DPX

Adopting a data-driven approach to customer retention



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Why using data is critical to keep your business customers

Customer retention is important for every business, but for financial institutions, it's critical. After all, breaking up with your bank, especially for businesses, is a much bigger deal than changing which grocery store you shop in.

As a bank, if you lose customers, they're going to be virtually impossible to win back.

You don't even need to lose them altogether. If they accept a product elsewhere, they're beginning a relationship with another provider. And if they like the provider and the service they receive, there's a very real possibility that they'll slowly but surely migrate full time.

Keeping customers satisfied is critical. Gaining a deep understanding of them by collecting and smartly using data is increasingly important for customer retention, and can have far-reaching impacts across the whole business.

In fact, harnessing client data to deliver hyper-relevant, highly convenient and trustworthy customer experiences is key for banks to stay relevant and win loyalty.

If you have the right platforms, you will know your customer, and you can speed up your efficiency and beat your competition. You can connect on the strategic value, speed up your deployment of products and services, and have data and analytics to understand your customer and your market.

The good news is that customers increasingly want — and expect — this level of interaction.

Businesses are willing to share data in return for advice that's relevant to their circumstances, to receive faster and easier services, priority services, more competitive pricing and personalized services

By adopting a holistic, data-driven approach, banks can impact customer retention in a number of ways, as well as enabling a more efficient business.

Speed up processing

By having the right software stack embedded within the organization — for example, CRM, originations platform, pricing and profitability platform, and core banking system — product applications can be processed quickly and efficiently. That means a seamless, stress-free and quick process for customers, and fewer resources needed internally. The added benefit is that your customer isn't on the market for long, reducing the chances of them being attracted elsewhere.



Offer more attractive deals

You want a holistic view of the customer across all business lines and divisions within your bank, including the products they have with you and their overall profitability. You can offer individual customers deals specific to their industry, region, growth stage and size using digital pricing and profitability software. Not only does this enable you to potentially offer customers preferential rates, it can ensure you significantly reduce the temptation to to consider the competition.

Offer appropriate and timely products and services

Collecting and collating data about your customers, and establishing a single source of truth, increases a bank's ability to pre-empt your customers' needs. It enables you to deliver a level of relevance and appropriateness that none of your competitors can, and creates a true sense of partnership. You're with your customer every step of the way – in fact, you're a step ahead of them.



Increase relevant communications to your business customers

By collecting data about your business customers, such as behavioral data collected internally from systems and team members, you can also tailor communications to a target segment — to deepen the relationship with each and every interaction. By distilling the data you collect, you can specifically target the communication and interaction you have — depending on the growth stage of the business or commercial customer you are dealing with and the industry they are in.

Helping you understand which customers to let go of

As well as helping you retain the customers you want to retain, data can also help you understand which customers you're comfortable to let go. After all, not all business is good business.

The importance of a single source of truth

Of course, having data is one thing – bringing it together to create a holistic, whole-of-business view, is another altogether.

At present, some organizations have really unreliable relationship profit measures because they're cobbling data together from different sources. It's in different formats so the data's being transformed. And it's subject to being manipulated to tell the story that they want to tell. That's a huge risk.

To use data effectively, the data needs to be clean, and there needs to be a single source of truth.

Over the past two years, digital transformation has been fast-tracked as businesses seek to retain and grow their customer bases in the face of global disruption. The speed at which this is happening has been increased significantly by the global pandemic – and it doesn't seem like it's slowing anytime soon.

Customer expectation of their financial services providers has been heightened considerably. People expect their financial institutions to deliver integrated solutions that address their needs. They increasingly want fully-personalized offerings and increased omnichannel integration.

And they're willing to share their data to get it.

It's a mutually beneficial proposition, and one that banks need to invest in to realize significant potential.

For more information on how Brilliance Financial Technology is working with leading banks around the globe to help streamline data to make informed decisions, please go to www.bxfin.com