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Personalization At Scale: Financial Services Industry Spotlight

Financial Services Results From The September 2022 Thought Leadership Paper, “Personalization At Scale: Bring Forth The Customer And Business Benefits Of Experience Excellence”

Executive Summary

Personalization can help financial services companies navigate recent turbulence with renewed strength and competitive differentiation. An emerging group of Experience Leaders lead the way with “personalization at scale,” a strategy to consistently deliver value to customers and benefits to the business by leveraging real-time data to create connected, contextually relevant and valuable experiences for every customer across all interactions and channels. Financial services firms must adopt personalization at scale to keep pace with customer expectations and take full advantage of personalization’s big payoff of higher conversion, deeper engagement, and fiercer customer loyalty.

In June 2022, Adobe commissioned Forrester Consulting to evaluate the state of personalization at scale within the financial services industry. Forrester conducted an online survey with 371 global financial services decision-makers responsible for personalization programs/initiatives; an online survey with 258 global B2B customers who have recently engaged online with a financial services company they’re authorized to make purchases from; an online survey with 914 global B2C consumers who have recently engaged with a financial services company via digital channels; and interviews with four financial services decision-makers responsible for enterprise-level personalization programs/initiatives to explore this topic.

Key Findings

Financial services firms are falling short of high customer expectations. While 73% of B2C and 87% of B2B customers across industries want to be delighted by companies, just 15% of B2C and 37% percent of B2B customers said that the financial services companies they've interacted with recently have met that standard. Customers are experiencing personalization done well outside of financial services (e.g., media and entertainment, digital retail) and are increasingly expecting more from financial service providers.



Personalization at scale is a journey — but benefits of early personalization are already there. Personalization in financial services is a work in progress. Hurdles such as data privacy and heavy industry regulation challenge this progress. Yet, firms are already exceeding targets and expectations from their personalization programs across revenue (64%), customer experience (62%), and customer acquisition (61%), providing big payoffs to customers and businesses alike.



Most financial services firms aren't making the most of their opportunities. Personalization capabilities in the industry are far from mature. Continued improvement around advanced content (e.g., intelligent automation) and omnichannel capabilities (e.g., enabling connected campaigns) stands to bridge the gap between other industries and offer further customer and company payoffs.



Personalization Programs Are Worth The Investment

The financial services industry continues to evolve at rapid speed. Open finance and open banking have paved the way for a wider range of financial services and greater data and insights to support superior customer experiences.¹ To keep pace with innovation and better manage costs, banks, for example, are increasing partnerships with fintechs and integrating next-generation technologies.² Financial services firms sense an opportunity to deliver the next wave of tools and engaging experiences that empower customers to take more control over their financial decisions, as trends toward greater financial capability, inclusivity, and protection take hold. But financial services orgs aren't quite there yet. In this study, we found:

- **Financial services firms are struggling to delight customers.** While 73% of B2C and 87% of B2B customers across industries want to be delighted by company experiences, just 15% of B2C and 37% of B2B consumers said that the financial services companies they've interacted with recently have met that standard (see Figure 1). Customers are increasingly digital and engaged with mobile and want to interact with financial services firms on their terms. They're considering their superior digital experiences (e.g., streaming and retail services), and comparing them to what they're seeing in financial services, exposing the gap in customer experience. This gap is especially apparent for B2C customers who often have a higher standard for personalization than B2B customers, likely owing to aspects like greater choice and privacy considerations.
- **B2C consumers are prioritizing personalized support services.** A majority of B2C consumers (56%) said that they value personalized support services (e.g., customer care, chat) most from financial services firms (vs. 47% across industries). An additional 43% of consumers said both promotions and recommendations are valuable. For firms, this means timely, relevant recommendations create greater engagement and customer satisfaction, leading to lower levels of churn and more predictable revenues. As one director in IT shared, personalization around support services drove an almost 40% call reduction to their firm's call center, leading to less customer friction.

Figure 1

Firms aren't meeting customer expectations

Customers across industries expect to be delighted both before and after purchase.



87% of B2B customers*
73% of B2C consumers**

Yet few customers said financial services companies have recently met that standard.



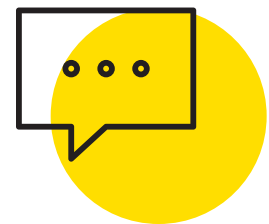
37% of B2B customers*
15% of B2C consumers**

*Base: Variable; B2B customers who have recently engaged online with a company they're authorized to make purchases from

**Base: Variable; B2C consumers who have recently engaged with a financial services/insurance company via digital channels

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

“Previously, it was a done deal. If you came to us or any other financial institution, you would get a set service and that’s it. Now it’s more of an open conversation even if it’s something that we’ve not done before. We’ll try and come up with a solution. A lot of good ideas are born out of these conversations, which you previously wouldn’t stumble upon if you just flat out refuse to do things.”



