



## Frictionless Authentication is the Key to Personalization

technology business customers customer experience

**Summary:** It's a common problem. Customers want personalized service, but are reluctant to share their personal data to power that. A smooth authentication process, as the first point of contact between a CFI and a customer, can help build the trust that customers need to forge a new or ongoing banking relationship, and offer CFIs access to their information.

Do you recall the unbelievable 2012 story about how Target, using their customer data, successfully predicted that a young customer was pregnant? You read that right — by assigning each customer a unique ID and carefully tracking purchases, [Target was able to identify a range of products](#) that helped to create a “pregnancy prediction” calculation. As you can imagine, this level of personalization and data mining created quite the controversy. Despite this degree of creepiness, consumers do want a level of personalization and, while they don't necessarily like it, they are willing to give up some personal data to get it.

The same is true for community financial institution (CFI) customers. They also want personalized service from financial providers, but they're reluctant to share the personal data that would power that service, until a provider proves that they can be trusted.

### Customers want and will pay for personalized offerings

According to a 2020 [CITE Research Dassault Systèmes](#), a significant number of consumers in the US, China and France expect personalized products or services. Customers want their financial provider's websites and apps to recognize them and offer the products they use most, as well as products that are relevant to their current financial situations.

Data is the key to better revenue and client profitability. Without a clear view of customers' financial lives beyond KYC requirements, CFIs can't offer the right additional products and services. That can have a substantial, negative effect on revenue. Indeed, personalizing customer interactions can help a bank achieve an additional 0.3% in revenue growth, or an extra \$300M in revenue growth on every \$100B in assets. Moreover, digital businesses that have smoother verification of customer identity can earn an additional 10% in revenue over businesses that allow unnecessary friction in that process.

### Customers are slow to share their personal data

But even though they want the personalization that data drives, many customers are cautious in sharing their personal information. A clear majority of Americans think organizations collect personal [information without customer knowledge](#), and over half say they're “extremely” or “very” concerned about that problem.

Virtually all consumers are concerned about data privacy, and most say they would discontinue a personalized service, even if it's helpful, if they don't understand how the organization manages their data.

### A good authentication process helps build trust

A user-friendly authentication process, at the first point of contact between your institution and your

customers, can help build the trust that customers need to continue entering into a new or ongoing banking relationship — so your institution can access their information to better help meet their financial needs

As you think about reducing customer friction in your CFI's authentication process, consider these elements:

- **Bot detection technology.** Customers often use the same passwords for multiple sites, so passwords are a weak way to make sure the right person is accessing your website. Individual attackers and cloud-based tools can get past CAPTCHAs, which can also be the point where a legitimate customer abandons a transaction. Bot detection technology can integrate with CFI firewalls and content delivery networks. That takes the burden of proof off the customer and gives clients a better experience.
- **Legitimate customer behavior.** Maybe you've gotten a telephone call from your credit card company when you try to make an unusual purchase. Technology that observes and analyzes typical CFI customer behavior works the same way, sending up a red flag when a customer does something outside the norm.
- **Matching friction and risk.** Many authentication systems work like a castle with a moat: Cross the moat and you have access to everything in the castle. Staged access often makes more sense. Let customers do routine things, such as make an electronic payment to a known payee or check their account balances, without a multi-step authentication process. If the customer wants to do something more sensitive, that's the time for a biometric authentication, a text message passcode, or a mobile push.

By making authentication smoother for clients, your institution can pave the path toward more shared data, personalized service and stronger customer relationships.

## PCBB INTEGRATES CANADIAN CHECK IMAGING WITH FISERV

PCBB has expanded its relationship with Fiserv to offer Canadian check imaging services through the Fiserv Clearing Network (FCN). PCBB already enables end-to-end international wire transfers through Fiserv's Payments Exchange: Foreign Exchange platform. Now, FCN customers can digitally process Canadian checks using PCBB's advanced payment option. [Learn more.](#)

## ECONOMY & RATES

Rates As Of: 06/22/2022 05:44AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	1.70	0.54	1.64
6M	2.46	0.82	2.27
1Y	2.86	0.77	2.47
2Y	3.12	0.56	2.38
5Y	3.27	0.45	2.00
10Y	3.18	0.34	1.67
30Y	3.27	0.23	1.37
FF Market	FF Disc	IORR	
1.58	1.75	1.65	
SOFR	Prime	ORER	
1.45	4.75	1.57	

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