



2023 Digital Trends

Financial Services in Focus





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Foreword

Welcome to Adobe's 2023 *Digital Trends – Financial Services in Focus* report based on our annual global survey in collaboration with Econsultancy.

Now in its 13th year, it continues to be a constant in the customer experience landscape. And as today's digital economy evolves, driving growth for financial service institutions (FSIs) worldwide, this much is clear: cutting-edge technologies are empowering individuals, transforming businesses, and connecting people more than ever. Above all, dynamic customer expectations continue to dominate the conversation.

We've charted a course through this shifting digital economy to help businesses uncover opportunity by delivering experiences that connect on a personal level. Against a backdrop of geopolitical and economic uncertainty, our study has found that companies continue to make tough choices. They're reevaluating what matters most, making strategic investments to set up for future success while striving to deliver experiences that dazzle their customers.

As we look to the future, one thing is apparent—as customers continue to raise the bar for great experiences, it will be critical for FSIs to respond with creativity. They will need to be creative thinkers and problem solvers. They'll need to find ways to quickly solve both the problems of their businesses and their customers. And above all, they'll need to imagine creative ways to inspire their teams, boost efficiency, and improve the workstream by aligning their people, processes, and technology.

In short, the word of the year is creativity. As Adobe CEO Shantanu Narayen recently declared,



"Everyone is creative and has the right to share their story." And you can help make that a reality. But rather than jumping to quick fixes or short-term strategies, think of this as a chance to stop for a moment, take stock of your situation, get creative, and chart the course ahead for long-term growth in the digital economy.

Indeed, this year's report identifies the three pillars at the heart of FSI's progress in 2023.

- **Innovation** – adding more value to customers, and the bottom line
- **Employee Experience (EX)** – building a stimulating work environment
- **Process** – creating a future-proof, agile FSI

By evaluating the state of your business this way, you'll begin to identify current challenges. In turn, this will help you understand whether increased automation and improved workflow solutions might help overcome friction in the delivery process and meet customer expectations across channels.

Christopher Young,
Director of Industry Strategy for
Financial Services at Adobe

1. From Transactions to Relationships

Customers' attitudes toward their financial services providers have changed dramatically since the turn of the millennium, and the process is not yet complete.

Historically, financial service institutions (FSIs) were viewed as performing one or more of three roles:

- **Facilitator** – managing transactions
- **Enabler** – providing loans and mortgages
- **Advisor** – helping customers navigate the complex web of pensions, investments, trusts, and more.

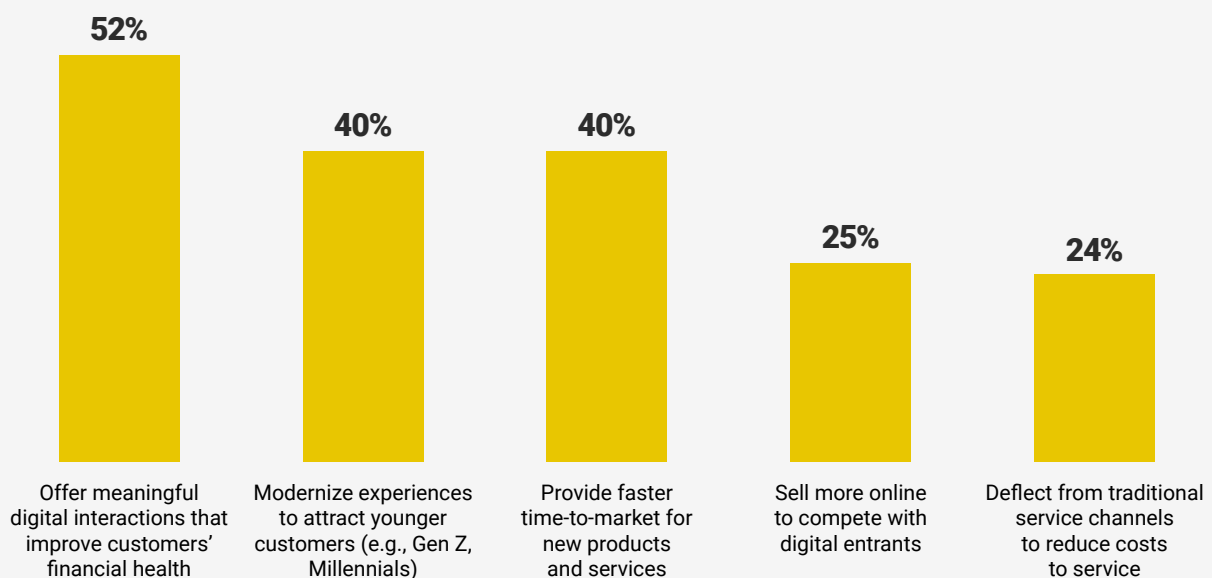
The latter role has been performed with varying degrees of success. McKinsey recently discovered that only 13% of Americans would consider they are prepared for retirement, either in confidence or financial sufficiency, lacking both funds and “financial know-how.”

Today, an FSI, whether it's a retail bank, insurer or asset management company, is viewed much more as a partner in the consumer's lifelong financial health. Expectations are that FSIs will be on hand to help the customer take proactive steps to manage changes in their personal circumstances and broader lifestyle changes and pressures.

These new consumer expectations are placing significant demands on organizations whose business models were not originally set up for a digital, interactive relationship with their customers. This report will review the current status of customer experience (CX) in the global financial services sector, the major headwinds organizations face, and the three pillars around which they can build solutions to move forward in 2023.

FIGURE 1

What are the top two business goals for your organization?



Sample Size = 156 (2023)

Finance working for the consumer

Today's FSI consumers want more. Recent research from Forrester has found that half of consumers wish their bank was more proactive about giving them advice, and more than half (52%) wanted their financial provider to alert them to issues that might impact their financial health¹.

As we'll see in this report, some players are really moving the needle, even going beyond purely financial advice into broader physical, mental, and even climate health areas. (The 'green' debit card Tred, which provides a running tally of how much CO2 this week's grocery purchases have generated, is just one example)².

The pressing need to go 'beyond transactional' is clear from the big shift in executives' attitudes since we published last year's FSI Digital Trends. There has been a clear jump in FSI marketing and CX professionals' top priority – to offer meaningful digital interactions that improve customers' financial health, up a fifth from 2022.

The increased focus on using digital to improve financial health is a welcome change and a signal that FSIs are looking to work on customer experience for the customer's sake, not just as a defense against the competition. Compared with last year, fewer marketing and CX executives are prioritizing online to compete with digital challenger brands (30% vs 25% in 2023).

Even Old Mutual, one of the world's oldest insurance companies, uses no-code Software as a Service (SaaS) CoverGo to launch products quickly across its African markets. The company's Managing Director, Vuyo Mpako told

Fintech Finance News that "investing in agile innovation is more important than ever before"³.

Often, the move to digital is also seen as a cost-cutting exercise, but this is becoming less of a motivation for FSIs. There has been an even bigger drop (31% in 2022 vs 24% in 2023) in the number using digital to reduce cost to service (the drop is made more significant given the current economic pressures FSIs face).

Case study: Daylight and Daylight Grow

Just how enmeshed FSIs are becoming in customers' lives is made clear by the emergence of lifestyle-specific companies and products. Daylight claims to be the first bank that will "help queer people live their best lives"⁴.

The company features a Daylight Grow subscription plan that helps prospective queer families with financial planning and queer financial literacy. People in LGBTQ+ communities tend to struggle more financially because they are more likely to become estranged from their families or have higher living expenses. The neobank's offering also includes personalized cards that feature the customer's chosen name rather than the one on their ID.

