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A Frost & Sullivan Executive Brief

The Adaptive Bank: An Evolutionary Approach to Customer Experience



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Banks are advancing already way beyond what used to be “CRM”. An enterprise-level customer data platform can drive personalization at scale—a significant predictor of success.

Banks Have a Data Challenge

Banks have immense amounts of customer data, but it is often spread across the bank and siloed by business function (e.g., marketing, sales, service, mobile applications, etc). Data this fragmented is almost impossible to be used to give customers more relevant content, offers, and actions. Every customer interaction leaves data at various touchpoints, such as information about their communication preferences and how they tend to navigate banking and other business transactions or relationships. Data also comes from outside sources—online, offline, and various third parties—making a single view of the customer difficult. Banks need to organize and make sense of their data because delivering a consistent and best-in-class experience across the customer journey is impossible without a singular customer view.

Customers deemed their experience the most important priority in the 2021 CMO Survey.¹ Mirroring this, Frost & Sullivan research shows that customer experience (CX) is the top investment priority across sectors, followed by marketing and sales. As part of CX, companies are investing in self-serve options, digital marketing, and digital commerce. Frost & Sullivan research also shows that improving customer care is the number one driver for investing in technologies that improve CX.²

Banks need to get to be able to shape individualized outreach and offers and create a single, dynamic, and real-time view of each customer. Ultimately, they should be able to provide value throughout the entire customer life cycle.



¹ Deloitte, Duke Fuqua, American Marketing Association, The CMO Survey, The Transformation of Marketing: Emerging Digital, Social, and Political Trends, The Highlights and Insights Report, February 2021.

² Frost & Sullivan, 2021 Predictions – COVID-19 Accelerates CX Investments: Growth Opportunities Revealed by End Customers, 2021.

Addressing the Data Problem with a Customer Data Platform (CDP)

Big Data solutions often fall short on price performance, ease of use, and the ability to gain actionable business insights. Additionally, data is constantly maturing and the level of complexity in a bank's platform must keep up. Most organizations have tried to implement solutions that lead to 1) a complete dependency on IT, 2) a lack of business agility, 3) a fragmented customer experience, 4) a huge cost burden, and 5) a lack of control.

How an Enterprise CDP Helps Solve the Data Problem

An enterprise customer data platform (CDP) can solve data problems and allow banks to utilize that data to further personalize CX at scale. It accomplishes this by gathering data around a singular (customer) profile and connecting it to all execution channels/applications/users. A CDP should have an outcome-focused approach to achieve 1) a connected customer profile with enriched and unified data, 2) analyzed and segmented comprehensive customer intelligence, 3) a personalized CX that engages the customer.

Creating Real Value with with the Oracle CDP (Unity)

When it comes to generating real value for banks, a better evolutionary approach to CX consists of:

- ▶ Existing investments reuse
- ▶ IT and business collaboration
- ▶ Extreme business agility
- ▶ Consistent functionality
- ▶ Cost reduction
- ▶ Full control at each stage

Oracle's CDP (CX) Unity consolidates all relevant customer data, analyses, segments, and activates in real time. This creates value that can be measured in (a) improved customer satisfaction/Net Promoter Score, (b) conversion and acquisition rates; (c) increased cross- and upsell opportunities; (d) lowered acquisition costs; and crucially (d) improved provision of the next-best offers or actions to serve the customer.

For example, banks can use CDP in their marketing plan to reduce wasted spend on audiences who are not currently receptive to emails and ads. Gathering more detailed audience information and developing a more holistic customer view can improve segmentation and create a high degree of personalization across the customer life cycle. Impactful, well-timed messages lead to better click-through rates. By testing, optimizing, and monitoring campaign responses in near real-time and by triggering hyper-personalized abandonment interactions, Oracle's CDP can have a significant impact on conversion rates and form completion of online bank applications.

What Does It Mean to Be an “Adaptive Bank”?

An Adaptive Bank is one that has excelled at managing information and data-driven systems to create leading customer solutions. An Adaptive Bank’s ability to recognize, act upon, and even anticipate, changing customer needs gives them a significant advantage over competitors. Key capabilities of Adaptive Banks include the following:

- ▶ Having a real-time CX that signals a reaction with hyper-personalization
- ▶ Integrating advertising and marketing technologies that accelerate the unknown to known
- ▶ Enriching data in a way that leads to deeper customer awareness
- ▶ Creating unified customer engagement profiles that can be viewed and utilized across any channel or device
- ▶ Developing a master customer platform across the front office and back office

Key Outcomes

Using a CDP, banks can increase the complexity and sophistication of their use cases by improving the level of data maturity and by building on foundational use cases (Table 1). Foundational use cases start with a unified customer profile (with identity resolution) that can be used to establish a 360-degree customer view and advanced audience segmentation. While the CDP is being continuously improved, at the moment, advanced CDP prevents churn and its predictive intelligence can be used for the next best offer and action.

Table 1: Enterprise CDP Banking Key Use Cases and Outcomes

↑ Sophistication	Advanced	Churn Prevention	Predictive Intelligence Next Best Offer	Predictive Intelligence Next Best Action
	Intermediate	Cross-sell/ Up-sell	Real-time Re-targeting Abandoned Application	Proactive Customer Service
	Foundational	Unified Customer Profile with Identity Resolution	360-degree Customer View	Advanced Audience Segmentation
		Data Maturity	→	

About Oracle

Deliver world-class customer experiences that build loyalty and drive growth. Rapidly respond to what your customers need and improve your business operations with Oracle’s data-driven applications and cloud services. <https://www.oracle.com/financial-services/>

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