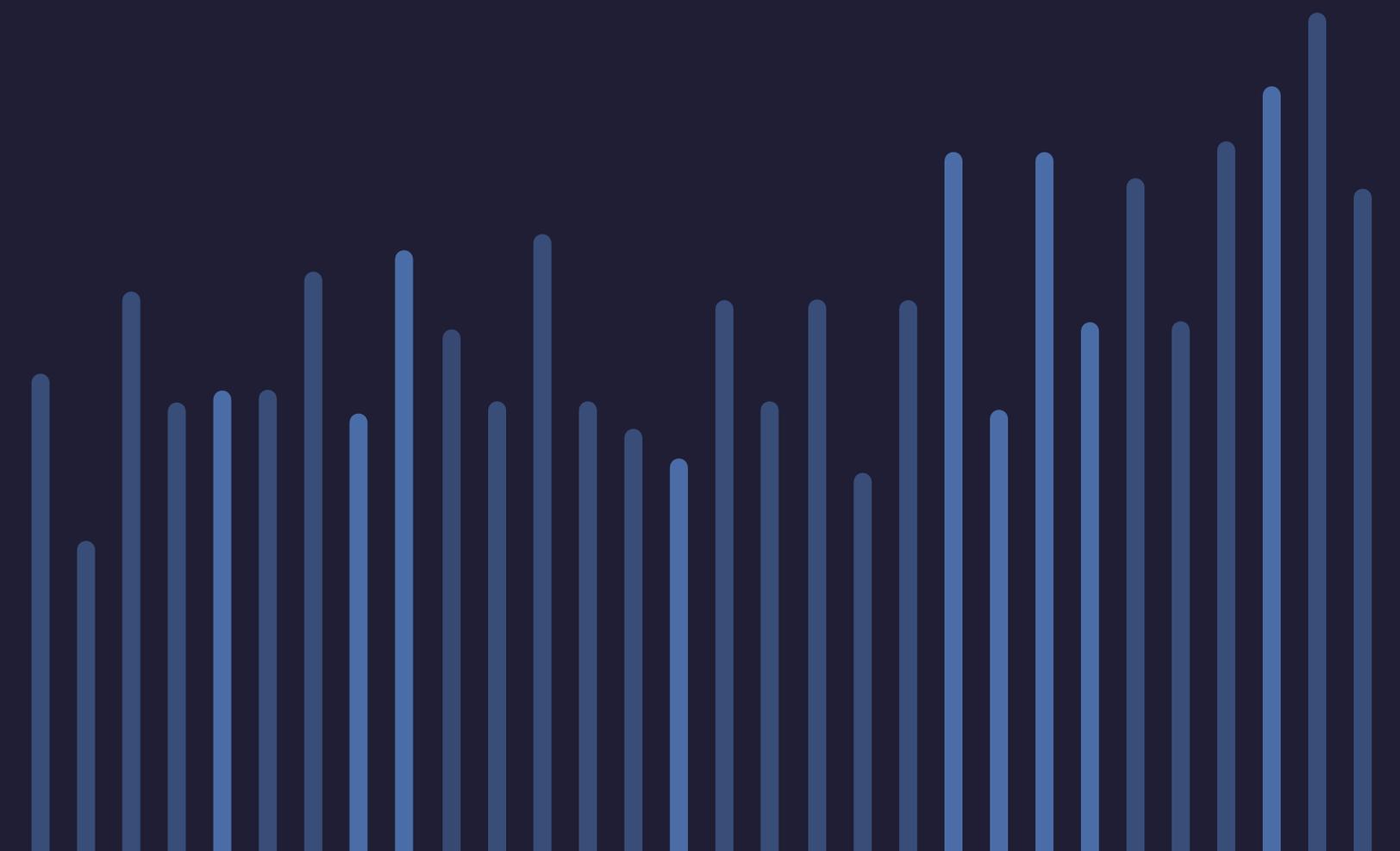




# 3 Ways Data Can Transform Customer Experience in Banking



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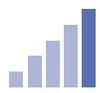
## Welcome to data-driven banking.