¹ <https://blend.com/ebooks-infographics-guides/thought-leadership/forrester-personalization/>

² <https://tred.earth/>

³ <https://ffnews.com/newsarticle/old-mutual-partners-with-covergo-to-drive-digital-insurance-transformation-across-africa/>

⁴ <https://techcrunch.com/2022/11/18/daylight-queer-neobank-raises-15m-capital-subscription-service/>

Expectations exceed capabilities

The Daylight experience remains an outlier in that most FSIs do not seek to understand the nuances of their customers' lives quite so profoundly. But innovations in other sectors have raised consumer expectations across the board. Whether it's the checkout-less shopping experience of the prototype Amazon Go stores or streaming a Disney+ show to any smart TV, consumers demand a more sophisticated omnichannel FSI experience at every level.

Digitization at scale of the wealth management sector has traditionally been viewed as a harder nut to crack by its bespoke nature and the large sums often involved. But even here, we are seeing a growing appetite for bespoke-yet-digital.

What some are terming 'Wealth Management 3.0' seeks this more hybrid approach. Zoe Financial

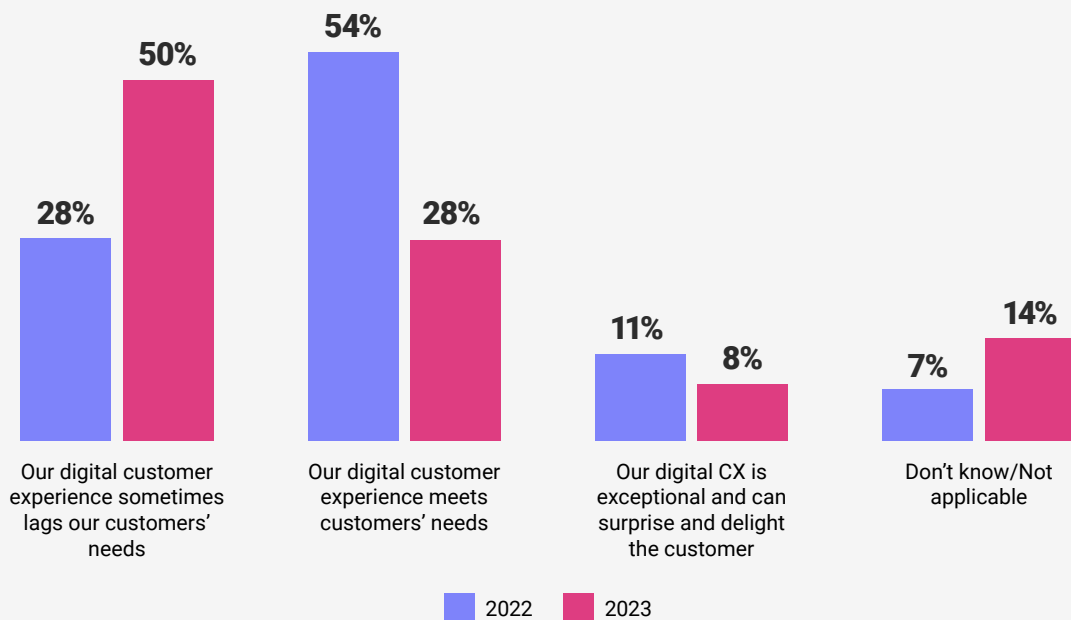
launched the Zoe Wealth Platform in January 2023, allowing customers to open investment accounts instantly while working alongside a financial advisor. The organization claims its affluent clients can manage their portfolio entirely through the platform, from finding and hiring a vetted advisor who is "one click away" to managing their investments⁵.

Many FSIs, however, are still struggling. Half of marketers and professionals in the sector admit that their digital CX sometimes lags behind their customers' needs, compared to 42% across all industries. Moreover, the number of FSIs that admit that their digital CX lags (50%) has nearly doubled since 2022 (28%) rather than shrinking over time.

⁵ <https://www.globenewswire.com/en/news-release/2023/01/18/2591219/0/en/UPDATE-Zoe-Financial-Announces-Its-New-Innovative-Wealth-Platform.html>

FIGURE 2

How would you describe your organization's digital customer experience?



Sample Size: 2022 = 408, 2023 = 190

While the significant rise in CX dissatisfaction may be due to several factors, including growing market pressures and increasing customer expectations, the digital financial services sector has faced some challenges recently, for example:

- There have been a number of well-publicized service outages which, when using a digital-only service, can prove very inconvenient⁶.
- There is also the question of cyber-security and fraud, which digital services are still particularly vulnerable to. A recent report noted that many mainstream UK providers had poor fraud prevention measures despite being seen as market leaders in digital banking⁷.

It is clear that if FSIs are to maintain a consistent quality of service, they have to take an extra cautious approach.

Digital-first, but not always

There is still much work to do to meet customers' digital expectations. CX professionals almost unanimously agree that there is a need to deliver consistent, personalized content to more channels (94% agree).

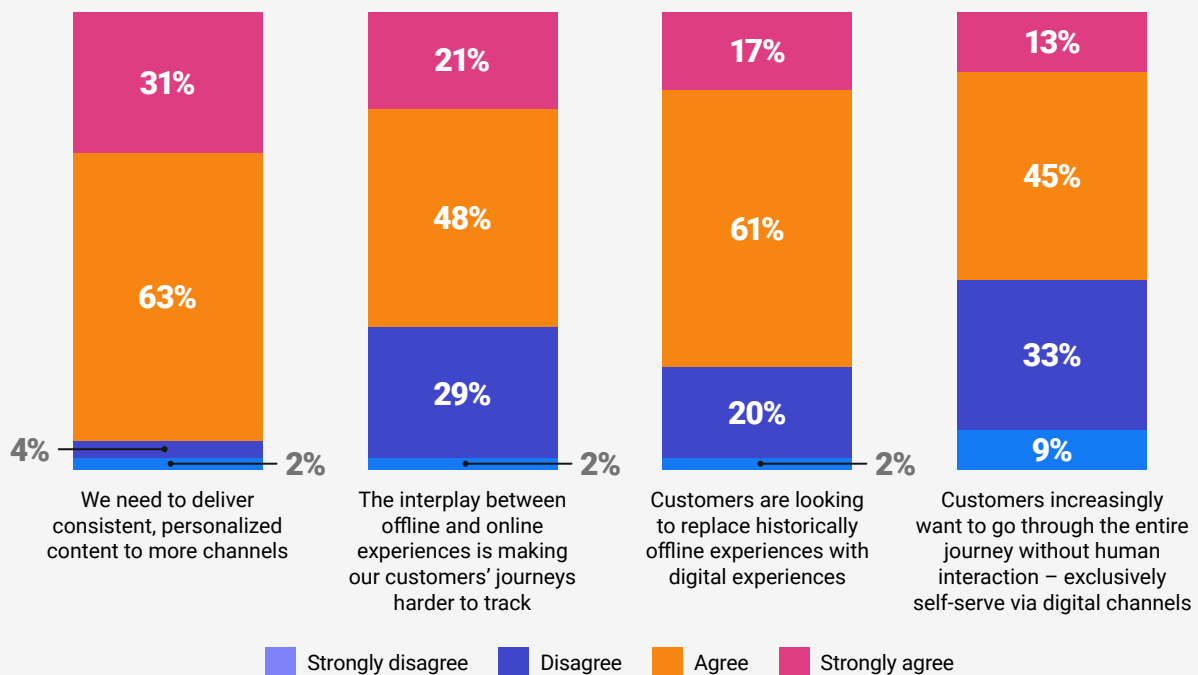
In other words, they must meet the customer wherever they are. In practice, this means acknowledging that, however innovative and digital-first some solutions might be, not all customers will want to use them. Indeed, our survey found that 42% disagree that customers want to self-serve wholly without human interaction. How FSIs develop, target, and integrate physical experiences for their customers continues to pose a challenge.

