

Humanizing Financial Journeys

With Data-Driven Personas and Zero-Party Data



Executive summary

In the quest to rekindle the personal relationships that banks, credit unions, and lenders were known for in the past, financial institutions are using data to deliver relevant offers to customers. The old ways of segmentation and personalization, however, are no longer sufficient. Expectations are rising while customers are becoming increasingly distant from direct contact with their financial institution.

The omnichannel experience has multiplied options for financial transactions while making it increasingly difficult to maintain a human connection. Data-driven personas and customer journeys that give individuals a voice help to humanize financial services marketing and build authentic, long-term relationships.

40% of customers say they would be more likely to stay with their financial services provider if it offered more personalized service.

Back to neighborly banking

Banks and credit unions owned the customer-first experience long before other industries even started talking about personalization and customer journeys.

Branch employees, personal bankers, and loan officers knew the people in their community on a first-name basis and were often privy to detailed knowledge of their plans and aspirations. This made it quite natural to recommend a product that would suit the customer's immediate need.

In the last two decades, the rise of digital banking has added significant convenience, to the point where it doesn't make sense to travel to a branch for routine transactions. Financial institutions have lost opportunities for face-to-face interaction, and today's customers have happily adopted omnichannel banking habits that suit their needs just fine. While customers are going about their day making deposits at the kitchen table, transferring money while shopping, or applying for a loan as they are eyeing a shiny new car, branch personnel wait to greet the few visitors who still have a branch habit. Added convenience hasn't translated into greater personalization.

Almost four out of five consumers regard their relationship with financial institutions as purely transactional, according to Accenture.¹ In fact, customers may not be thinking about their financial institution at all as they use their phone for payments or buy online with one click. Many financial products are simply regarded as commodities.

On the other hand, EY reports that 40% of customers say they would be more likely to stay with their financial services provider if it offered more personalized service.¹ Customers are still open to offers and recommendations tailored to their needs from a financial institution that cares about their overall experience. But first you need to track them down. And then you need to make sure your offering is relevant to what they're thinking today. Put another way, before you're able to meet your customer where they're at, you need to *know* where they're at.

The evolution of marketing personalization

Marketing automation allows you to create customer journeys based on what you know statistically about customers.

For example, data analytics may show you that within a month or so of closing a mortgage, many new homeowners get a car loan. Since you've already looked deep into the borrower's credit, a timely offer with an attractive rate could net some easy business.

Data-driven customer journeys rely on probabilities to focus the marketing lens. Your data is telling you that a well-timed offer will result in tangible ROI. If you move the needle on results, you can claim success, but a percentage of those who receive your offer could still be left wondering whether you truly know them. What's missing in this interaction is the voice of the customers themselves.

The availability and accessibility of customer data has changed financial services marketing. At the same time, however, customers are becoming more sensitive to companies that overstep the bounds of appropriate data use. And the line is different for each customer. Some may be perfectly fine to receive a coordinated offer by email and in their mobile app, while others will find it as too much. When customers have control over sharing information, they're much more open to how it's used. That's why marketers are talking about zero-party data—information the customer shares willingly.

Now let's look back on those times when employees were interacting with customers in-branch on a weekly or daily basis. They knew a customer's account details and handled their everyday transactions. It was natural—even neighborly—to ask about the family and recommend services that fit the customer's needs. And customers were happy to share, because they knew it was for their benefit. Branch employees weren't addressing data profiles, they were helping individuals as part of an ongoing relationship.

This information now gets captured via digital channels, which makes it feel less personal and more intrusive. However, with the right mix of human and digital connections, it can start to feel like it did when consumers interacted with employees in the branch.



Four in five banking customers prefer to manage their finances digitally rather than in person.

Using data to build customer personas

Today, a well-integrated database and omnichannel services have replaced many human connections, and in some ways this benefits customers immensely.

Regardless of where they are or the time of day, customers can learn about and act on information that will enhance their financial lives. In fact, four in five banking customers prefer to manage their finances digitally rather than in person.² Consumers have fully embraced omnichannel services. Now the challenge is to increase the relevance of those interactions so the customer stays connected. This is where persona-based marketing journeys are changing the dynamic.