VP, IT

- **B2B customers focus on product and service first.** Three in five B2B customers said it's the personalized products or services themselves that they value most from financial services firms. Meanwhile, 48% of customers underscore value-added experiences. For one VP in IT, this begins with proper onboarding tailored to the individual instead of a one-size-fits-all approach. Once the firm knows the customer's goals, it can align professional services and products (e.g., via a relationship manager, service teams, specialists who offer strategic guidance). The VP in IT noted, "That's one of the use cases where we can ensure that the customers feel that they're getting their particular worth of understanding."

Many financial services firms take a myopic, one-size-fits-all approach when it comes to personalization. They routinely trail other industries such as retail, overemphasizing aspects, such as acquisition, sales, and solely digital touchpoints.³ These firms lack an enterprise customer-centric personalization strategy, meaning key personalization capabilities are commonly made redundant or ineffective toward achieving larger aims.⁴ Understandably, 57% of decision-makers from financial services firms cited operating model capabilities as a core area for improvement. Implementing and operating a great personalization program is hard, but worth it. For those from organizations forging ahead with their programs to date, they reported better than anticipated results; personalization initiatives exceeded expectations for revenue (64%), customer experience (62%), and customer acquisition (61%) (see Figure 2).

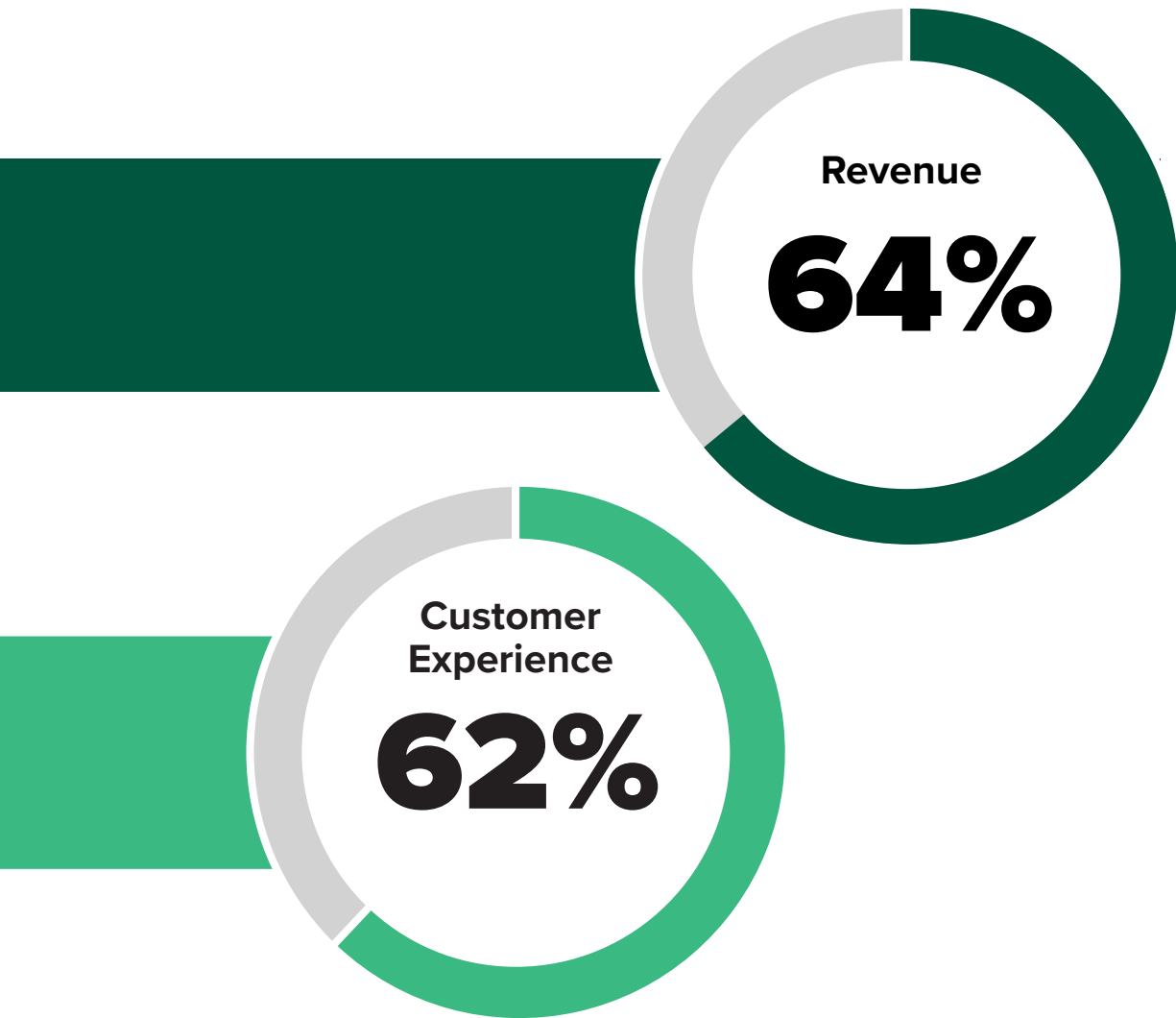


"I provide analytical data to my customer support so that they can offer specific personalization, giving high touch to customers. That way they feel more connected with the services and try to minimize the impact. They know where they are coming from and can be proactive instead of getting the customer to express all that information."