⁶ <https://news.sky.com/story/hsbc-customers-unable-to-pay-for-meals-and-shopping-during-online-banking-outage-12738693>

⁷ <https://www.yourmoney.com/saving-banking/security-flaws-putting-bank-customers-at-risk-of-fraud/>

FIGURE 3

Thinking about customer behavior in the last year, to what extent do you disagree or agree with the following statements?



Sample Size = 119

42%

of FSI marketing and CX executives disagree that customers want to self-serve wholly without human interaction

Capital One has developed Capital One Cafés because “there’s a need for brick-and-mortar bank locations and that coffee culture is on the rise⁸.” Described as “first and foremost a coffee shop,” Capital One Cafés also have some banking facilities, including ATMs and Capital One staff. The bank’s Money & Life Programs offer financial planning advice, workspaces for remote working, and private community rooms that can be booked for free. Similar initiatives are springing up, with Virgin Money also offering a banking ‘lounge’ type experience in the UK.

This initiative is clearly aimed at a younger demographic - Capital One introduced the concept by highlighting that “most millennials and Gen Zers have grown tired and skeptical of the traditional banking experience”. It should also be noted, however, that these services should be defined by customer needs, not the assumption that young equals digital and old means traditional.

Instead, FSIs need to understand which customer segments value physical locations, in what stages of their journey, and for what specific products and services. That insight would allow FSIs to optimize the cross-channel journey, as well as the use of physical locations and branch personnel.

FSIs need to understand which customer segments value physical locations, in what stages of their journey, and for what specific products and services

⁸ <https://upgradedpoints.com/credit-cards/capital-one-cafes/>

2. The Data/Personalization Disconnect

No other industry enjoys such a deep and lifelong relationship - and has the potential to garner so many different insights – as finance. Which is why consumers expect so much from it. And yet, the industry is struggling to action the data it has.

If it can master data, the financial services sector could be on the cusp of yet another transformation. What stops them is the very thing that makes them unique: oceans and oceans of data

Too much data, not enough insight

If it can master data, the financial services sector could be on the cusp of yet another transformation. What stops them is the very thing that makes them unique: oceans and oceans of data. While volumes of *quality* data are invaluable for things like training artificial intelligence (AI), it can be costly to acquire, store, and manage⁹.

Take ChatGPT, for example. From developing much more intuitive chatbots to uniquely personalized – some might even say hyper-personalized – marketing materials at scale, ChatGPT, or other generative AI technology could bring FSI CX to another level of efficiency and effectiveness^{10 11}.

Before AI can be genuinely effective, FSIs must reorient their view of data. McKinsey has pointed out that FSIs “view personalization as either a marketing initiative or an analytics initiative when it needs to be managed as a *joint* initiative across the business¹².” As McKinsey puts it, creating a more centralized data “brain” eliminates silos, improves access to data, and develops a more collaborative culture.

Data quality in question

While transactional data in FSIs must be highly accurate by nature, the same cannot be said of other data. FSIs are questioning how much of the

vast pool of information they hold can be used to develop relevant products and communications at the highly personalized levels consumers demand.

In fact, it would seem the quality of data held is diminishing in proportion to its volume – the more of it there is, the worse it becomes. More than double the number of FSI organizations are being hindered by poor quality data this year compared to last: 46% versus 21%.

A few key factors could explain why data quality is diminishing: new channel experimentation, over-stretched resources, and poor deployment of new technologies.

A major obstacle to data collection and quality has been the iOS14 tracking update that allowed Apple users to opt out of app tracking. It has undoubtedly dealt a blow to marketers targeting customers based on their in-app activity. The impending deprecation of cookies will also impact all companies’ – not just FSIs – ability to track and target customers.

⁹ <https://www.cdofrends.com/story/16362/can-you-have-too-much-data?refresh=auto>

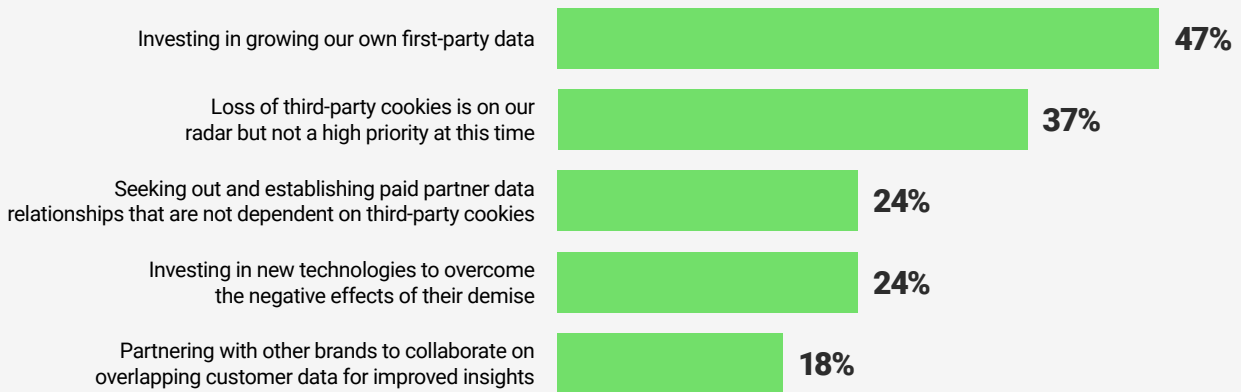
¹⁰ <https://www.everestgrp.com/tag/cx-customer-experience/>

¹¹ <https://www.reuters.com/technology/google-opens-bard-chatbot-test-users-plans-more-ai-search-2023-02-06/>

¹² <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/getting-personal-how-banks-can-win-with-consumers>

FIGURE 4

Which of the following applies to how your organization is approaching the loss of third-party cookies?



Sample Size = 121

Unsurprisingly, faced with tracking and cookie challenges, FSI marketers and CX professionals are prioritizing first-party onboarding data (see *Figure 4* above).

Escaping the vicious cycle

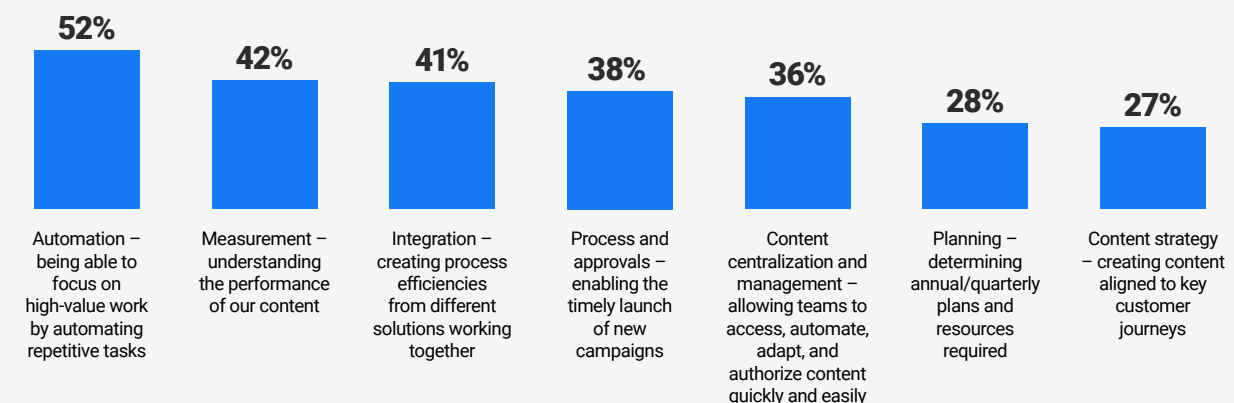
One solution to the data quality/quantity challenge would be to both generate effective campaigns that deliver quality insights and automate as many processes as possible. Doing

so would have the dual benefits of freeing up staff to do higher-value work and reducing human error caused by data entry. Sadly, both remain significant challenges into 2023 for FSI marketing and CX executives.