Personalized marketing—inserting a customer’s name and a data point or two—is no longer sufficient to build authentic relationships. Now you have the means to predict customer behavior based on multiple dimensions, using the full power of your accumulated data – including the digital collection of zero-party data.

Personas are modernizing financial services marketing. The next level is to humanize your engagement across all channels for authentic, individual connections that benefit the customers and expand your relationships. You want them to be able to feel the same connection to your brand when using digital devices as they would face-to-face in a branch.



Humanizing the marketing journey

Let's look at how personas shape your customer journeys, and what you can do to add that human element. We'll use three scenarios you're probably already familiar with: the mortgage borrower, the loan-only customer, and the credit card prospect.

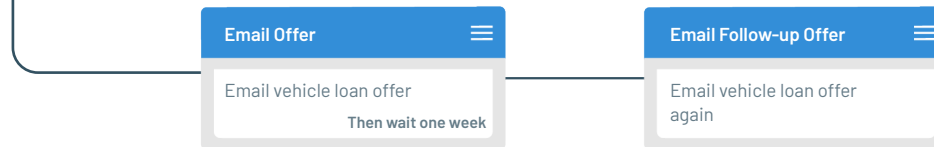
This information combined with an understanding of past customer behavior enables you to define logical segments. As you test your initial marketing journeys, you can calibrate them to produce marginally better results. But you're still dealing with the reality that the only forms of feedback you're getting are response, no response, or purchase.

Start with a single data point, then you can assign each of these segments to a simple marketing journey. The journeys might look like the examples below.



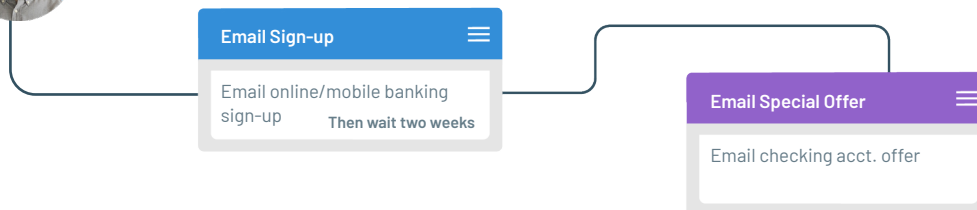
Mortgage borrower, **closed on a mortgage**

Journey starts 30-days after closing



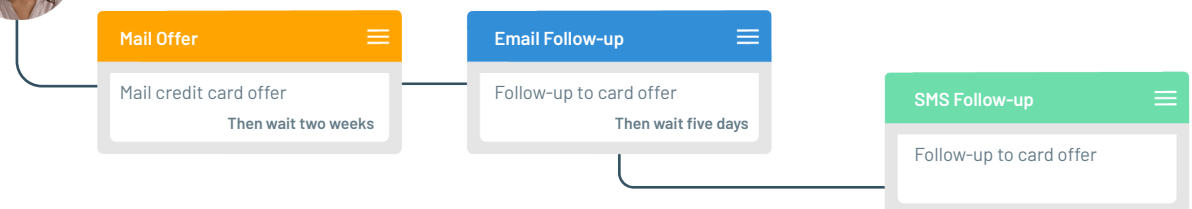
Loan-only, **has an indirect auto loan**

Journey starts one week after closing



Credit card prospect, **has no credit card**

Journey starts when prospect is found



Creating personas for more authentic connections

Really digging into your integrated database will help you divide each segment further so you can develop personas that will guide more informed marketing journeys. Here are examples of a more finely-tuned, data-driven persona in each segment.

With these personas you can adjust the customer journeys and ensure that you're delivering compelling information and offers where customers see a benefit. Automating your journeys allows you to address more personas and increase ROI with each of them.



Mortgage Borrower
Age: 35-45

Persona: Experienced homebuyer comfortable using credit to acquire what they want. May consider refinancing their auto loan if offered a compelling rate.

- Recently bought and sold a home
- Reported auto loan on mortgage application
- Checking account with this FI
- Online and mobile banking user



Loan-Only
Age: 25-35

Persona: Early career professional who might consider moving their PFI and taking advantage of online/mobile services, if given an incentive to do so.

- Purchased new car from dealership
- No checking or other account with this FI
- Making online payments from another FI



Credit Card Prospect
Age: 21-30

Persona: Digital native who might consider a credit card offer that comes with respectful guidance about sensible credit use.

