

# ACCURATE DEMOGRAPHICS EQUALS BETTER BUSINESS RESULTS FOR BANKS

Historically, the way that a bank has marketed its offerings is product by product as opposed to targeted to the customer's journey. There are different product sets that make sense to a customer depending on their age and life stage, but traditional demographics aren't granular enough to show this.

Traditional demographics outline basic information about a customer such as:

- Woman
- Aged 18-34
- Working full time

But this type of customer outline doesn't take into account the life stage this person could be at, which will have a significant bearing on their banking activity such as:

- Saving for a wedding
- Part of a young couple expecting a child
- A young professional wanting to travel and work overseas
- A young professional looking to take out a mortgage to buy their first house

The result is better **product tailoring** and a **better customer experience**.

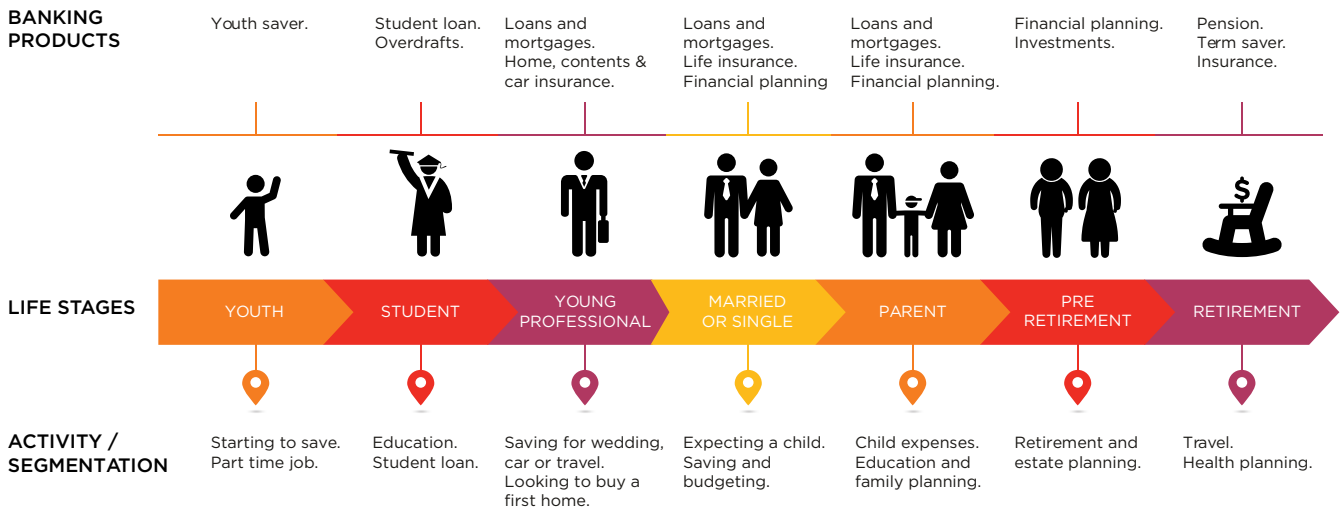
## How to Uncover Life Stage Demographics

Master data management (MDM) is a comprehensive method of enabling an enterprise to link all of its critical data to one file, called a master file, that provides a common point of reference and streamlines data sharing among personnel and departments.

Understanding the life stage a customer is at is key to offering them the right products at the right time but this is difficult in the case of banks because customer data is often inconsistent across their systems and doesn't draw on unstructured data to glean insights about customers. It's imperative that the different touch points a customer has within the bank's systems e.g. website activity, use of mobile apps, in-person banking at branches, is linked with such things as social media activity and click stream data.

This need for better data use has spurred organisations to recognise the importance of information management in order to create a 360-degree view of customers by consolidating important data.

# THE CUSTOMER LIFECYCLE



## Personalised Product Offerings

A 360-degree customer view gives banks the power to truly understand what will be front of mind for customers when it comes to their banking decisions. With this information, it becomes easier for banks to predict behaviours and recognise what products will be best for a customer at particular life stages.

## Use Case: A Leading Australian Bank Enhancing Customer Data Processes

### EXTERNAL CHALLENGES

Wanted to effectively cross-sell products. If somebody reached a certain stage they wanted to be able to tailor an offer for another product that would appeal to them.

### INTERNAL CHALLENGES

Not being able to convey simple answers to simple questions like what's the propensity of this customer to take out a mortgage in the next 5 years?

Data quality wasn't where it needed to be so they encountered problems with certain programs from an application build standpoint. They weren't confident in baseline data so they would have to run checks and spend time normalising the data just for something like marketing purposes.

### SOLUTION

This bank had a variety of different internal systems which contained information about products and customers. By implementing an MDM solution and combining it with a Big Data solution, they could clearly see the connections between customers and their banking activities. What that allowed them to do was key in someone's name and find out what different products they had across the bank's portfolio. By combining this information with other unstructured data that could be collected, the 360-degree customer view was constructed and showcased, with greater detail, the customer's life stage characteristics.

## Benefits after Implementing MDM

By gaining a single view of each customer, the bank can now target and tailor their product offerings to customers at precisely the right time. This equates to greater uptake on cross-sell opportunities and an improved customer experience by positioning the bank as a service which understands the customer's needs. This also means they are able to avoid damaging the customer relationship by offering the wrong product at the wrong time and losing customer confidence.

Managers and leaders are more confident in their data and therefore more honest in their opinions because they are now based on information, not gut feel. Higher confidence levels equal more rigorous decision-making processes taking place because they are working with concrete evidence.

Information is now treated as an asset, signalling a shift in the organisation's mindset. Overall, they are making significant inroads into building lifelong and meaningful relationships with their customers.

## Further Uses

While this particular case highlights the cross-sell opportunities and enhanced decision-making processes afforded to banks through the adoption of MDM, these aren't the only outcomes possible. Other banks have also successfully used MDM to attract new business and drive down operational costs. By helping banks move away from a reliance on broad demographic segmentation, MDM provides these organisations with the tools to take their customer experiences to the next level and, as a result, enhance overall business results.

## Get Started

Interested in learning more about how our solutions can give your organisation the information it needs to gain a competitive advantage?

**Get in touch today at [www.certussolutions.com](http://www.certussolutions.com)**



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