More than half (52%) are not yet able to automate their repetitive tasks effectively and focus on high-value work. In comparison, 42% can't yet measure and understand the performance of their content – no doubt partially because of the aforementioned privacy changes (*Figure 5*).

FIGURE 5

What are the three biggest challenges when considering your organization's content and campaign development process?



Sample Size = 149

The lack of automation and an inability to derive process efficiencies from different solutions working together can lock organizations into a vicious cycle. They don't have the time to reorganize, generating sub-optimal campaigns that lack the insight and tools to transform them. It all means it takes longer to perform tasks, so the cycle repeats itself. That's not to say it's impossible, as we can see from the Ping An Bank case study below.

Journey orchestration out of sync

With gaps or erroneous data holding the business back, it's no surprise that getting a consistent

view of the customer across the entire journey remains difficult. Encouragingly, two-thirds of the FSIs surveyed (68%) are currently at work to address this problem (*Figure 6*).

Still, as of late 2022, only 16% of FSI marketing and CX professionals claim they already have a single and consistent view of the customer. By extension, only 18% believe they can intelligently drive marketing effectiveness across campaigns and channels, while a further 69% are working on it.

¹³ <https://openfuture.world/open-finance-global-progress-ebook-china-open-banking-by-disruption/>

¹⁴ <https://www.prnewswire.com/news-releases/ping-an-named-worlds-most-valuable-insurance-brand-for-7th-consecutive-year-301737078.html>

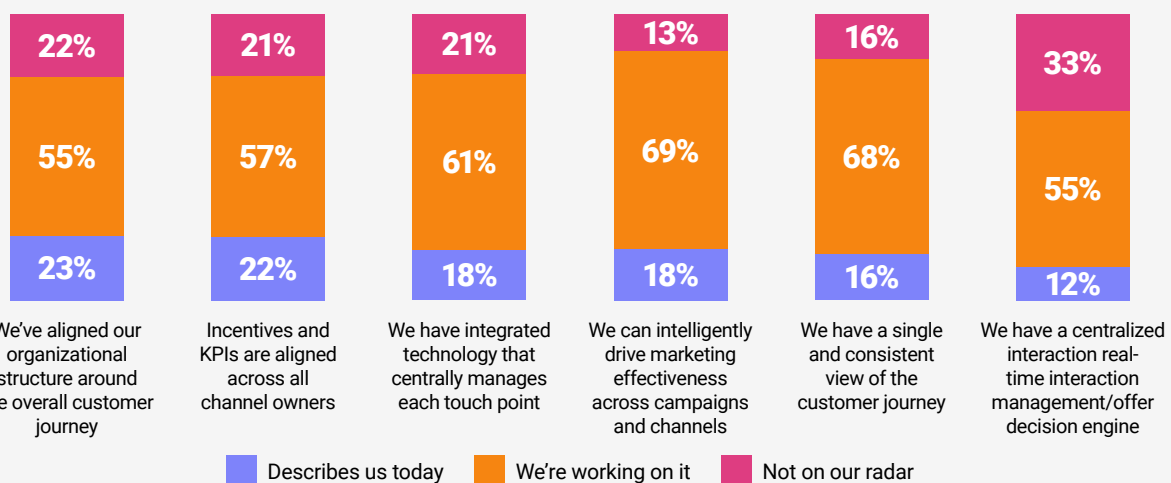
Case study: Ping An Bank

Chinese bank Ping An started out as what could be considered a traditional FSI. However, in pursuing digital transformation, it took the view that it would not add technology to its existing offering but would instead create a financial ecosystem. Having built an API-based platform, the company has integrated a range of subsidiaries, including "Good Doctor"

to help healthcare patients find a practitioner, HealthKconnect, for healthcare billing, and Lufax for asset management¹³. As a result of this interconnected ecosystem, Ping An has access to a wealth of customer information on which to build. In 2022 it was named the World's Most Valuable Insurance Brand for the seventh consecutive year¹⁴.

FIGURE 6

How would you describe the way your organization orchestrates end-to-end customer journeys?



Sample Size = 128

Having a single and consistent view of the customer is naturally something more traditional institutions will struggle with. Unlike disruptors and neobanks, incumbents offer traditional channels, such as physical branches and call centers, that customers are accustomed to using. Their primary way to solve the omnichannel challenge is to stitch these journeys together.

Taking personalization to the next level

If FSIs struggle to gain a single view of the customer or understand their marketing effectiveness across channels, it follows that their ability to personalize must also be compromised.

Figure 7 demonstrates that while very few FSIs describe themselves as offering little or no personalization at all (12%), nearly half (43%) struggle to perform more than the basics of personalization (based on name or interests, for example). If there were more progress on customer journey orchestration, we would expect to see more than the 20% who are currently able to personalize based on the customer’s history of interactions.

Once again, it’s the disruptors who can gain an unexpected advantage over the incumbents. This

is playing out with most ‘robo-advisors’ such as Wealthify and Stash, featuring bespoke AI-trained platforms to help investors select and adjust their portfolios based on their risk appetite and stock performance. The latter also uses its tech to teach investors how to make better financial decisions¹⁵. Robo-advisors can even be trained to recognize potential anomalies, such as the 2008 financial crisis, and use them for future forecasting¹⁶.

This is not exclusively the domain of the start-up community. Similar, standalone products are available from traditional providers, such as IG’s Smart Portfolio. However, there is still something of a traditionalist ‘hangover’ as analysts say its platform is “challenging to navigate compared to pure-play¹⁷.”

AI-powered, automated services are naturally advantageous in the current economic climate as they cost less to run in the long term, helping institutions reduce their costs and commission rates for the end customer. However, in many cases, they can also respond more quickly to market changes, assisting investors in staying on top of their investments.

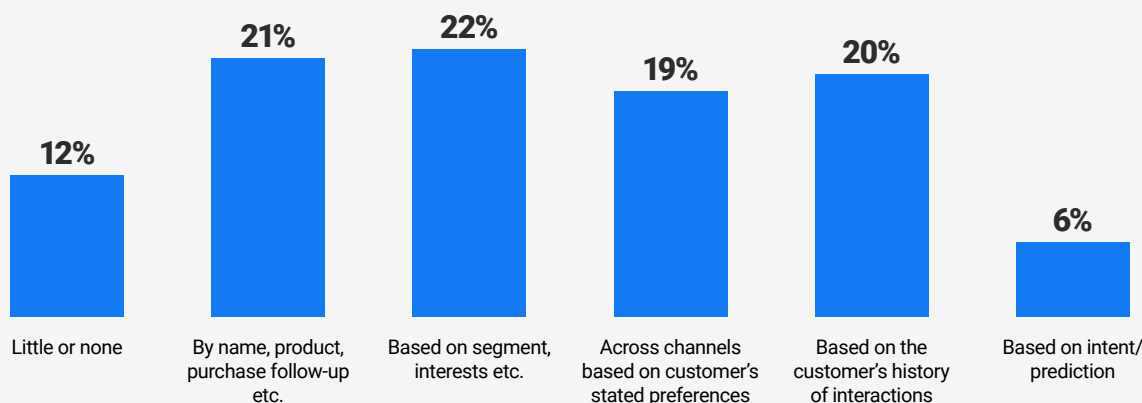
¹⁵ <https://www.bankingdive.com/news/stash-liza-landsman-ceo-acquisition-ipo-private-financing-b2b-maturity-hyper-growth/641980/>

¹⁶ <https://marutitech.com/ways-ai-transforming-finance/>

¹⁷ <https://www.fool.co.uk/personal-finance/share-dealing/investing-solutions/>

FIGURE 7

Which of the following best describes your organization’s highest level of customer experience personalization?