Director, IT

Figure 2

Surveyed financial services decision-makers said their personalization initiatives exceeded expectations for:



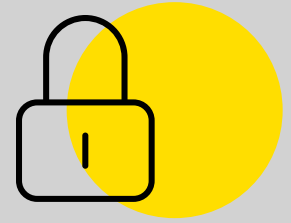
Base: 371 financial services/insurance decision-makers responsible for personalization programs/initiatives

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

Adopt Personalization At Scale For Experience Excellence

Personalization is not new, but to meet rising customer expectations, companies must aim for personalization at scale. This means leveraging real-time data to create connected, contextually relevant experiences for every customer across all interactions and channels. The study identified three company types in terms of their ability to execute this strategy: Experience Leaders, Evolving Intermediates, and Rising Laggards. These company types represent high, medium, and low maturity, respectively, when it comes to practicing personalization. Financial services firms can follow Experience Leaders by:

- **Implementing a centralized, enterprisewide approach.** Eighty-two percent of financial services respondents said a dedicated personalization center of excellence (PCoE) is responsible for defining their firm's personalization at scale strategy, prioritizing use cases, and implementing solutions across the enterprise. Further, 59% of respondents from financial services firms said establishing a PCoE was one of most important steps to get started with a personalization program. In an industry with high regulation and privacy laws such as the California Consumer Privacy Act (CCPA), aligning employees and centralizing efforts becomes all the more critical.
- **Prioritizing the foundation and executive sponsorship.** Financial services firms do well to identify key customer segments (57% vs. 54% across industries) and use cases to begin with (54% vs. 50% across industries)



“My strategy around personalization facilitated my journey around meeting privacies. I used to have it in several systems.

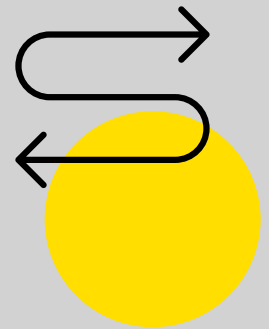
Now, having it in a central place, having that 360-degree view helped me better meet those privacy laws. It was not that the privacy laws made creating my program harder. It was more, my program made it faster and easier for me to be compliant.”

Director, IT

when establishing personalization initiatives. Defining value-based, specific roadmaps is also key toward operationalizing their programs (44% vs. 39% across industries). Compared to 61% of respondents across industries, 68% of those from financial services groups said their organization attains C-level and board-level buy-in as the highest level of personalization program sponsorship. As firms justify business cases and demonstrate detailed plans, leadership is all the more likely to support key initiatives. To improve, financial services firms can garner better cross-functional buy-in when implementing their program (just 39% of decision-makers said their firm received this vs. 44% across industries).

“We redid our entire product office. We made sure every product within the firm had one product owner and made sure we had a line of sight into tech resources against every product, which made it much easier to do personalization because we really could see how everything and every product interacted with another one.”

Director, strategy



LEAD WITH DATA, CONTENT, AND OMNICHANNEL CAPABILITIES

To gauge how financial services firms are performing against key capabilities, we applied best practices from Experience Leaders across industries to hone in on the areas making the biggest difference for firms. We found that financial services firms:

- **Effectively leverage first-party data.** Compared to cross-industry standards, financial services firms make effective use of first-party data (e.g., omnichannel transaction, single-channel transaction, behavioral) (see Figure 3). They also use real-time customer contextual signals (e.g., geofenced triggers, in-session behaviors) more consistently than firms in other industries (48% vs. 40%). To improve, financial services organizations can better create and manage segments centrally, pushing

