



EMBRACING STRATEGIC DATA USE

Data is one of the most powerful tools available to financial institutions. Banks around the world rated improving data as the most important retail banking trend of 2024. However, while over **70% of financial marketers emphasized the importance of data analytics**, only half apply these insights consistently, indicating significant unexplored potential.¹⁰

This gap reflects a missed opportunity to drive more personalized banking experiences — something 74% of consumers across generations desire. Yet only 22% say their financial institutions regularly anticipate their needs.¹¹

While checking accounts remain the top product or service of focus in the near future, only 43% of financial institutions planned to increase their marketing budget for marketing/data analytics.¹² Not investing in data analytics can negatively impact the entire financial institution. That's because leveraging data intelligence across all departments enables more informed decision-making, streamlines operations, enhances account holder experiences and drives overall growth — including, of course, deposits.

Data isn't just a tool for gaining a competitive edge — it will shape your entire retail strategy, defining how you compete and succeed.



WHAT CAN DATA DO FOR YOU?

Banks and credit unions should be leveraging their data to:

- » Offer personalized banking experiences
- » Improve the account holder journey
- » Gain marketing insights and adjust as needed
- » Mitigate risks
- » Optimize sales efforts
- » Understand their account holders as individuals
- » Adapt to regulatory changes

Leading corporate and commercial banks use advanced data analytics to help Relationship Managers:

- » Identify likely-to-convert prospects
- » Assess consumer potential
- » Recommend products
- » Pinpoint likely-to-churn accounts
- » Price multiple products at the same time
- » Set targets based on consumer potential
- » Monitor sales execution
- » Identify behavior tied to high performance

Data intelligence can be applied in these ways to retail banking, as well.

Source: McKinsey & Company

“It’s about bringing the right account holders in the door.”

– Bob Sterner, National Account Manager, Velocity Solutions



Community banks and credit unions have an overwhelming amount of data available, but most lack the time, technology and resources to turn that information into actionable insights. And some outside fintech partnerships leave much to be desired. They implement their set-it-and-forget-it solution without helping their clients tap into the wealth of valuable data at their disposal — reinforcing the importance of choosing the right partner.

In short, turning data into meaningful knowledge is a must to get the most out of resources, increase operational efficiency, gain a competitive edge and ultimately win the battle for deposits.

CHAPTER 3 REFERENCES

10, 12: *State of Financial Marketing*, November 2023

11: *2024 Q2-Harris Poll Report*

44%

of financial institutions **use 3rd party vendors whenever possible** to deliver the best solutions at speed and scale.

Source: Digital Banking Report

DATA IS THE ANSWER

74%

of people across generations want more personalized banking experiences, **but only 22% say they regularly feel like their financial institutions anticipate their needs.**

Source: 2024 Q2-Harris Poll Report