- Checking account with this FI
- Active debit card
- Mobile banking and digital payments user
- Qualifying FICO

Creating personas and customer journeys

Persona-based marketing is more than personalization. It's connecting data to better understand your multidimensional customer.

You're still going to have to fill in blanks with institutional knowledge. That's why it's important to invite open-minded colleagues from relevant departments like branch management, sales, customer experience, lending, data analytics, and finance to the table in order to validate the personas you're developing.

Be sure to remind all participants in the persona-development exercise that personas need to be based on data, not personal experience. It's easy to be distracted by the colleague who can't conceive of a new homeowner turning around and applying for a car loan a month after closing on a home mortgage, but the data may be telling you otherwise.

With personas in hand, design customer journeys that respond to the data points you identified. Like any good marketer, you'll want to test a few variations to see which one returns the best results. But it's advisable to keep them simple at first: focus on one offer per journey so you know what levers to pull. You can always add more complexity once you've perfected your journeys.

Even with multidimensional personas, you still might be bothered by a nagging thought that it's all just data. How do you replicate that branch experience of knowing just what your customer needs today?





Let the customer speak— and take time to listen

Persona-based automated marketing journeys allow you to get closer to the in-branch experience of neighbor talking to neighbor.

It's a very good approach, but there's a way to make it better. A truly human interaction is a conversation, and in a conversation your natural curiosity guides the discussion. Imagine doing the same with your marketing automations by adding individualized feedback to guide the customer's journey.

Many marketers rely on consumer data they have access to today to inform personas, like transaction and behavioral data across all your channels. With

this, you can make assumptions about what your customer is doing. However, since zero-party data comes directly from the customer, and if you ask the right questions, they'll tell you about their plans.

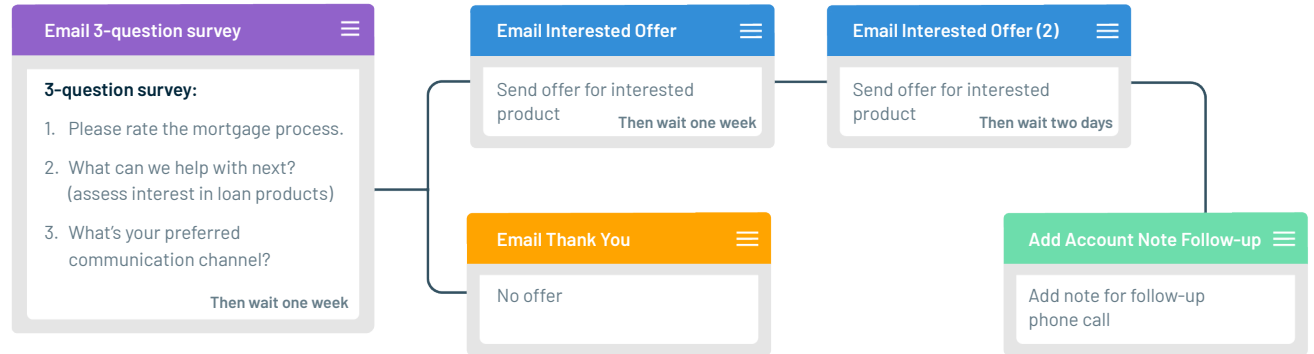
We've seen how the use of data-driven personas fine-tunes your marketing journeys, making them more relevant to the customer and increasing ROI. When your journey includes a place for individual customer feedback with a simple survey tool, that's where the humanization starts to happen. You don't need to guess at what a customer will respond to, because you're giving them an opportunity to tell you, so you can assess their true intent.

On the next page, let's put this all together into persona-informed journeys that include integrated customer feedback opportunities:



