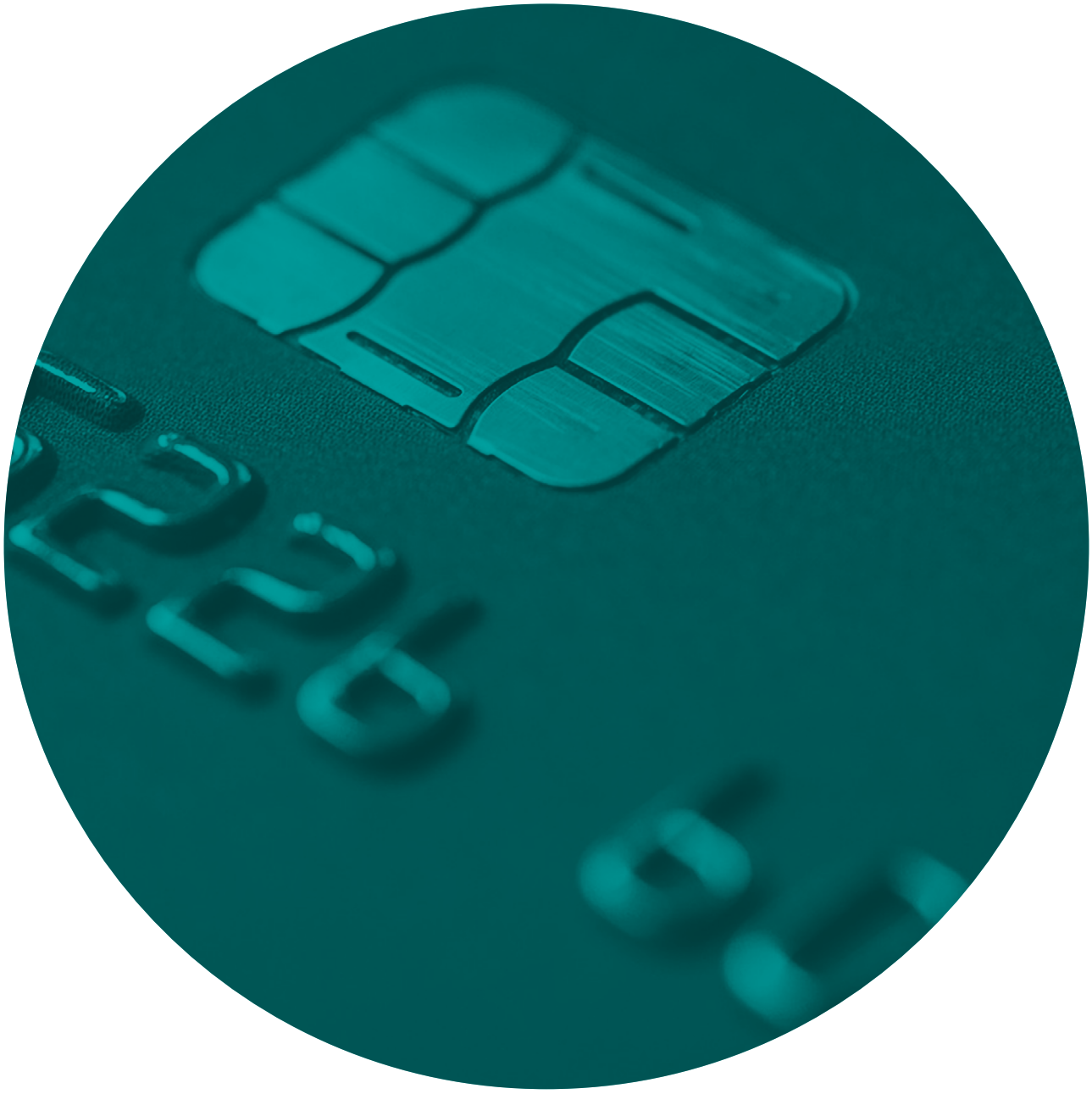
CASE STUDY

Data-Driven Customer Experience in Financial Services



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Benefits

The rapid migration to digital banking technologies driven by the pandemic will continue into the recovery. One-third of retail banking customers plan to increase their use of online and mobile banking services post COVID-19.* Financial Services enterprises that make the right investments now could build an enduring advantage in serving customers.

