



## Customers Want More Personalization: How CFIs Can Deliver

marketing customer experience

**Summary:** Businesses in practically every industry today are personalizing their messaging to their customers. However, personalization efforts in the financial services industry are lagging behind those in other industries. CFIs can reap a number of benefits by creating more personalized experiences for customers.

The theme song from the iconic 1980s TV sitcom “Cheers” included the lyrics, *“Sometimes you want to go where everybody knows your name. And they’re always glad you came.”* This created the impression that the neighborhood corner bar was one of the few places where people really know who you are.

Businesses in practically every industry today, including finance, are trying to convince their customers that they really know who they are by personalizing their messaging strategies to them. However, personalization efforts in the financial services industry are lagging behind those in other industries.

In a study conducted by Forrester Consulting, consumers ranked financial institutions (FIs) behind retailers, media streaming services, and technology firms when it comes to effective personalization. Just [14% of consumers](#) said that financial institutions are “extremely effective” at delivering relevant, tailored content and product offers. In comparison, 25% of consumers said retailers are extremely effective at delivering such content and offers.

Despite that low percentage, consumers still expect a more personalized experience from their FIs. Forty-two percent of consumers in the Forrester Consulting study said they believe product offerings are more valuable when they’re bespoke to their personal needs, and 31% wish their bank was more dedicated to giving them relevant financial information and guidance. More than half want financial institutions to use personal information to make their banking experiences easier or more convenient.

### Benefits of Creating Personalized Experiences

Community financial institutions (CFIs) can reap a number of benefits by creating those more personalized experiences for customers. Such experiences tend to result in customers who stay with FIs longer, spend or borrow more money, and refer others to the institution. According to McKinsey, FIs that use analytical data or machine learning models to put customer value at the center of their personalization efforts [generate between 5% and 15% higher revenue from these enhanced efforts](#).

The biggest hurdles FIs face when personalizing customer experiences, according to McKinsey, are sporadic and inconsistent customer data, subscale analytics development, inadequate artificial intelligence risk management, machine learning models with narrow scopes, and poor campaign integration and tracking.

### How to Personalize Customer Experiences

The first step in creating personalized banking experiences for customers is obtaining permission to trade their personal information for a more targeted and convenient experience. The good news is that [73% of consumers today](#) say they’re *“willing to share some, most, or all of their data in order to receive personalized customer*

benefits,” according to an American Banker study. The study notes that the following customizable offerings are at the top of financial customers’ personalization wish lists:

- Loyalty programs and cashback rewards
- Investing and saving strategy recommendations
- Preferred interest rates
- Digital dashboards, alerts, and account monitoring
- Promotional offers and partner organization discounts

Examples of Personalized Customer Experiences

Here are a few additional ways that CFIs can create personalized experiences for their customers:

- **Publish personalized blog content.** Resist the urge to create content that appeals to a broad audience. Instead, personalize blog content based on smaller customer segments and promote it to the customers most likely to engage with it. For example, frequent travelers will be most interested in credit cards that offer generous mileage and other travel benefits, so target such content toward them.
- **Segment based on purchasing cycles.** Start by figuring out which services your customers are most likely to want at various stages of the purchasing cycle. You can determine this by examining individual-level data in your marketing analytics platform. Segment customers based on their buying cycle stage. For example, at the awareness stage, explain how a product or service satisfies a specific need. At the consideration stage, show them how your product or service is different from (and better than) competitors. The decision stage is when it’s best to make a special, limited-time offer to spur action.
- **Offer customized credit card designs.** Many consumers like being able to personalize their credit card design based on their interests, hobbies, favorite sports teams, pets, and causes they support. Discover Card [offers 159 different card designs](#), including a card in Braille for visually impaired card members.

CFIs that plan strategies designed to deliver a higher level of personalization will lead the way forward this year and beyond. Think about ways your institution can create personalized experiences to keep customers coming back for more.

NEW PODCAST EPISODE: INCREASING CUSTOMER LOYALTY

It's always a good time to focus on keeping your customers happy and loyal. [Tune in to this new episode](#) for tips from the experts at Customer Communication Group as they discuss the do’s and don’ts of increasing customer loyalty.

ECONOMY & RATES

Rates As Of: 02/02/2023 08:13AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	4.66	-0.04	0.24
6M	4.79	-0.01	0.03
1Y	4.60	-0.06	-0.10
2Y	4.06	-0.15	-0.37
5Y	3.45	-0.17	-0.56
10Y	3.36	-0.15	-0.52
30Y	3.53	-0.11	-0.44

<b>FF Market</b>	<b>FF Disc</b>	<b>IORB</b>
4.33	4.50	4.65
<b>SOFR</b>	<b>Prime</b>	<b>QBER</b>
4.31	7.75	4.32

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