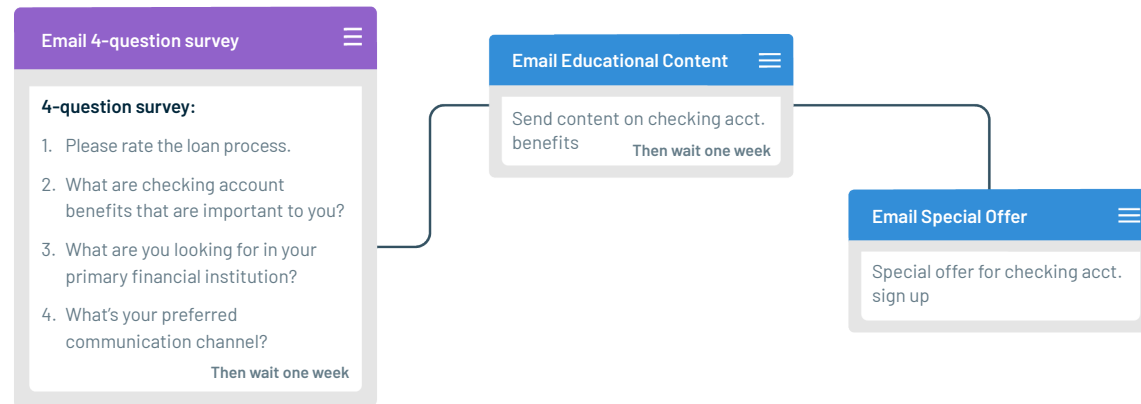
Persona-driven mortgage borrower journey

Experienced homebuyer comfortable using credit to acquire what they want. May consider refinancing their auto loan if offered a compelling rate.



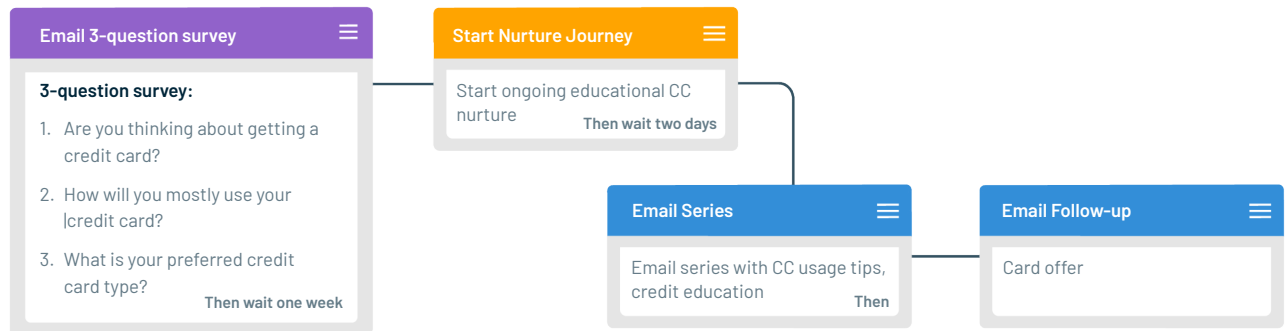
Persona-driven loan-only journey

Early career professional who might consider moving their PFI and taking advantage of online/mobile services, if given an incentive to do so.



Persona-driven credit card journey

Digital native who might consider a credit card offer that comes with respectful guidance about sensible credit use.



Final notes

The tools to build better banking relationships

Banking is still very much a human business. Customers need your services to manage their lives, acquire the things they need and want, and secure their futures. Conveniences added over the years have disconnected beneficial personal relationships, so you need to have new tools to humanize the banking relationship on the customer's terms.

It starts with integrated data across the entire organization—data that can give you a true 360-degree view of the customer. Understanding your customers' demographic and behavioral data is one component.

To take it one step further, voice of the customer functionality built into a CRM and marketing automation platform can give you essential insight into individual feedback through engaging surveys. With access to this zero-party data, you can leverage the insight to guide personalized marketing journeys – bringing a human connection to digital interactions.

This may be your key to getting back to the best parts of the in-branch experience: elevating human relationships to meet consumers where they are in their financial journeys.

Sources

- The Financial Brand <https://thefinancialbrand.com/93515/personalization-bank-data-orchestrated-customer-journey-experience/>
- Forbes <https://www.forbes.com/advisor/banking/digital-banking-as-new-normal-2021-what-to-expect/>



About Total Expert

Total Expert is the purpose-built customer engagement platform trusted by more than 200 financial enterprises. The platform unifies data, marketing, sales, and compliance solutions to deliver the perfect customer journey across every financial milestone, in any market. Total Expert turns customer insights into actions to increase loyalty and drive growth for banks, lenders, credit unions, and insurance companies, and is now available to purchase through the AWS Marketplace and Salesforce AppExchange.

TotalExpert.com

© 2024 Total Expert. All Rights Reserved.