Advanced customer analytics informed by new digital banking sources allows financial services firms to develop insights on customer cohorts and behaviors, and to more precisely target and tailor products and value propositions. Recent advances in analytics, such as non-linear machine-learning algorithms, combined with new and more granular data, are dramatically improving model efficacy and resulting service improvements, revenue increases, and lowering the cost to serve. Activating insights through triggers derived from real-time behaviors further contribute to these business outcomes. According to McKinsey, data-driven CX capabilities can increase sales productivity by as much as 40 percent.*

Data from Forrester's CX Index for multi-channel and direct banks empirically demonstrates that when customers have a better banking experience, their intentions to stay with a brand longer, buy more from that brand, and recommend that brand, all increase. But Forrester goes on to say that great CX in banking is still rare, meaning there is huge financial upside for banks that substantially transform their organizations to center on the customer first and orchestrate their CX activities with this in full view.*

Challenges

Optimizing the customer experience can be challenging. For one thing, most organizations have little visibility into the end-to-end customer journey that spans multiple customer touchpoints across multiple departments. Furthermore, enterprises suffer from an inability to sense and react to a multitude of customer pain points and opportunities. Finally, organizations struggle to meaningfully personalize customer interactions in a timely manner, particularly in real-time, at the moments of truth.

Solutions

Vantage Customer Experience uniquely overcomes these challenges, enabling financial services providers to execute a sustainable customer experience initiative. Vantage CX:

- **Enables the previously elusive 360° view of the customer** by providing financial services industry data models that include 100% of online behaviors and transactions. Granular, individual level behavioral data is captured in real-time to provide an enhance view of every customer interaction across all digital properties. Online behavioral data is unified with customer transactions and behaviors from branch operations, call center, all transactions covering deposits, trades, transfers, applications, and more. This unified view of the customer across multiple departments and systems provides visibility into the full customer experience.
- **Turns data into customer insights** by putting the marketer and CX professional in control with powerful, easy-to use machine learning analytics along with other advanced analytics that provide richer, faster insights into customer behavior. No coding is required to leverage intuitive advanced analytics in Vantage, including Path for understanding the customer journey, Text for sentiment analysis, Cluster for hyper-segmentation, and Machine Learning to optimize the next best offer.
- **Turns customer insights into action** by delivering personalized customer interactions in real time, seamlessly across channels. Vantage CX enables real-time dynamic personalization by determining the optimal message to deliver based on both what the customer is doing right now combined with historical, integrated information on that customer's experiences and behaviors. Machine learning optimizes the goal selected by the business user, such as maximizing revenue or minimizing cost to serve. These highly personalized offers are delivered

* https://www.mckinsey.com/industries/financial-services/our-insights/the-balancing-act-omnichannel-excellence-in-retail-banking

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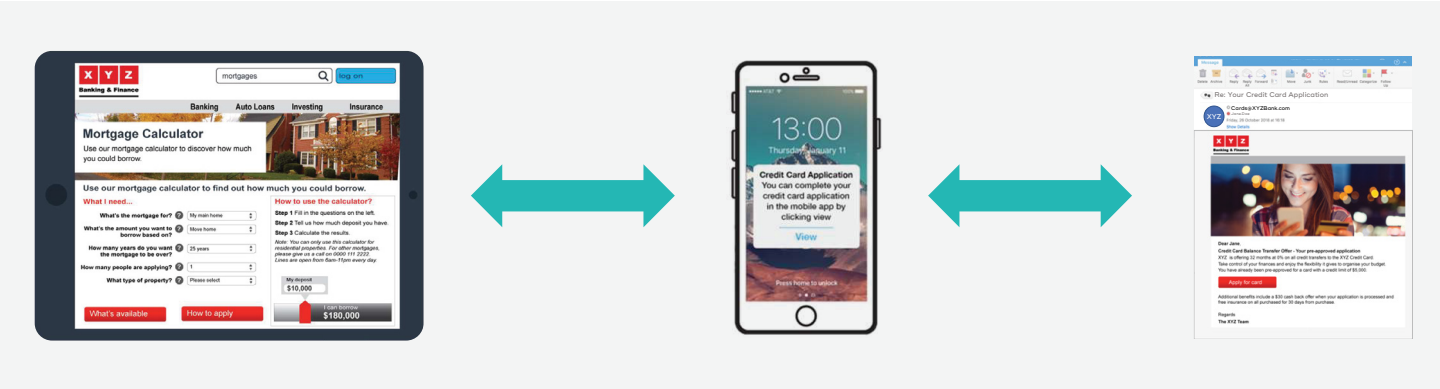

at scale to reach millions of customers informed by billions of transactions and interactions. Real-time personalization makes it easy to deliver these dynamic messages through a company's website, SMS, POS, and other digital screens.

