



## Payment Data Can Lead to Personalization



profitability marketing data analytics

**Summary:** CFIs have a treasure trove of customer data, including payment data. By analyzing such information, you can more effectively offer personalized marketing messages that customers have come to expect. We explore how you can better leverage your customers' payment data.

You can find data on just about anything these days. Well-known tourist sites, for example, love to share their data with the public. The Eiffel Tower has 1,665 steps, but visitors can only climb 674 of those steps from the ground floor to the second floor. The Palace of Versailles just outside of Paris has a whopping 2.3K rooms. Although you may not have heard of it, the Corn Palace in Mitchell, South Dakota uses 275K+ ears of corn each year to redecorate it. Thirteen different colors of corn are used to create the mural on the outside walls of the palace.

Community financial institutions (CFIs) also have lots of data on customers that they collect, including payment transaction data. But, according to Bank Director's 2022 Technology Survey, almost half of senior financial institution executives and board members worried that their institution was not using or aggregating their customer data correctly. A good [45% of them also expressed concerns about relying on outdated technology](#), while 48% believed that their institution doesn't fully understand the technologies that are emerging.

"Data is only as good as the insights it provides and the leaders willing to put the action behind it," [says the director of payments](#) at a Missouri-based CFI. "Most places have more information than they know what to do with, and they're not understanding the insights that it is actually providing, and they're not putting the action behind it."

One way you can leverage that data to increase business is to personalize customer experiences and market relevant offers based on a customer's payment history. A McKinsey survey shows that [71% of consumers expect companies to deliver personalized interactions](#), and 76% grow frustrated when the interactions or messaging are more canned or generalized. The survey also found that companies that excel at personalization generate 40% more revenue than others that are either slow to adopt personalization or don't do it at all.

To be more effective at leveraging payment data, your institution could do the following:

- Hire a data scientist who can expertly analyze customer information, particularly if such information is stored in data warehouses.
- Purchase data analytics solutions specific to digital payments activity.
- Look to your core provider, fintechs, industry consultants, and other outside experts that provide data review services.

These tactics could help your institution appropriately leverage the valuable data you have, rather than let it sit unused. Here are **four ways your institution can leverage that payment data**, either manually or automatically via analytics solutions:

1. **Contributions to outside investment accounts.** You can monitor when a customer contributes funds to an investment account that is administered by an outside party. From there, you can insert a pop-up message accompanying the transaction details on your online banking site and mobile app. These pop-ups could tout your own wealth management services.
2. **Credit card payments.** You can monitor customers who are making just the minimum payments on their credit card accounts each month, and then insert a pop-up message explaining the benefits of adding even as little as \$5 more to their monthly payments. You can also show calculations of how much they would save on interest or how early they might be able to pay off debts by increasing payments slightly.
3. **P2P payments.** Based on how many P2P payments your customers are making via Venmo, PayPal, or CashApp, you can decide whether it would be worthwhile for your institution to offer P2P capabilities to compete for that business.
4. **Loan payments.** You can keep a watch on when customers make loan payments to an outside party, such as a mortgage servicer, auto dealer, or consumer loan company, to determine if you should be in any one of those businesses. If you're already in one or more of those business lines, then you can insert a notification offering deals to refinance their loans with your institution. You can also use a profitability tool, like [our Profitability FIT™ platform](#), to help determine the ideal loan pricing to offer the customer, based on their accounts with you.

Invest in capabilities or seek outside resources to analyze your customer payment data more effectively. This will help you offer personalized marketing messages and learn how to take advantage of the emerging technologies that make personalization possible. Customers are demanding it and the rewards can be substantial!

## ACHIEVE 360-DEGREE CUSTOMER RELATIONSHIP VIEW

Mine your customer data and loan history with [Profitability FIT](#) to determine the best loan pricing for higher bank profitability and customer retention. Contact us today to learn more: [info@pcbb.com](mailto:info@pcbb.com).

## ECONOMY & RATES

Rates As Of: 06/26/2023 11:44AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.41	-0.11	0.99
6M	5.41	-0.05	0.65
1Y	5.24	0.09	0.54
2Y	4.70	0.29	0.27
5Y	3.96	0.20	-0.05
10Y	3.72	0.07	-0.16
30Y	3.81	-0.05	-0.15
FF Market	FF Disc	IORR	
5.07	5.25	5.15	
SOFR	Prime	OBER	
5.05	8.25	5.06	

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