

Personalisation: from novelty to necessity

As the data culture establishes itself, so too does the requisite etymology and classifications associated with the new paradigm. There's the 'Me-Me', the 'Advice is Nice', the 'Discounter' and the 'Function Favourer'. All are categories of personality types willing to share their data in exchange for commercial benefits. They've been identified by data-led trends agency Foresight Factory and encompass those who will share data on varying scales in return for a range of personalised advice, relevant discounts and improved product suggestions.

Another term entering the data-driven lexicon is 'hyper-relevance', which is referenced in Accenture Strategy's Global Consumer Pulse research. This established that nearly a third of consumers expect the companies they engage with to know more about them, while two-thirds are willing to share personal information with companies in order to make those organisations 'hyper-relevant'. Data divulgence will only occur if there is a perceived value exchange, however.

Lesson one in the value exchange, according to Stephen Lester, Propositions Director at Paragon Customer Communications, is about basic manners. "Using an individual's name is crucial to winning people over; it demonstrates that they are valued and that the message to be delivered will be important to them. Despite regulations surrounding how banks hold and use data, today's customers are savvy. They

know that a wealth of information about them is available and they expect organisations to use it wisely."

Lesson two, says Lester, concerns timing. "Personalisation is about more than addressing something to the right person; it's about reaching that person at the right moment and in the right manner in order to deliver timely and relevant messages." The challenge, he adds, is in identifying an individual's preferred way of being contacted, be it by direct mail, SMS or email, and at what time of day they are most likely to respond. "These insights into preferences and behaviour can be achieved through analysing data and responses such as opens, clicks and landing-page visits."

Another key skill identified by Lester

interactions. "Apart from the fact that personalisation promotes customer loyalty and better opportunities for cross- and upselling, financial services providers realise that they need to go beyond simple transactional relationships and move to a lifestyle-based banking model, where they are at the centre of any financial decision their customers make."

He suggests two key elements sit at the foundation of personalisation in banking. Through collaboration with behavioural experts, banks can get to the heart of people's relationship with money by better anticipating customers' needs. Secondly, he says, are the advanced technologies that capture and analyse customer and transaction data. "Other sectors such as retail, travel and

hospitality are already using such data analysis – beacon technology is enabling retailers to send personalised offers directly to shoppers

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is the one governed by listening. By listening to how people respond through a variety of touchpoints, he suggests, banks can glean a far better understanding of what matters to their customers and use this to speak to them in a relevant, engaging way.

OWNING THE INTERACTION

Abhijit Deb, Head of Banking and Financial Services in the UK and Ireland at professional services company Cognizant, says banks, card issuers and lenders have been doing just that for several years and are pushing the boundaries of personalisation to try to understand and own their customer

in their stores, for example," says Deb. "Banks are now investigating how data can be coupled with beacon technology to improve the customer experience in branches; this makes the experience frictionless and targeted, without being intrusive."

USING GEOSPATIAL DATA

This year's GDPR regulation was aimed in part at eliminating intrusion, and both Lester and Deb agree that, in accordance with the new legislation, information held by organisations must be kept securely and only after the correct permissions have been sought.



Today's consumers expect their bank to understand and even anticipate their needs, delivering personalised, tailored solutions. But do they see real value in the data exchange?

"Banks must ensure that their ever-more personalised services adhere to strict data privacy rules," says Deb. "For example, financial services providers are looking at using geospatial data, which can be easily accessed from mobile devices, to inform the customer about the best car loans on offer when they are at a car dealership, say. While certain customers might find this relevant and timely, it could equally lead to distrust in some customers' minds about how their bank is accessing their data and why. However, regulations such as GDPR and high-profile scandals, such as that surrounding Cambridge Analytica, are helping to define acceptable practices around data-sharing, permissions and renewing customer consent, all of which banks, as well as marketers, will have to adopt and adhere to."

Peter Kirk, who leads Accenture's Financial Services Distribution and Marketing practice in

the UK, says consumers want natural conversation with a bank that understands their needs and acts in their best interests, while keeping their data safe and secure.

"We know that customers have evolving attitudes towards the privacy of their personal data and banks will be keenly aware of the need to let the customer retain control and to be careful not to cross the line from convenient to intrusive," he says. "The next challenge is how banks provide convenient customer experiences that blend human and digital services to stop them becoming faceless and putting trust at risk."

POCKET-SIZED BANKING

Developers worldwide have been listening, creating solutions devoted to personalisation based on timing, convenience, behavioural expertise, neuro-linguistic programming and data insights. One such solution is Finn AI, an artificial intelligence-powered virtual assistant built for personal banking and finance, which aims to 'put a personal banker in every bank customer's pocket'. In June it launched a collaboration with digital payments provider Visa Canada, with customers serviced by conversational banking chatbots.

Dr Kenneth Conroy is Finn AI's VP of Data Science. He explains that the AI-powered, conversational platform system delivers value by being able to handle and reduce a high

be saved on file. So the next time a user engages with the chatbot, they're able to pick up the conversation where it left off. Right now, interacting with a chatbot is viewed as a novel option to connect with one's bank. However, as digital becomes more entrenched as a preferred mode of communication, especially with millennials and Gen Zs, chatbots and other digital platforms will become a necessity for any business looking to engage proactively with these audiences."

The debate returns to data exchange and whether an organisation – in this instance a bank – has hyper-relevance to a consumer who expects value-add. Conroy says chatbots can enable banks

to provide a truly holistic, mutually beneficial, conversational approach to managing users' money. "Focusing solely on banking allows our system to truly understand what bank customers want to

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volume of simple customer service and bank interactions from call centres. For the consumer, the likelihood of being kept on hold or passed from department to department is eradicated, with the human customer support representatives freed up to focus on higher-value interactions.

Will the chatbot solution transcend from novelty to necessity – or has it already done so? "Chatbots are like phones," says Conroy. "They're more of a utility than a necessity. It allows us to have the ability to 'always be on the line', meaning that no matter how much time has passed, our information and interactions will always

do, and also enables banks to proactively engage in the form of money management recommendations to users. This occurs in the form of push notifications, reminders or nudges in order to encourage behavioural changes."

Will those changes result in the demise of overt data divulgence by the consumer? Sharing is now far more subtle, with Conroy revealing that by leveraging Finn AI's intelligent system, banks can increase proactive engagements with users by providing personalised recommendations and insights, without necessarily requiring more personal data. 