Figure 3

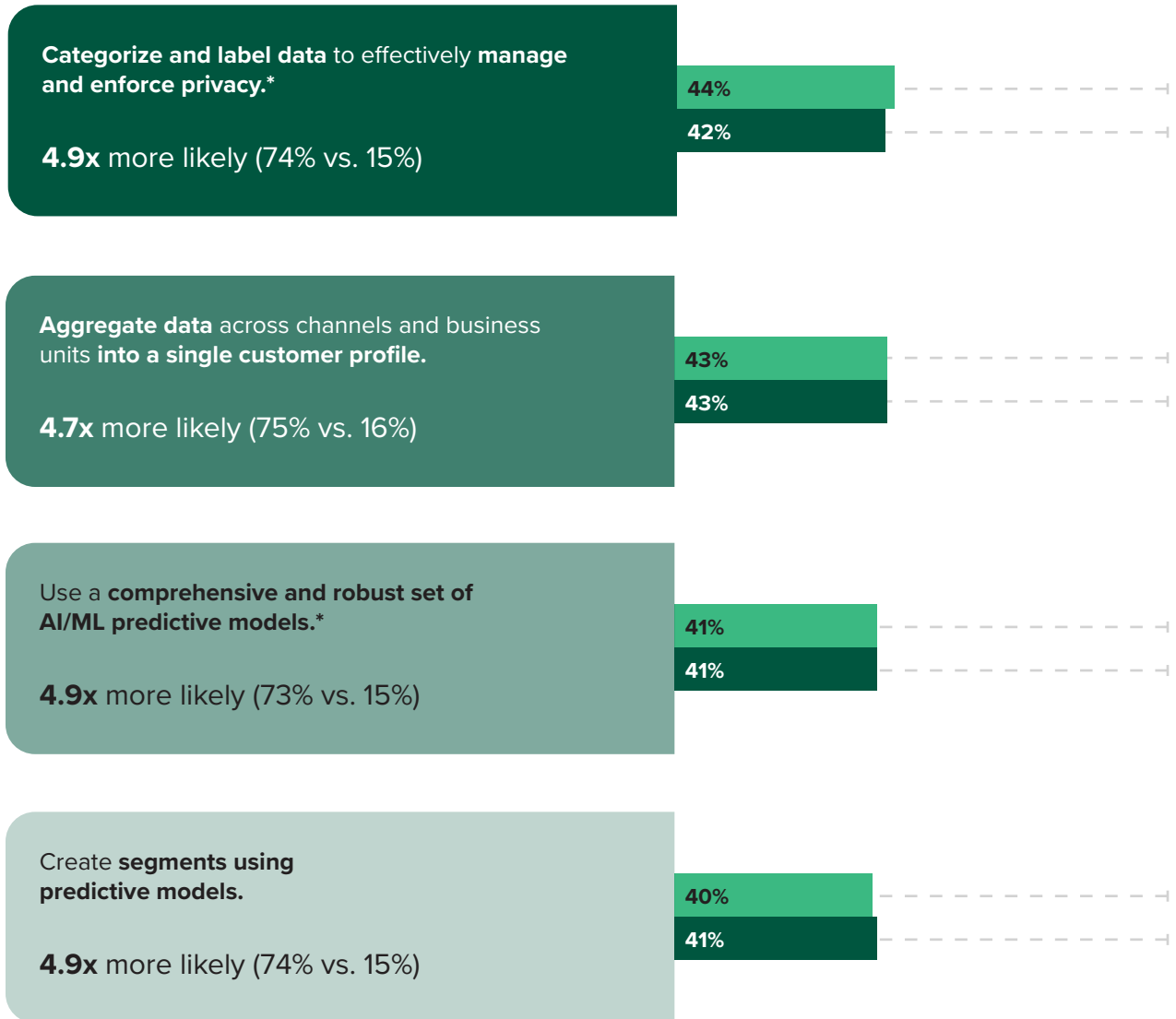
DATA CAPABILITIES

More than 70% of Experience Leaders apply these practices frequently, making them more likely than Rising Laggards to:[^]

How Financial Services Companies Measure Up

(Showing “We do this frequently”)

● Financial services ● Average across industries



Base: 371 financial services/insurance decision-makers responsible for personalization programs/initiatives

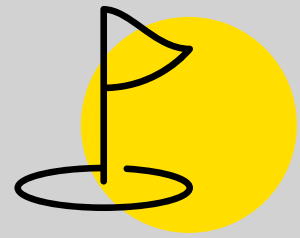
[^]Base: Variable; global decision makers responsible for personalization programs/initiatives

*Denotes advanced practices

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

out to activation channels (35% vs. 42% across industries) and gather real-time accessibility/availability of omnichannel customer data (37% vs. 43% across industries). Overall, forward-looking firms ensure they're combining disparate data, cloud-native computing, and rapidly improving machine-learning capabilities to deliver predictive analytics capabilities that enable better customer experiences. This is especially important in this industry given, as one director pointed out, "you can incur fines and be liable for breaches" if firms get customer preferences and privacy laws wrong.