In a digital world, customers expect banks to connect all the dots and deliver omnichannel experiences that are seamless, personalized, and yes, delightful. Whether your customers visit branch locations or engage on mobile apps, it's essential that at the enterprise level, you're able to understand and anticipate their needs.

Understanding your data is key to this kind of responsiveness. When you're able to harness data and segment customers in new and exciting ways, target the right markets, and offer relevant products at the right time you can drive new opportunities, generate new revenue streams, and increase the value of every customer.

**“Data-driven organizations are 23 times more likely to acquire customers, six times as likely to retain those customers, and 19 times as likely to be profitable as a result.” – Forbes**

But due in part to banking's regulatory environment, embracing innovation has never been easy—and becoming a data-driven bank is an initiative rooted in innovation. According to [JP Nicols of FinTech Forge](#), “managing innovation is different” than managing your core business, or even IT. “Test and learn” goes against the certainty of traditional decision-making in banking, where being risk-averse is the norm.



### DID YOU KNOW?

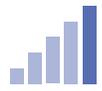
In 2017, McKinsey reported that 90% of the top 50 banks in the world are using advanced analytics.

Culture change is hard, and it's difficult for banks to venture into uncharted waters. But there are other concerning trends that just may force banks to lead with innovation. With the changing consumer dynamics brought on by the pandemic, the ever-present risk of customer churn, and competition from new, nontraditional players, it's critical that banks leverage one of their most valuable assets—data—to build competitive advantage and provide the modern, relevant experience customers expect.

So how are innovative banks seizing the potential of data? How should your organization be thinking about data? Here are three insights into how data is truly changing customer experience in banking.

## Lead with data for accelerated decision making

Banks are synonymous with data, and its ubiquity means that there's a lot of information—low hanging bits and bytes, so to speak—that can be leveraged for better decision making. With a data-first mindset, banks understand that gathering customer information from every touchpoint, including websites, mobile apps, branches, call centers, and even social media sentiment, helps improve the customer experience and the ultimate goal: competitive advantage.



### DID YOU KNOW?

It's estimated that by 2025, 463 exabytes of data will be created every day.—**Visual Capitalist**

Data insights are the foundation of the what, when, and how of strategic decision making. Rich data is generated by your customer with every transaction and click, and analyzing that data informs decisions that lead to innovation and growth. By liberating data from siloed legacy systems, a data-driven bank can leverage all of its data to predict outcomes, see patterns, and improve processes.

Consider how robust, near-time data analysis can be used to determine:

- What customer segments are most likely to buy a certain product—and when
- Where in the customer journey cross-selling activities should occur
- What proactive steps can be taken to prevent customer churn

Knowing the potential of your data and adopting a data-first strategy are the first steps in becoming a data-driven bank. And as your initiative matures, you'll begin to see that your ability to apply data-driven insights to decision making is not only smart business—it's a competitive advantage.



### SUCCESS METRICS

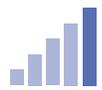
86% of banks in a recent survey are using data and analytics to inform new product development.  
—**International Banker**

## Competitive advantage begins with understanding your customer

How well do you understand your customer? It's a question that data-driven banks are eager to answer, because knowing the nuances of customer behavior helps them provide relevant, contextual products and services that grow the bottom-line.

When banks are actively leveraging data to discover their customers' needs, wants, and desires, they're also providing value and personalization that builds credibility as trusted advisors, leading to increased loyalty from the customer, and new opportunities for the bank.

It sounds simple, but today brand loyalty is strained. Customers, both business and retail, are a very fickle bunch. Call it a consequence of the digital disruption that's impacted every industry, but bank customers are no longer exclusively price or product driven. They want a seamless, integrated, multi-channel experience; if they are dissatisfied, they will churn. And because mobile and digital banking are increasingly important channels for all customers, banks must be prepared to deliver a variety of relevant, personalized services that these savvy customers expect.