Highly detailed and structured Celebrus data captured from all digital channels is fed into Vantage CX to enable highly effective customer journey analytics and real-time personalization at scale. Previously undiscovered issues with customer facing channels and pages can be quickly identified and resolved. Millisecond omnichannel data feeds combined with historical integrated data and machine learning insights from Vantage CX enable the creation of definitive and highly accurate customer profiles and the ability to orchestrate personalized customer experiences in-the-moment and across all channels.

Real-time Personalization in Financial Services

The relevancy and fit of offers delivered through a bank's digital channels has a direct impact on the revenue that they are able to generate and the experience that their customers have when making transactions or accessing information online.

During a major digital transformation, the retail banking division of a large, multinational conglomerate recognized that they needed accurate, granular and complete digital customer data to underpin much of their decision-making and execution needs. Transactional and offline customer data were already available to them; however, the richer digital data would enable them to build optimal models and power the cross-channel analytics needed to maximize customer acquisition, engagement and cross-selling. In particular, they needed to understand a customer's interests in greater depth, identify any stalling points in the customer journey while tying together online and offline behaviors across all channels and devices at the individual customer level.

The organization wanted to be able to offer the same type of highly personalized customer service and sales experience online and across-channels as they did through physical contact in-branch.

Working with Teradata and Celebrus, the bank:

- Obtained a critical 360-degree customer view that included branches, websites, applications and ATMs.
- Boosted marketing effectiveness by using recommendation models and personalization, and enhanced customer service and support experiences through process optimization.
- Executed highly personalized communications via their own website and through social networks (e.g., Facebook) and search engines (e.g., Google).

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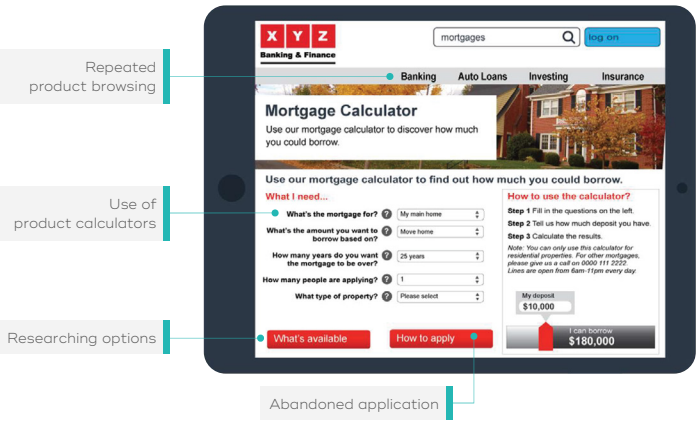


In addition, the data and resultant insight enabled them to not only develop new products specifically designed for their digitally engaged customers based on enhanced customer segmentation, but also maximize acquisition rates and reduce service costs for those new offerings. Customer acquisition is now 3-5 times more effective overall than before for the same level of investment. Credit card conversion significantly improved for both the online and mobile channels:

Credit Card conversion rate online			
Before:	16%	After:	30%
Credit Card conversion rate mobile			
Before:	27%	After:	82%

These successes fundamentally shifted the bank's digital banking department from product-centric to customer-centric and accelerated the speed of the transformation program across the entire global organization.

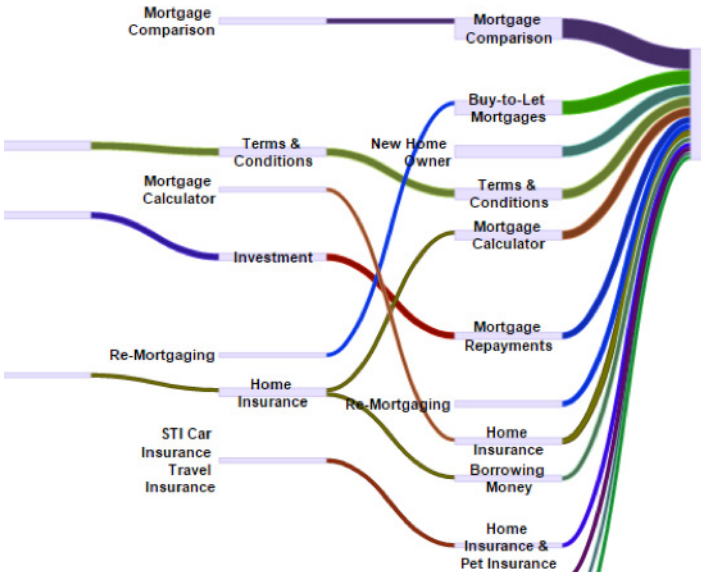
Customer Journey Optimization in Financial Services

Since today's leading financial institutions feature a vast and complex array of digital channels, diagnosing issues with the online performance of digital pages or processes can be challenging, resulting in many serious imperfections to digital channels remaining invisible to organization for many months or even years.