- **Have ground to make up with content capabilities.** Fifty-seven percent of respondents from financial services firm has said their firms have a large need for content capability improvement to drive its personalization program. Just 32% of respondents said their firm intelligently automates assembly of modular content with frequency (vs. 40% across industries). Overall, financial services firms trail those in other industries across advanced content capabilities (see Figure 4). As one director claimed, firms at large are moving toward more culture-and language-based experiences. The decision-maker stated: "I see that with [certain search engines] and other companies. When I do a search in Spanish, suddenly the next day, I have a lot of ads in Spanish. And I have my [streaming network] experience pop up in Spanish." Greater personalization around these behaviors — without getting too intrusive — can open new content passages and add "an extra plus" to customer experiences.



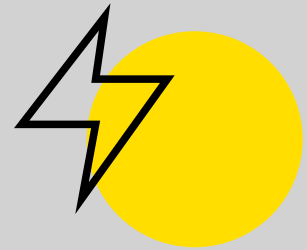
"We want a full customer data platform and a 360-degree view of the customer. ... Some data is not available ... but that doesn't matter. We want to start with basic information and then add data on top of that. It is a journey where we are continuously improving so that we approach the 360-degree view. That's the first thing."

VP, IT

- **Can address advanced omnichannel capability gaps.** Just 36% of respondents said their organization frequently builds connected campaigns across paid channels using a single tool (vs. 41% across industries), while 38% personalize digital and physical experiences in a connected way (vs. 42% across industries) (see Figure 5). Financial services firms further trail industry standards when it comes to nurturing customers through planned journeys with automated multitouch campaigns (35% vs. 42% across industries), signaling programs could be better orchestrated across customer experiences. As one director said: “I am probably 60% into my personalization space. I have omnichannel experiences we can offer for multiple lines of business, but I still have experiences that need to be integrated, for example, from different types of profiles or personas.”

“We’re investing heavily in AI. We’re using AI to search the web, search all news sources, think about it intelligently, and then creating an automated way to deliver personalization to clients in a customized way.”

Director, strategy



Though opportunity exists to update and expand key capabilities, financial services firms, overall, are just as likely to be Experience Leaders (high-personalization maturity) as those in other industries (16% vs. 16% across industries), while they’re just as likely to be categorized as Rising Laggards (17% vs. 18% across industries) (see Figure 6). In closing, we discuss what this means for financial services firms and what they can do to better guide their groups toward experience excellence.