Sample Size = 145

3: The Three Pillars of Transformational FSI CX

There is momentum, an appetite to create that change, and a wealth of resources and strategies to help them achieve it. In this year’s Digital Trends research, we have identified the three pillars that will be at the heart of FSI’s progress in 2023.

- **Innovation** – adding more value to customers, and the bottom line
- **Employee Experience (EX)** – building a stimulating work environment
- **Process** – creating a future-proof, agile FSI

INNOVATION: Digital is never done.

FSI marketers and CX professionals agree they must generate more value-added and holistic customer ‘lifestyle-type’ experiences to avoid becoming transaction portals, as non-FSIs such as Amazon or disruptors will steal market share.

“A better understanding about client needs will empower financial service providers to diversify their product and service portfolios beyond banking with products such as insurance and telecoms, as examples, to drive business growth...

Innovation around personalization and the customer experience this delivers will also unlock opportunities for financial service providers to increase their share of pocket.”

Shabhana Thaver, Investec Specialist Bank Chief Information Officer¹⁸

To achieve this, FSIs must maintain a delicate balance between working on the quality of their existing services while introducing new ones.

In our survey, 53% indicated that their organization will prioritize enhancing self-service functionality for their customers and employees in 2023 (second-highest priority), having been their top priority in 2022. While we noted earlier that 42% of FSI marketing and CX executives did not think their customers wanted self-service at the expense of human interaction, the ability to choose between channels will still be essential.

¹⁸ https://www.investec.com/en_za/focus/innovation/six-innovation-trends-disrupting-financial-services.html

FIGURE 8

What three areas will your organization prioritize in 2023 to better meet customer needs?



Sample Size = 153

Bank of America has noted the need to stay on top of self-service even when handling complex requests. In 2022 the bank refreshed its original AI-powered chatbot, Erica, to incorporate a human advisor if the customer has more queries. However, instead of completing the journey with the human advisor, the customer can (if they so wish) move back into the chatbot environment to finish their task¹⁹.

While enhancing self-service functionality remains high on their list of priorities, this year's top goal for FSI marketing and CX executives will be to launch new digital and mobile offerings (57%). These are branching out into more than just the standard banking apps. We have a growing range of 'junior' accounts, such as Revolut's or SWIPE's under-18 accounts, with apps, customizable cards, and the likes of carbon conscious Tred, referenced earlier.

There would still appear to be a ripe digital financial services market, with 43 new global challenger banks launching in 2022, up more than 17% on the previous year²⁰. Analysts expect the number of digital-only bank accounts opened to hold steady at just under four million a year to 2026, compared to under a million traditional digital bank accounts annually²¹. The seamlessness of digital-only offerings to date is clearly a significant draw.

43

new global challenger banks launched in 2022, up more than 17% on the previous year

It is tempting to ascribe all this growth to demand from a younger, digitally native generation. Still, this shouldn't be assumed since customers from all generations and demographics routinely use digital services.

However, newer offerings like Buy Now Pay Later (BNPL) have a youth appeal. While helpful for those on tight budgets and disrupting the traditional approach to credit, critics have pointed out how many of its customers have immature approaches to debt. As with many kinds of disruption, regulators may not yet have caught up with the market. However, there are signs from various markets, including Australia, the UK and the US, that the industry will attract greater scrutiny²².

¹⁹ <https://thefinancialbrand.com/news/digital-transformation-banking/how-chase-bofa-citibank-are-speeding-digital-transformation-157030/>

²⁰ <https://fintechmagazine.com/banking/43-start-up-challenger-banks-have-launched-in-2022>

²¹ <https://www.insiderintelligence.com/content/how-marcus-met-its-end-2022>

²² <https://www.nortonrosefulbright.com/en/knowledge/publications/a61f6301/all-signs-point-to-increased-us-regulation-of-buy-now-pay-later>

It is concerning that consumers seem to be using the service to manage the cost of living, with food, travel, and car use being some of the most popular categories. Gen Z uses it most, followed by millennials and Gen X, and Baby Boomers use it the least^{23 24 25}. This could be one sector where operators should consider increasing the financial health advice element.

The recent growth of the BNPL sector does, however, demonstrate just how keen younger consumers are on more flexible, responsive banking products. Australia has led the way in BNPL, with 42% of its users having had an account for three or more years. Afterpay is the most popular and is gaining traction globally, with 61mn transactions over Thanksgiving week.

“We can do a whole lot more with our data today than we could do before. It’s creating huge opportunities, and we’re still at an early stage of figuring out how we can harness that potential.”

Jeff Wertheimer,
Global Co-Head of eSales, HSBC²⁶

Most FSI marketing and CX executives still consider digital behavior (73%) and transactional data (57%) important when transforming the customer experience in 2023. But this risks missing the ‘nuggets of gold’ from other, less structured sources. Only about half of the respondents (49%) are thinking about using data such as voice of the customer, and only 22% are considering social data to be transformative.

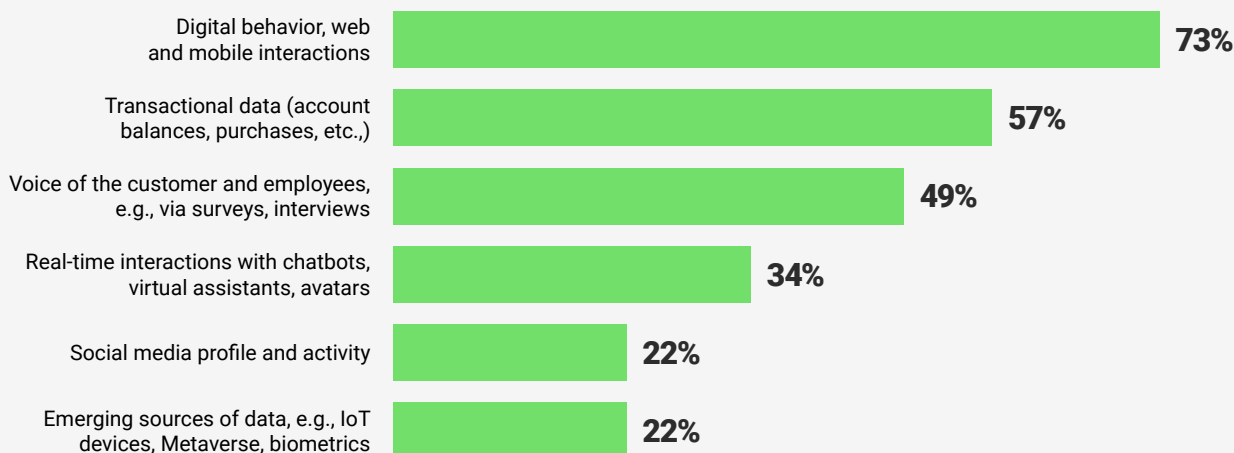
Addressing a genuine customer need

New product and service development must come with customer insight at its heart. We’ve already noted the difficulties FSI organizations have in marshaling the large volumes of data at their fingertips, but once harnessed, it’s a powerful tool.