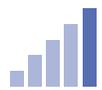
### BANKS GET THEIR APPS TOGETHER

89% of US consumers report high satisfaction using mobile banking apps—but 6 in 10 still don't prefer mobile banking.—[Payments Journal](#)

Banks need to use both financial and non-financial data to build relevant experiences for their customers. Banks can use financial data to offer customers an aggregated view of their entire financial picture, and just as important, banks can leverage non-financial data to offer customers access to third-party services and applications (APIs) via their banking portal, which drives both improved customer acquisition and retention.

To build those experiences, however, the data-driven bank must map and manage the entire customer journey from initial touchpoint to most recent transaction.

### A CLOSER LOOK



### DID YOU KNOW?

72% of businesses say that customer experience management is their top priority. —[Forrester](#)

## Mapping the customer journey

In banking, delivering a superior customer experience is the result of deeply understanding the customer journey—that is, each and every touchpoint where your customer interacts with your brand, from a visit to the branch loan officer, to an app-enabled digital deposit. And mapping the journey requires actionable insights that are only possible with data analytics. Using your data to create dynamic dashboards and visualizations, it's easier to identify gaps and correct any misalignment between channels.

Mapping the customer journey also validates whether customer experience strategy is syncing with business KPIs. And in a challenging marketplace, understanding how customers are engaging with your brand will help determine where profitability can be improved.

So how can data insight build a better customer journey? Take the **sensitive area of collections**. A one-size-fits-all approach to collections can put customer lifetime value (CLV) at risk. A better alternative is to use data-driven insights to segment customers and develop repayment plans that are appropriate for the situation—job loss, mistaken late payment, etc. A personalized approach makes it more likely that customers will meet their obligations and in turn, the bank will earn their customers' long-term loyalty. Aggressive collections are unpopular, and the risk of attrition while resolving delinquencies is high. According to Experian, three percent of people with 30-day delinquencies closed their accounts after paying their balance in full and 75% of these people paid and closed their accounts in the same transaction.

As we pivot into the next normal, it's even more important to consider the customer experience holistically, and focus on the entire customer journey, not single interactions. Every touchpoint should offer clear communication, transparency, and simplicity, which are essential when helping customers who are navigating ongoing financial uncertainty.

Knowing how to prevent customer attrition in this scenario means that you will have another opportunity to grow that customer's business—instead of losing it for good.

Having robust customer insights and knowing how to use them is an essential part of being a data-driven bank. But as we've seen, innovation is a pain point for banks of all sizes, so it's not surprising to learn that many retail banks lack a formal customer experience strategy. Once your organization is able to deliver on this strategic vision, it will be easier to maximize efficiencies and determine whether the 'clicks' or 'bricks' in the customer journey require more attention.

## The branch, reimagined

In the age of mobility, it may be a surprise to learn that bank branches are not only relevant, they are essential to your bank's success.

Because despite the rise of digital channels, over [50% of bank customers in the U.S.](#) still prefer to do their banking at a branch, with 40% visiting their branch quarterly. Customers are highly satisfied with the service they receive from their mobile apps, websites, and chat experiences, but only branches have achieved an eye-opening [79% first-touch success rate](#).

Building on this success, a new type of branch is emerging, designed to be an integral part of customer experience, and consistent across channels. Data and data visualization plays a central role: for example, branch employees can access dashboards with customer information that helps them proactively offer support or customized offers in real-time.

It's interesting to note that while banks are experiencing an increased level of digital transactions during the pandemic, [branch transaction volumes have declined only by 30 percent to 50 percent](#). This reflects the fact that digital transformation in banking is far from complete, and that branches are necessary for specific customer experiences that aren't available online. According to Accenture, 82 percent of customers want human advisors for complex transactions, such as mortgages. Branches will also continue to play a key role in consumer education, which is core to the customer journey.