Figure 4

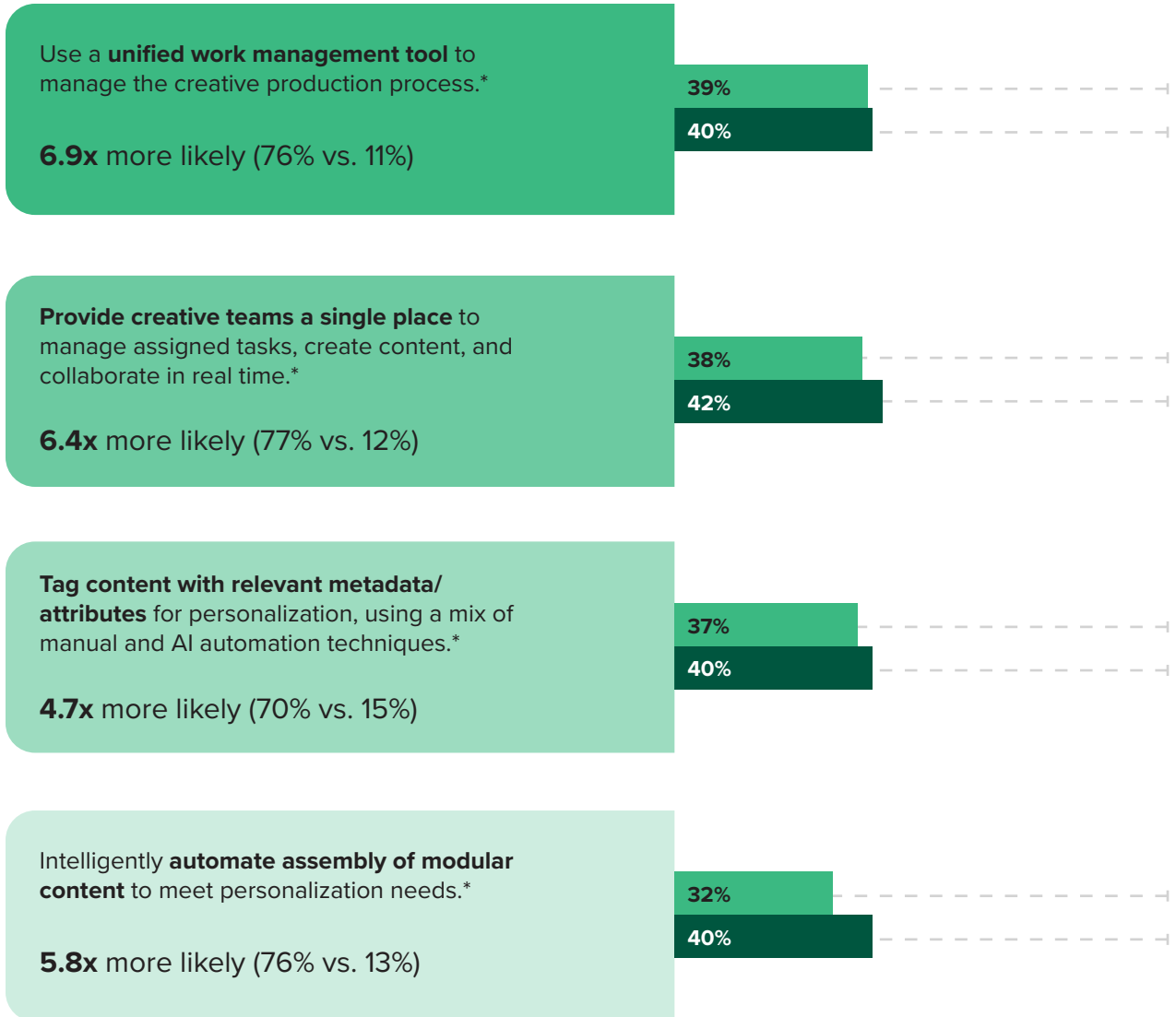
CONTENT CAPABILITIES

More than 65% of Experience Leaders apply these practices frequently, making them more likely than Rising Laggards to:[^]

How Financial Services Companies Measure Up

(Showing “We do this frequently”)

● Financial services ● Average across industries



Base: 371 financial services/insurance decision-makers responsible for personalization programs/initiatives

[^]Base: Variable; global decision makers responsible for personalization programs/initiatives