²³ <https://mozo.com.au/buy-now-pay-later>
²⁴ <https://www.retaildive.com/news/only-20-of-consumers-plan-to-shop-on-black-friday-report/636241/>
²⁵ <https://www.paymentsdive.com/news/afterpay-BNPL-buy-now-pay-later-transactions-payments/637491/>
²⁶ <https://www.gbm.hsbc.com/en-gb/feed/international/digital-innovation-and-the-future-of-financial-services>

FIGURE 9

Which three data sources do you believe have the greatest potential to transform customer experiences in your business in 2023?



Sample Size = 149

But, even once equipped with broader voice of the customer-type insights, there are more challenges. *Figure 10* highlights how few FSI marketing and CX executives claim they have a sophisticated approach to incorporating qualitative data with more algorithmic information (27%). Nor are they confident when it comes to being able to use it to feed the creativity needed to design “wow” experiences (26%).

In a profile published in *The Financial Brand*, US Bank’s Damian Warren, SVP and head of consumer digital channels experience, revealed how voice of the customer and other qualitative insights were combined to create its award-winning mobile app (ranked number one in overall banking customer experience for the third year in a row in September 2022).

To develop and improve functionalities like its co-browsing service, where a bank employee and customer remotely browse the same screen to solve an issue, the bank used focus

groups, co-creation sessions, interviews, and even field studies in customers’ homes. It also brings customer groups together to test product variants to find the best version.

The result has driven a six-fold increase in co-browsing sessions in two years, suggesting it’s an unmitigated success²⁷.

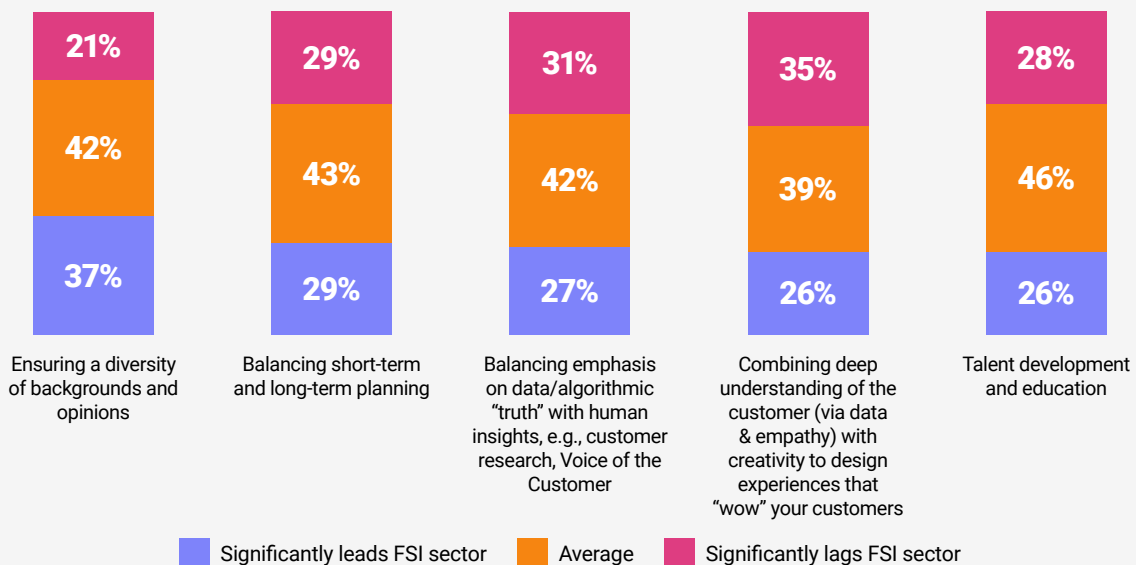
EMPLOYEE EXPERIENCE: Diversity and Inclusion (D&I) enhance transformation

There’s no argument that we should all strive for a more varied and equitable workplace, but a comprehensive approach to D&I is also a sound business strategy. Diverse teams at all levels contribute towards deeper human understanding and insight, building better experiences for – and relationships with – customers.

²⁷ <https://thefinancialbrand.com/news/digital-banking/mobile-banking-trends/how-u-s-bank-keeps-its-award-winning-mobile-app-on-the-leading-edge-153261/>

FIGURE 10

How would you rate your marketing organization across the following dimensions from 1 to 10?



Sample Size = 147

“Diverse and inclusive groups make better decisions. That’s because they can avoid the groupthink that happens when decision makers all have similar backgrounds and approach problems in the same way.”

Tiff Macklem,
Governor of the Bank of Canada²⁸

A strong D&I policy also improves employees’ sense of belonging, which is generally accepted to contribute to better employee retention (Workday found 79% of employees who felt a sense of belonging had no plans to leave their employer, compared to 33% without it)²⁹. Given that one German study found FSIs expected to lose 30% of their workforce by 2023 and suffer a shortage of new, skilled labor, attracting and keeping quality staff is a greater imperative than ever³⁰.

Several initiatives are already up and running, such as Bank of America’s Global Banking & Markets Sophomore Summer Analyst Program, an internship encouraging students from underrepresented groups. Alternatively, there is JPMorgan Chase’s Proud to Be MBA, enabling LGBT graduates to meet with LGBT-identifying team members so they can acquire skills needed for higher management³¹.

There are many more, but there is still room for improvement. Recent research from Zippia found that 77% of finance professionals are male, with an average age of 44, and nearly three-quarters are White³².

A strong D&I policy improves employees’ sense of belonging, which is generally accepted to contribute to better employee retention

37%

of FSI marketing and CX executives claim to be advanced when it comes to ensuring a diversity of backgrounds and experiences

Our research tends to agree. Only 37% of FSI marketing and CX executives claim to be advanced when it comes to ensuring a diversity of backgrounds and experiences.

Further evidence suggests it is more likely to be the leadership of an organization that believes it is making progress than the wider workforce. For example, 48% of entry-level FSI employees think they successfully recruit recruits from low-income backgrounds vs 73% of senior FSI managers³³.

Improving Content and Workflows

Understanding that diversity and inclusion can benefit a business is not enough to realize them. FSIs need to have effective workflows in place so employees of every stripe can be heard, connecting with a much broader range of consumers and generally having the best possible impact.

Indeed, the need for real-time content personalization is making new demands of FSI organizations, particularly the more established businesses.