A top 5 global financial services firm recognized they experienced a critical disadvantage in the effectiveness of their customer journey in online service processes. With a lack of digital customer data, stalling points weren't easily recognized or addressed. Customer data was siloed. There was insufficient analytic tooling to make sense of the data they did have, and web data was simply not granular enough. Analytics were already being used to identify customer needs; however, analytics were not being leveraged in Internet Banking or public websites as digital marketing tools were disconnected.

Working with Teradata and Celebrus, the bank:

- Utilized identity resolution to connect web, mobile app, and offline customer data.
- Derived new digital variables such as page scores, recurring visits, duration, and others.
- Uncovered optimization opportunities across multiple touch points using Path analytics.
- Triggered hyper-personalized communications to recover abandoned applications.



Customers may show interest in a product prior to starting an application. The level of interest can be quantified by scoring each page browsed, combination of pages browsed or complete journey against desired outcomes.

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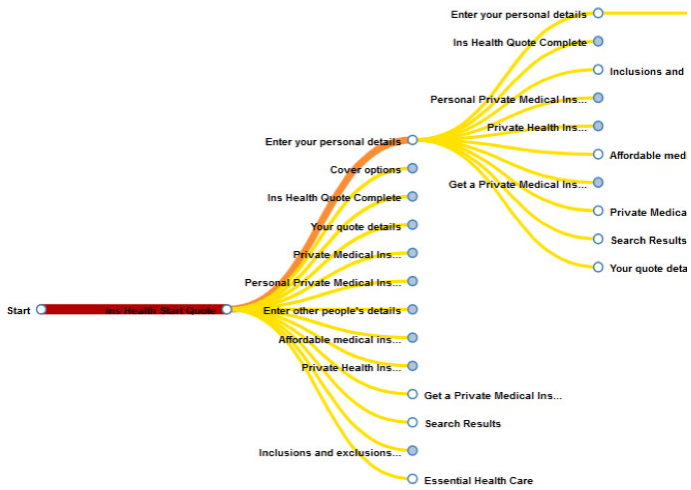

Many customers start an online application but abandon it during the process. These customers could be encouraged to complete their application through targeted messaging. Furthermore, analyzing the abandoned points in the journey provides an indication of why they abandon.

The interactive visualizations enabled analysts to quickly query the funnels to find new insights. Analysts would sit down with their business partners and interactively discuss findings and identify solutions.

The organization was also able to establish closed loop reporting that enabled better learning and enhanced performance management. In one instance, an 80% drop out rate on one process was tracked to a single form field that was repaired. In addition, simple design issues with a loan calculator were identified, corrected a repetitive loop that affected 50% of users.

- $50m incremental profit in the first year after launch
- 50x increase in click through rate (CTR) for personalized messages

Vantage CX with digital data provided from Celebrus enables financial institutions to take customer journey optimization to the next level with highly granular data capture capabilities across all digital channels, merged with offline data from contact centers and branches, and pathing algorithms that intuitively visualize otherwise complex and hidden customer journeys. Insights enable banks to remove pain points and accelerate high impact revenue opportunities.

In today's digital economy, optimizing the customer experience is a C-level imperative. Customers expect organizations to know them and provide relevant, and personalized experiences. McKinsey reports that 79% of consumers stated they will not even engage if the experience is not personalized based on their past interactions.** For companies delivering superior experience, the performance rewards are multi-fold—played out as increased revenue, reduced cost of service, as well as increased share of wallet.

Welcome to the new imperative—delivering superior experience by gaining a complete view of customer across all channels and systems, converting that data into insights and then turning those insights into action.

About Teradata

Teradata is the connected multi-cloud data platform company. Our enterprise analytics solve data challenges from start to scale. Only Teradata gives you the flexibility to handle the massive and mixed data workloads of the future, today.

The Teradata Vantage architecture is cloud native, delivered as-a-service, and built on an open ecosystem. These design features make Vantage the ideal platform to optimize price performance in a multi-cloud environment.

Our experience working with thousands of customers and partners around the world, across a wide range of verticals and industries, makes us the most effective platform for delivering business outcomes and unlocking unlimited value by turning data into your greatest asset. Learn more at **teradata.com.**

** https://www.jdpower.com/business/financial-services/us-retail-banking-satisfaction-study. The US Banking Customer Experience Index, 2019, How US Banks Earn Loyalty With The Quality Of Their Experience, September 27, 2019, By Alyson Clarke, August du Pont, with Benjamin Ensor, Harley Manning, Piers Conway, Ben Salamin, Peggy Dostie

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