### Branches are foundational to the banking experience

According to McKinsey, there are five customer segments in the new world of digital banking. Building strong omnichannel offerings is important, as only 27% of consumers think their bank provides a seamless experience between branch, online, and mobile channels.

- Bank in my pocket (all remote)
- Flexible digital banking (prefer digital banking and face-to-face advice)
- Digital convenience (prefer internet over mobile with advice in person along with complex product purchases in person)
- Personal bankers (favor branches and ATMs for needs)
- Security seekers (low trust in the financial system)

## Dynamic data unlocks new opportunities

For banks, traditional data analyses typically involves a cycle of pulling data on a predetermined schedule and applying algorithms to produce predictive and prescriptive analytics. None of these analytics are integrated—data resides in siloed data warehouses, and separate reports require separate analyses.

Today, in the era of big data and advanced analytics, the game has changed.

Using advanced tools and technologies, banks have the capability to build robust, near real-time analyses across a variety of data types, no matter where the data resides. While most of these insights are not suitable for statutory and regulatory reporting purposes, these insights have significant business value.

- Customer acquisition using data insights means better performing websites, marketing that is more signal than noise, improved SEO, higher conversions on forms, and a more relevant and compelling new-customer experience.
- Banks can track branch and region performance across the entire enterprise—simultaneously—instead of branch-by-branch or region-by-region, which was the norm not so long ago. With a holistic view of bank activity, it's faster and easier to create cross-selling opportunities, find the right products, and design the next digital experiences your customers want and need.
- Underwriters can now look beyond the credit score and make faster credit decisions using data points that include income, social media postings and reviews, even the length of time it takes to fill out a credit application.

## Segmenting for success

With more and better insights, it's possible to explore discrete segments and microsegments of your customer base, and build more accurate models for loans, create relevant financial products, establish baselines so it's easier to identify fraud and irregular activity, and anticipate customer behavior. These deep analyses can lead to significant opportunities. In the case of one of Asia's top consumer banks, [McKinsey](#) reports that using advanced analytics to find similarities across a number of data sets (demographics, product purchase history, credit card statements, transaction and point-of-sale data, mobile banking, and credit bureau data) resulted in the creation of 15,000 microsegments. With this insight, they targeted a next-product-to-buy model that resulted in a three-times-over likelihood to buy.



### BY THE NUMBERS

53% of high performing banks plan to significantly increase their analytics investment over the next three years, compared to 9% of low performers. – [Accenture](#)

## Emerging technologies redefine what's possible with data

The hype around artificial intelligence, machine learning, and natural language processing is reminiscent of the initial hype around big data. Unless you're a data scientist, a lot of the conversation seems premature, or not relevant to day-to-day operations. What do these emerging technologies really mean to banking organizations, anyway?

While there's no clear consensus on how emerging technologies will be adopted by banks in the long-term view (last time we checked, bank employees have *not* been replaced by robots), there are a number of areas where banks can leverage data and technology today to deliver better products and services to their customers and achieve new levels of efficiency.

### Customer segmentation

Based on behavior and demographics, new products and services can be recommended—before the customer needs them.

### Risk modeling

Customers receive decisions faster when banks can apply machine learning to build accurate risk profiles and make data-driven decisions.

### Chatbots and virtual assistants

Personalized service—from loan applications to general inquiries—can be offered via internet technologies, powered by data and APIs.

## The rise of APIs: challenge and opportunity

The advent of big data has made it possible for innovative financial technology and APIs to disrupt the banking industry. For banking, it's game on—learning new ways to reach the customer with compelling products and services, while adopting a fintech mindset of their own.

The use of APIs is extending the reach of data: APIs are able to leverage non-traditional digital channels, including social media, to reach their target customers. With round-the-clock access, they offer an always-on alternative that is increasingly popular with younger, more digitally-savvy customers.