²⁸ <https://www.bis.org/review/r221116d.htm>

²⁹ <https://www.fairplaytalks.com/2023/02/16/workplace-belonging-critical-for-staff-wellbeing-retention-new-research-confirms/>

³⁰ <https://www.bankinghub.eu/human-resources/shortage-skilled-workers-banks>

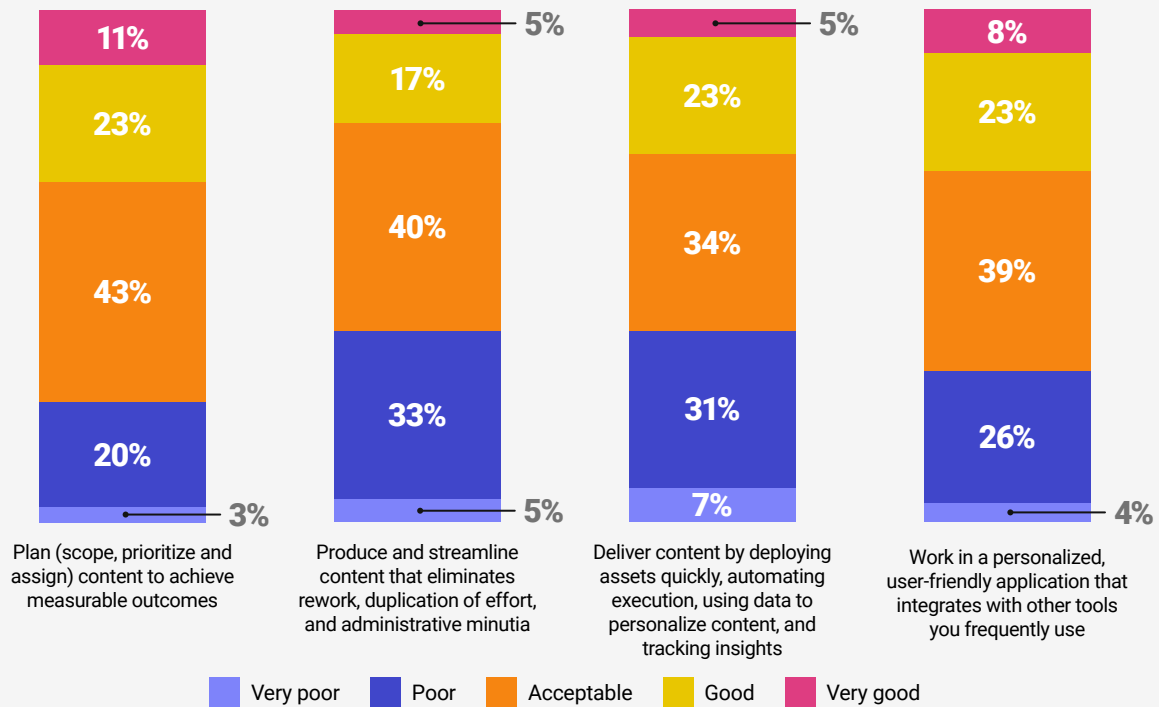
³¹ <https://www.investopedia.com/best-programs-improving-diversity-and-inclusion-in-financial-services-industry-5092350>

³² <https://www.zippia.com/finance-professional-jobs/demographics/>

³³ <https://www.financialreporter.co.uk/finance-employees-half-as-likely-than-bosses-to-think-their-firm-succeeds-on-diversity.html>

FIGURE 11

Thinking about workflow and content management in your organization, how would you describe your ability to do the following:



Sample Size = 131

Content and assets cannot afford to get trapped in workflow logjams; decision-making needs to be rapid and accurate. Fortunately, FSI marketers and CX professionals are getting better at planning their content in a way that delivers results, with about a third (34%) claiming to be either 'good' or 'very good' (Figure 11).

It's also encouraging to see that FSIs are empowering their staff with the right technology to get the job done, with around a third (31%) stating they have access to user-friendly applications that integrate with other tools.

However, most FSIs fall short in the last mile as they struggle with execution. Only a little more than a quarter (28%) can deliver content by excelling at deploying assets quickly, automating

execution, using data to personalize content, and tracking insights. The figure drops to 22% when we look at the number of FSIs that excel at producing and streamlining content that eliminates rework, duplication of effort, and administrative minutia.

The big issue is getting content out the door and streamlining approval, compliance, and distribution. Most FSIs are complex organizations. Some, such as asset management, are a veritable web of funds, locations, markets, and customer segments. Orchestrating all this while adding personalization and maintaining compliance is a big issue. Those tasked with delivering information to and from the financial services industry find themselves in similar difficulty, perhaps even more so.

Case study: Morningstar

Since 1984, Morningstar has provided in-depth financial news and analysis for individuals and professionals. In today's day and age, markets move fast, and people need fresh, up-to-date information at their fingertips. Unfortunately, the company was still reliant on in-house tools created over 20 years – in fact, some of them were developed in the pre-digital era.

Having rebuilt the team with new skills and new roles, it also needed to replace the legacy content management system (CMS), so it could publish new content quickly. With access to templates and a component-based asset system, Morningstar teams could work independently without time-consuming specialist support³⁴.

"We can work on web pages ourselves, which gives us greater agility and accelerates time to market for new content and services,"

James McClamroch, Senior Vice President, Individual Investor Software, Morningstar Inc.

FSIs *can* bridge the gap between great plans and poor execution by using automation and freeing up staff to do higher-value work rather than just cranking greater volumes of the same. It is a relatively small advance in behavior change and use of technology that can deliver a proportionately larger uptick in effectiveness.

PROCESS: Integration for a single view

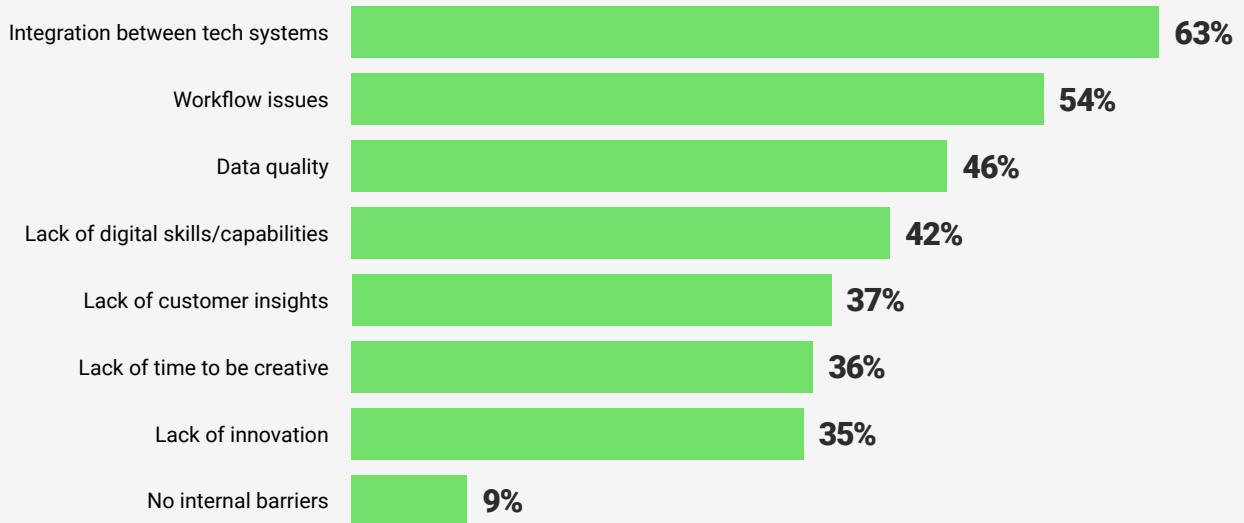
FSI is now a truly omnichannel experience for every consumer. Some may prefer to lean more heavily on physical branch networks; others may crave a purely digital or even mobile-only experience. But the certainty is that every customer interacts across multiple channels at some point in their journey. And if you're asking the customer to interact across those channels, the experience must connect and make sense.

As we have already seen, this is a challenge for FSI organizations on several levels. We have described how traditional businesses find they have to 'stitch together' siloed departments and channels. While digital-first companies are faring better, they are still not immune to the march of progress and the emergence of new social platforms or messaging technologies, for example.

³⁴ <https://business.adobe.com/customer-success-stories/morningstar-case-study>

FIGURE 12

What is holding your marketing/customer experience organization back, if anything?