*Denotes advanced practices

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

Figure 5

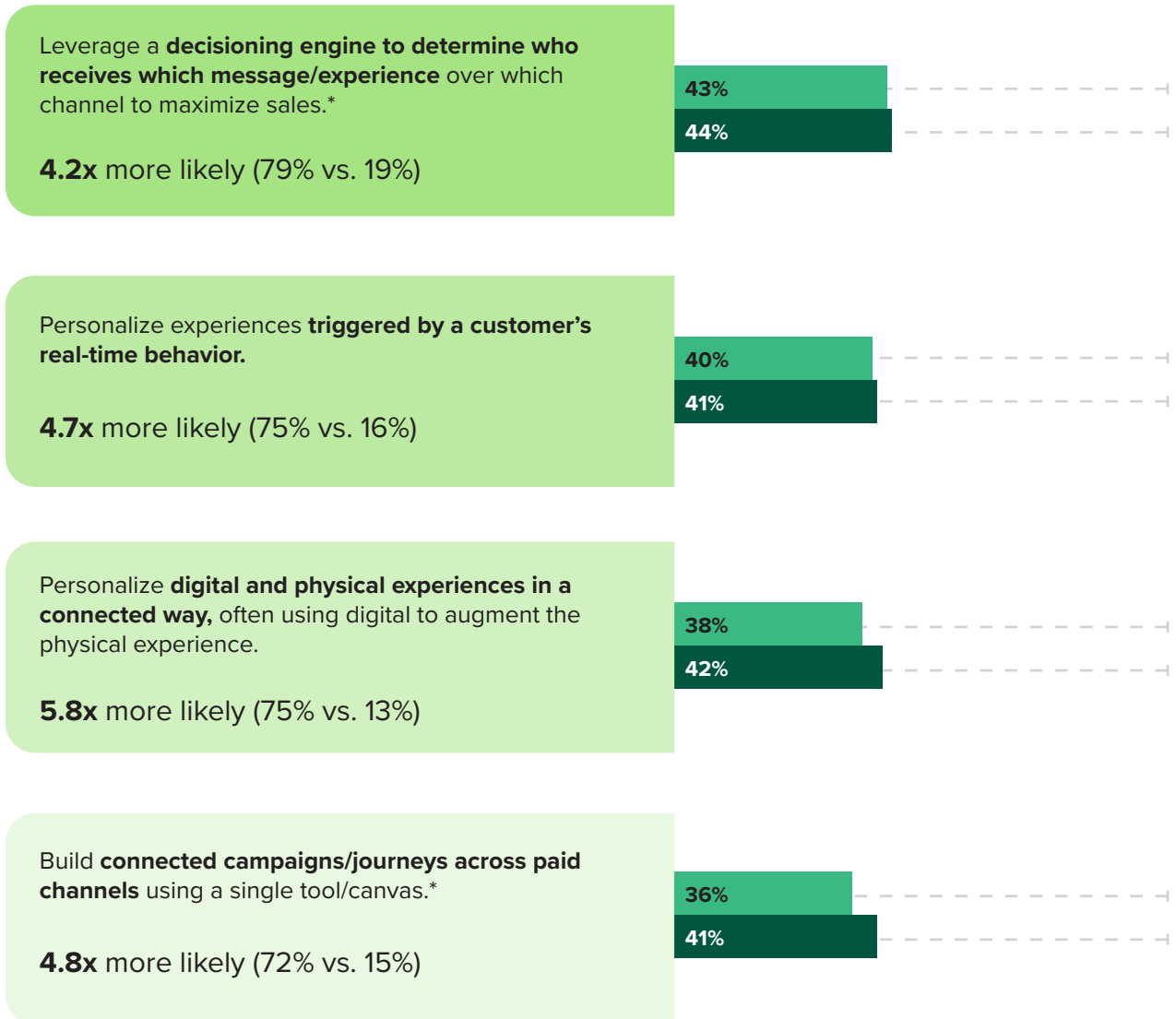
OMNICHANNEL ORCHESTRATION CAPABILITIES

More than 70% of Experience Leaders apply these practices frequently, making them more likely than Rising Laggards to:[^]

How Financial Services Companies Measure Up

(Showing “We do this frequently”)

● Financial services ● Average across industries



Base: 371 financial services/insurance decision-makers responsible for personalization programs/initiatives

[^]Base: Variable; global decision makers responsible for personalization programs/initiatives

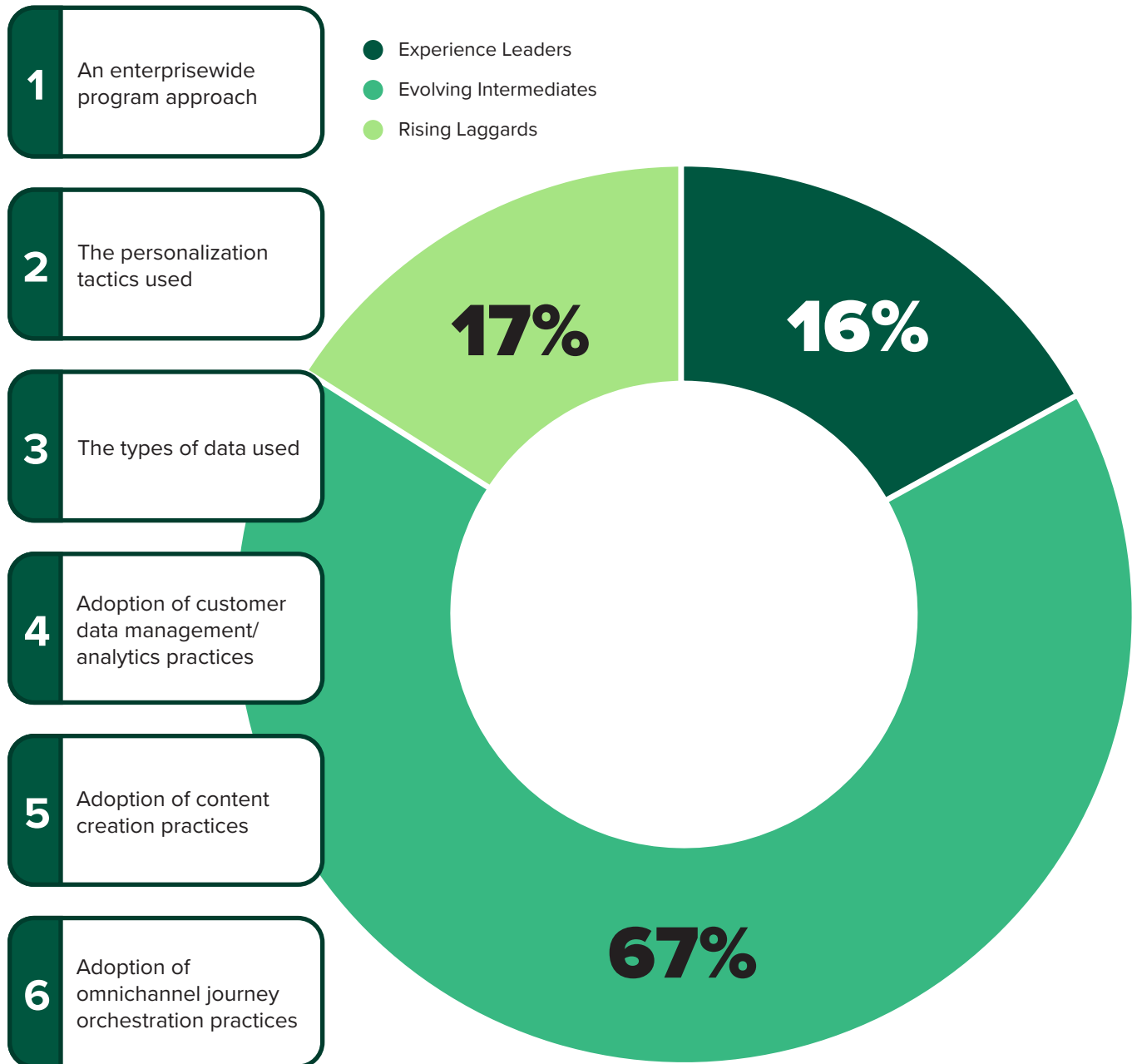
*Denotes advanced practices

Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

Figure 6

Personalization At Scale Maturity For Financial Services Companies

Respondents' organizations were divided into three groups based on their current abilities along six personalization dimensions:



