when coordinated across the many activities customers may be involved in with their bank, serve to enhance the services an organisation may deliver.

Data provenance is critical in this regard, to ensure the source and robustness of the data while validating its timeliness and customer consent to use of the data. Once again, not a spreadsheet task but a process that needs to be streamlined and automated.

One of the goals shared by many financial organisations in driving greater efficiencies through digital transformation is to minimise, and ultimately eliminate, the barriers to progress arising from traditional 'siloed' structures within the organisation; and how its data is gathered, stored and used to provide full visibility into risk exposure.



Data challenges: the vicious/ virtuous circle

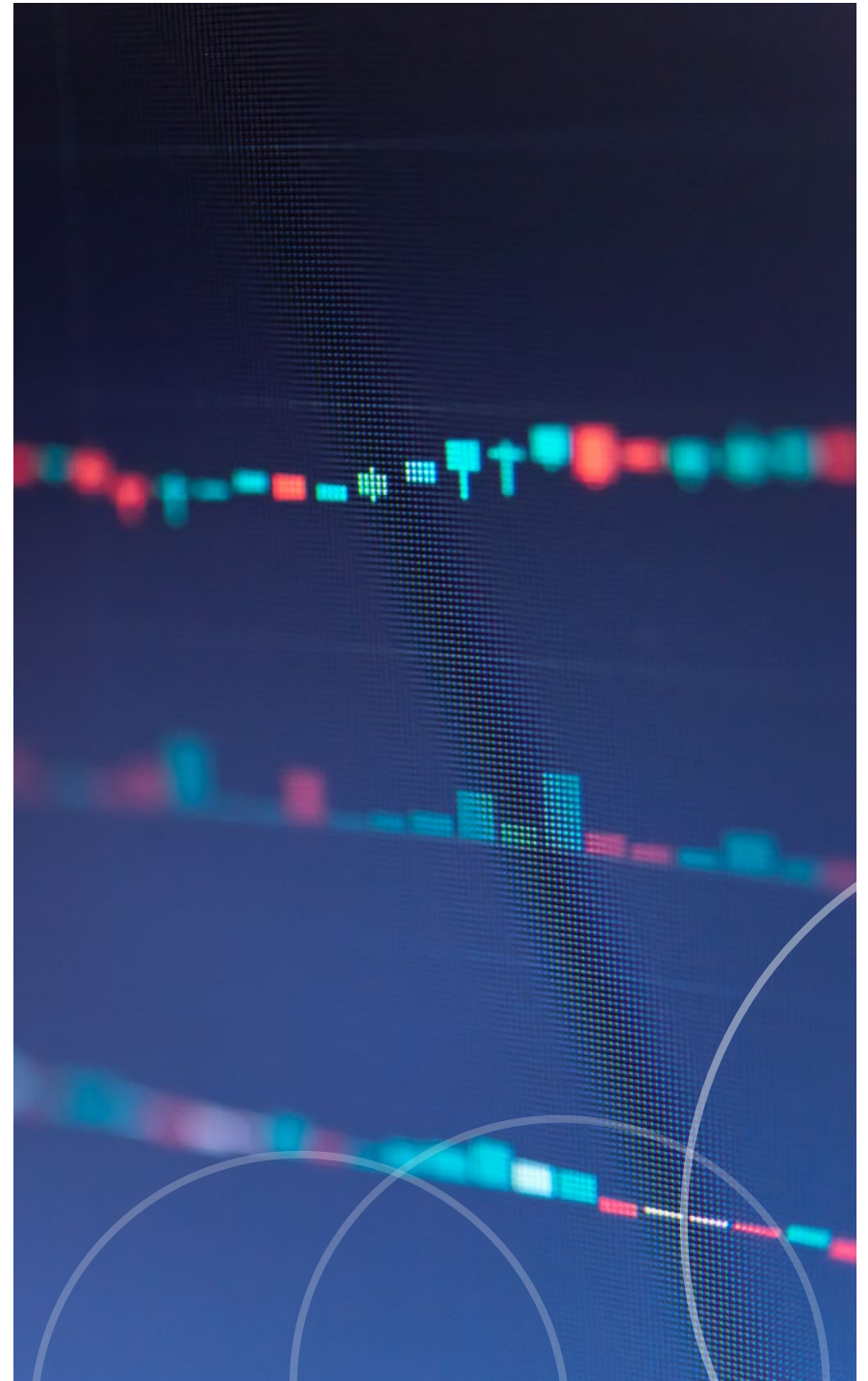
At every stage in the data value cycle, opportunities and obstacles appear in almost equal measure. How it is gathered, how long retained, how and with whom shared are not only strategic and regulated concerns, they are parameters to be met in how an organisation ensures data proficiency across its internal departments.

The guiding principle is to gain a single customer view; the Know Your Customer, or Know Your Client (KYC) factor. KYC is ultimately at the core of balancing personalisation – enhanced customer experiences – with regulation; that customer experiences are only enhanced ethically and that customer data is protected.

“Our aim is to gain full visibility over privacy risk in line with GDPR; making sure that the information that we have is protected as much as possible to the highest standards”.

Banking

“If customers give us approval to use their data for anti-money-laundering or fraud checking purposes, they need to be assured and we need to ensure, that we aren’t using the data for marketing purposes”. **Banking**



Key take-outs

The financial world is rich in data yet even organisations who consider themselves relatively advanced have only scratched the surface. **The potential is huge.**

Data Literacy

The key to unlocking this potential lies in data literacy; the organisation-wide capability of being able to join together the many data sources and exploring and understanding the data, as a basis for delivering richer more personalised customer experiences, within regulatory boundaries.

Data Culture

'Joining together' is not just about systems. Employees are even more critical; they make the decisions, undertake the actions, and enrich the relationships which data can be considered merely to inform.

Varying approaches and different stages of maturity or skill in appreciating and optimising the value of data simply dissipate the power of an organisation. Cross-functional shared understanding and goals boost the power.

Data Focus

The financial services sector is embracing digital transformation. Even so, the influence of legacy infrastructures is widely acknowledged.

They must not, however, be allowed to restrain progress. The competitive landscape has become increasingly populated by challenger banks and insurers who have no such encumbrance from the past, and a far more technologically-honed sharp focus on the digital future and, more to the point, the digital present.

It's time to sharpen up the data focus.



Download our eBook and discover how financial services organisations are using Tableau to solve their five key challenges.

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