Sample Size = 134

Figure 12 indicates integrating systems is still a critical internal barrier for 63% of FSI marketing and CX professionals, which no doubt impacts the next two challenges: workflows, which is an issue for more than half (54%), and data quality which, as we saw earlier, is a hurdle for twice as many professionals this year (46%) than it was in 2022.

There is intense pressure to address the integration challenge in 2023. But it is well worth the effort as organizations that have brought data and systems together are proving more successful in delivering better CX than those that don't.

The positives of a unifying platform

Implementing technology, be it a CRM system, content and workflow automation, or data center, has clear benefits for organizational efficiency and improved customer experience. But, without a unifying platform, these disparate solutions can become part of the problem as they join departments and teams in silos.

Implementing technology has clear benefits for organizational efficiency and improved customer experience. But, without a unifying platform, these disparate solutions can become part of the problem as they join departments and teams in silos

Case study: NatWest

UK retail bank NatWest's Net Promoter Score (NPS) rose nine points from 13 to 22 between 2021 and 2022. This is not yet as high as the FSI benchmark of 44 but is improving³⁵. Similarly, it also rose up the rankings of the world's most valuable brands in 2023, from 401 to 308³⁶.

Anthony Brown, senior CRM developer at NatWest, described how a unified data hub helped frontline staff respond more quickly to customer feedback and requests.

"The key is making sure you work with data and analytics in the planning stage to create the data points that make up the starting point, then develop the correct

measurement architecture,"
Anthony Brown, Senior CRM Developer,
 NatWest via CXNetwork

The power of customer experience to support a brand and the power of the brand itself should not be underestimated. NatWest's B2B business micro-financing app, Mettle, did well during the pandemic, but awareness began to tail off. The spin-off's CMO, Kate Thunnissen, acknowledges that it needs to lean on the trust and brand power established by NatWest to regain momentum.

"We have that really strong brand backing and financial backing that means [customers] know this is something safe to use,"
Kate Thunnissen, CMO, Mettle³⁷

Figure 13 reveals that most FSI marketing and CX professionals still risk creating a CX disconnect, with 51% using multiple technologies or vendors for CX management without a unified platform. That leaves about half (49%) with some kind of customer experience platform, including just 37% with a cloud-based platform.

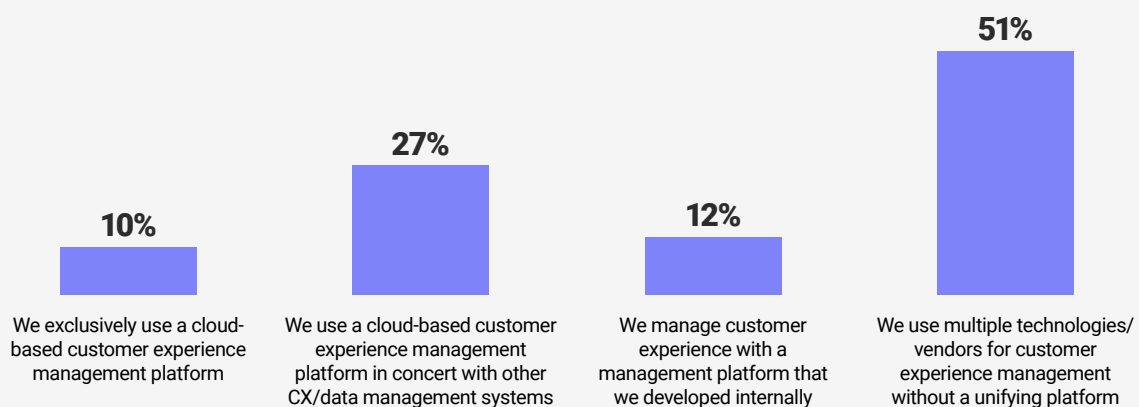
It's noteworthy that 44% of the FSI sector leaders have a cloud-based CX platform, compared to just 31% of mainstream performers³⁸.

³⁷ <https://www.marketingweek.com/natwest-b2b-mettle-reinvesting-brand/>

³⁸ Executives agreeing that their organization had outperformed its peers in 2022 are defined as 'leaders'. By comparison, executives that told us their organization had kept pace or underperformed are 'mainstream'.

FIGURE 13

Which of the following best describes your organization's approach to customer experience technology?



Sample Size = 224

Case study: US Bank

US Bank is an example of an FSI organization that balances on and offline interactions with a need for consistent personalization regardless of channel³⁹. While 80% of consumer transactions and 65% of loan sales are digitally handled, the company has a single view of the customer through the Adobe Experience Platform.

It isn't just a question of the right content, time, and channel. The company uses the platform to streamline communications, judging the correct

frequency and modulating its offers depending on consumer profile.

The bank also uses Adobe's AI engine, Customer AI, to gain insights allowing it to customize outreach for retirement plans and bank loans. It means teams automatically deliver the next best offer for different audience segments⁴⁰. This is vital in realizing the overarching goal for FSIs to become a proactive partner in managing their customers' financial health.

A unifying platform makes large-scale personalization possible by streamlining customer data collection, management, and use across existing and potential future applications. It combines insights and workflows from multiple channels, including the call center, email, social media, mobile, web, and more, and allows teams to collaborate more effectively.

44%

of the FSI sector leaders have a cloud-based CX platform, compared to just 31% of mainstream performers

³⁹ <https://www.retailbankerinternational.com/news/us-bank-adobe-consumer-banking/>

⁴⁰ <https://news.adobe.com/news/news-details/2022/Adobe-To-Help-U.S.-Bank-Accelerate-Personalization-in-Consumer-Banking/default.aspx>

Conclusion

Moving focus away from platforms to service

Much of the emphasis in recent years has been on the 'digital' aspect of digital transformation. The focus has been on perfecting the technologies at the point of service – apps, in-branch displays, and so on. However, digital tools to manage finances are now considered a given. Customers are asking FSI organizations to consider how they might go further – such as improving their financial health. All this is moving focus away from transactional relationships with finance and towards building relationships.

Improving the foundation to unlock insights

The need for better customer insights and deeper engagement naturally strains legacy resources and processes. Even newer entrants to the market are seeing consumer behaviors evolve and are beginning to experience the same data and content challenges as more traditional businesses. Institutions must explore how to improve the foundational elements to make the most of the emerging technologies that will transform the financial services experience. Critical areas will include improved data quality (enabling better access to AI and ML), technology integrations, and uniting teams – many of which overlap.

Enabling the workforce to deliver higher-value work

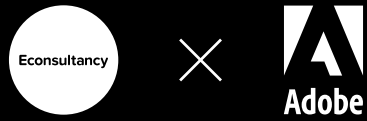
By addressing the ongoing challenges in the more foundational elements of FSI CX, organizations can move towards developing products and services that begin to define best practices rather than follow them. Consumers expect innovation and novelty in FSI as much as in other sectors, such as retail, media, and entertainment. This can only be achieved by addressing the key pillars of CX transformation: innovation, employee experience, and process. Happily, the will, the capabilities, and the tools exist for FSI marketers and CX professionals to achieve their goals.

Methodology

2023 Digital Trends – FSI in Focus is based on an online survey fielded to select Econsultancy and Adobe lists. The survey was launched on September 20th, 2022 and closed on November 30th, 2022 with 381 qualified client-side FSI respondents.

Demographics Profiles

- 28% of respondents are senior director level or above, and 72% are at the practitioner level. Throughout the report, we include comparisons between these two groups.
- The most significant regions by sample size include North America (36%), Europe (36%), and Asia Pacific (21%).



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