Base: 371 financial services/insurance decision-makers responsible for personalization programs/initiatives
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, June 2022

Key Recommendations

Every financial services firm is on a journey to personalization at scale. Whether you are building capabilities in data, content, and journey orchestration or establishing and expanding a personalization center of excellence, you can apply the lessons here to your own company and situation. Forrester's in-depth surveys and interviews of financial services decision-makers and B2B and B2C customers about personalization yielded several important recommendations:

Develop a comprehensive customer strategy centered on personalization and security.

Financial services firms cannot offer personalization at scale with confidence unless there is alignment across the entire organization. Winning firms in financial services develop a strategy at the top of the organization and infuse it into all areas of the firm from front office to back office. When any enhancement is made to the business, the solution adheres to the strategy leading to consistency internally and externally. By following this approach, it ensures all stakeholders are involved from the beginning, including security and risk teams. As a result, customers are confident that financial services firms are following strong data governance protocols and the value they are receiving is done with the customer's security and privacy in mind. When the right governance and strategy is in place, personalization for the customer leads to higher customer engagement and increased customer loyalty.

Identify priority customer journeys with the most impact and then design and continually iterate.

Financial services firms continue to design digital experiences that are one-size-fits-all all rather than ones that reflect the diverse needs of their customers. Firms would benefit by analyzing customer needs and then selecting the most high-volume customer journeys they take. Once these needs are identified, firms should develop these experiences as customer journeys, monitor what's working and what's not, and continually iterate on them until they are optimized. Following this approach of prioritizing the high-volume journeys leads to greater customer success and drives profitable growth for firms.

Create consistent, connected content throughout the experience and deliver it faster.

To create content faster, leading financial services firms are adopting collaborative platforms that streamline workflows with automation to efficiently create consistent, compliant content in any channel. By taking this approach, financial services firms leverage knowledge of their customers' content preferences and deliver timely, relevant content faster to them. By receiving personalized content, customers are prompted to understand their own financial situations better and engage further with firms' solutions and services.

Appendix A: Methodology

In this study, Forrester conducted custom research with two audiences to evaluate customers' expectations for relevant, personalized experiences, and organizations' ongoing ability to deliver them at scale.

The first audience was of senior financial services enterprise decision-makers responsible for personalization programs and/or initiatives at their organizations. Online survey respondents included 371 financial services decision-makers based in North America, Europe, or Asia Pacific. The survey was supplemented with four qualitative interviews with financial services decision-makers meeting the same profile. Questions provided to the study participants asked about the personalization use cases their organizations are trying to pursue, the challenges they've faced along the way, and the capabilities that have been most impactful at helping them reach their personalization goals.

The second audience was comprised of two customer types: B2C consumers and B2B customers. The B2C survey included 914 global consumers who have recently engaged online with financial services companies. The B2B survey included 258 global professionals who are authorized to make purchases and who have recently engaged with a financial services company online. Both B2C and B2B surveys asked customers to rate the level of personalization they expect at different phases of their journeys, the types of personalization they find most valuable, and the impact of a personalized experience on their behavior, including their likelihood to buy from, engage with, or recommend a company.

Survey and interview participants were offered a small incentive as a thank you for time spent on the study. The survey fielding and interview execution began in May 2022 and was completed in June 2022.

To read the full results of this study, please refer to the Thought Leadership Paper commissioned by Adobe titled, "Personalization At Scale: Bring Forth The Customer And Business Benefits Of Experience Excellence."

Project Team:

Jason Daniels,
Market Impact Consultant

Contributing Research:

Forrester's Digital Strategy & Experience research group

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Appendix B: Endnotes

¹ Source: "Use Digital Technologies To Boost Customers' Financial Capability," Forrester Research, Inc., September 9, 2022.

² Source: "Consumer Banking Trends," Forrester Research, Inc., September 16, 2022.

³ Source: "Banks Should Personalize Across The Lifecycle And On All Touchpoints," Forrester Research, Inc., December 1, 2021.

⁴ Source: "Chart Your Course To Successful Personalization In Banking," Forrester Research, Inc., September 29, 2021.