And it's not just APIs that are disruptors: a 2019 [Bain & Company survey](#) revealed that many respondents give higher loyalty scores to fintechs than they do to traditional banks.

Fintechs, with their focus on game-changing APIs, may have led the charge and spurred demand for innovative financial services, but banks should feel confident that they can compete in this new landscape, and change the game for themselves.

### CHECKPOINT

#### Can your bank pivot and do what fintechs are doing?

- Offer app-driven personal financial management tools
- Offer solutions for customers with unfavorable credit
- Offer APIs as part of a new banking ecosystem

With regulatory changes on the horizon, it's expected that more fintechs will be granted charters to operate as banks. This clears the way for even large competitors that house immense amounts of customer data, including Amazon, PayPal, Venmo, Alibaba, and even Facebook.

## Delivering a modern customer experience

The power of data insight is undeniable, and with a data visualization platform that can provide a 360-degree view of all data—no matter where it resides—banks are able to create scalable and relevant omnichannel experiences for their customers. For the three banking institutions below, choosing Tableau as their data analytics platform was essential to becoming data-first, customer-centric organizations.

# JPMorgan Chase & Co.

## Profile

JPMorgan Chase & Co. (JPMC) is a leading global financial services firm and one of the largest U.S. banks.

## Business challenge

JPMC needed to empower business groups like marketing and operations who needed to see the entire customer journey—why and where customers abandon an action, where improvements can be made, and evaluate overall customer worth.

## Outcome

Today, JPMC can shape and improve the customer experience with channel-level marketing metrics. Tableau helps JPMC achieve quick wins, instead of putting items on a roadmap to eventually be addressed.

## Key metrics

- Branch-level rollout of Tableau across 5,300 branches
- Scaled Tableau enterprise-wide to nearly 30,000 users

[Read the JPMorgan Chase story](#)

# Charles Schwab

## Profile

Charles Schwab Corporation is one of the largest publicly-traded financial services firms, based on client assets.

## Business challenge

The company had fragmented reporting across various business intelligence platforms that led to inefficiencies accessing data, and an inability to understand regional and branch-level customer experience metrics.

## Outcome

With Tableau, Schwab has evolved its data culture and improved customer experience. Teams can collaborate across the organization, identifying areas of opportunity and create strategic plans to optimize those opportunities to drive better, more customized experiences for their customers.

## Key metrics

- Scaled from 6,000 Tableau users in 2016 to 16,000 today
- Half the company uses Tableau on a daily basis

[Read the Charles Schwab story](#)

# BNP Paribas Group

## Profile

BNP Paribas Group is an international banking group with over 190,000 employees in 75 countries, serving more than 30 million customers.

## Business challenge

Detailed regional information is mandatory for multinational banks like BNP Paribas Group, who must create a more localized service experience and more targeted marketing strategies.

## Outcome

The bank can now create Tableau visualizations of its regional data in minutes, making it easier and faster to make informed business decisions, including targeting convenient locations for ATMs, identifying prospects based on location and service needs, and measuring branch-level KPIs, such as internet banking adoption.

## Key metrics

- 300 to 400-page manual reports have been replaced with interactive visualizations
- 2,000+ corporate relationship managers use Tableau as a single source of truth

[Read the BNP Paribas story](#)

## Conclusion

As the enterprise BI platform of choice for leading Financial Services organizations, Tableau has helped deploy and scale analytics across customer organizations such as JPMorgan Chase, Charles Schwab, Wells Fargo, Allstate, USAA, PEMCO, and many other brands around the world.

Our analytics platform makes it easier for people to see and understand data, enabling smarter collaboration and accelerating time to insight. If you're ready to experience the power of what data can do for your organization, download a free trial of Tableau Desktop today.

## Resources

[Download free trial](#)

[Tableau Banking & Wealth Management Analytics solution page](#)

[See all whitepapers](#)

## About Tableau

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