



**EQUIFAX<sup>®</sup>**

# **Digital Acceleration and the Customer Journey**

What Financial Institutions  
Need to Know



In early 2020, digital transformation kicked into high gear as the world responded to COVID-19, and banks and credit unions moved quickly to adapt. Now, financial institutions (FIs) are faced with maintaining that momentum while still effectively meeting customer demands to provide better engagements in more efficient ways.

As customer preferences for digital transactions continue to grow, FIs are reevaluating what those digital interactions look like, not only to better serve their customers but also to improve the strength of their business.

This requires FIs to:

- Review their current customer journey.
- Identify digital touchpoints to improve to create a better customer experience.

FIs can then update their marketing strategies to enhance their digital efforts. They can also look for ways to better protect their customers—and their business—from potential risk and fraud.

In this white paper, you'll learn how to:

- Structure your organization to support digital transformation.
- Optimize and refine your digital marketing plans.
- Find a balance between operational and customer needs.
- Retain customer relationships in a digital world.

## Structure Your Organization to Support Digital Transformation

To quickly adapt to the faster pace of digital transformation, FIs must step back and refresh their knowledge of what their customers' journey looks like—particularly related to what their customers' needs and expectations are throughout that journey.

This knowledge can help your institution understand what structures should remain in place in a post-COVID world, such as easy digital banking options, as well as what might need to be reset, such as in-branch meetings. It also allows you to more clearly identify and communicate the assistance your firm can provide at each key step of the client's journey.

The key to having a structure in place that successfully embraces digital acceleration is to unite marketing efforts with fraud and risk reduction efforts. This unity ensures that your digital tactics help you securely convert consumers to customers by:



**Discovering** the right prospects at the right time



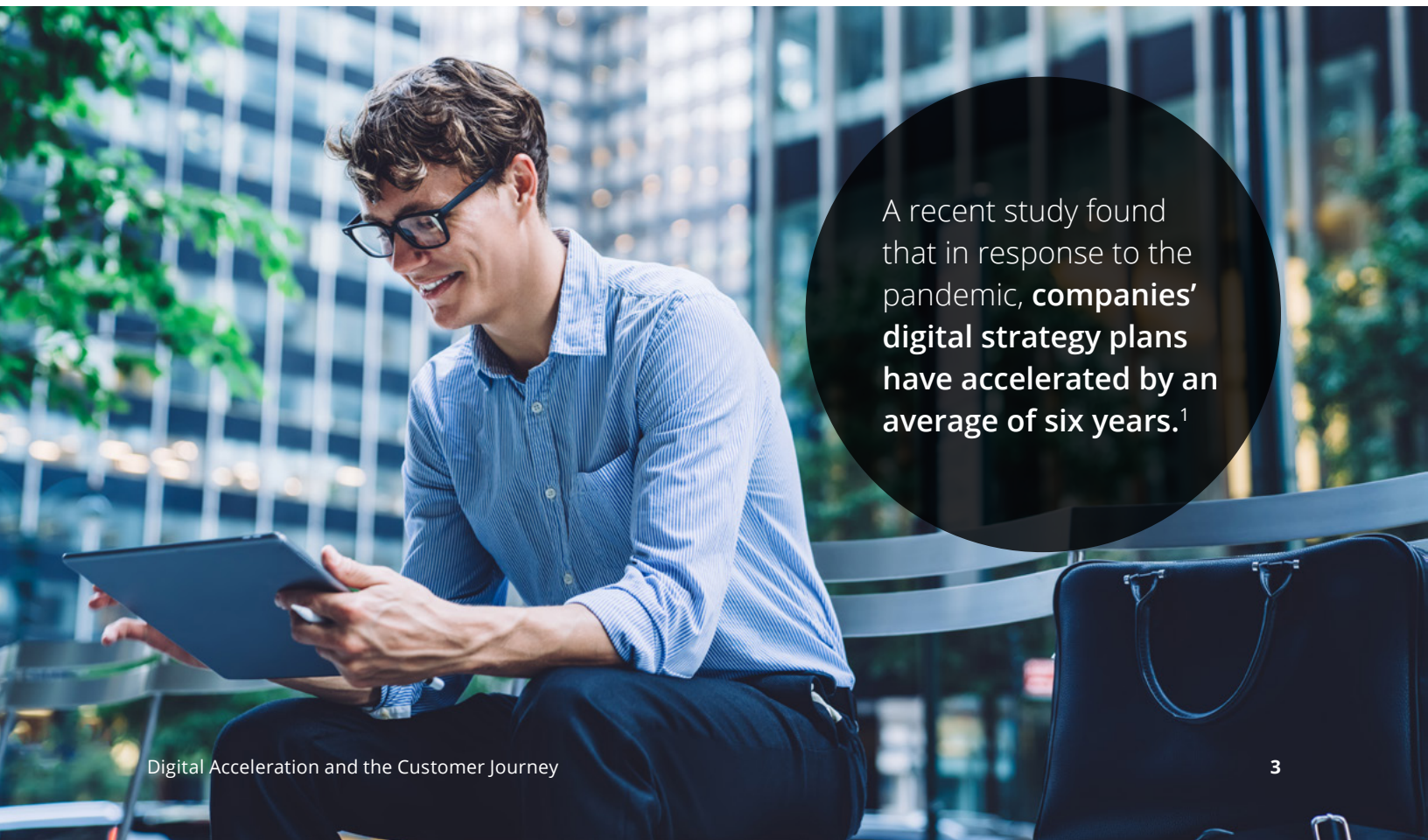
**Acquiring** the customers best suited for your institution



**Managing** loyal, engaged customers and growing your share of the market



**Recovering** smoothly and efficiently



A recent study found that in response to the pandemic, **companies' digital strategy plans have accelerated by an average of six years.**<sup>1</sup>

# Optimize and Refine Your Digital Marketing Plans

To connect with your customers online, one key element is having the targeted data you need to find the right customers. This will also help ensure that your FI's advertising and marketing dollars are well spent, an especially crucial need given many institutions' tightened budgets.

To gather the necessary data to successfully meet your customers online, think about restructuring these three digital marketing strategies:

Your institution may need to analyze the other digital tactics you use, such as email deliverability, to examine how effectively they're helping you meet your audience online.



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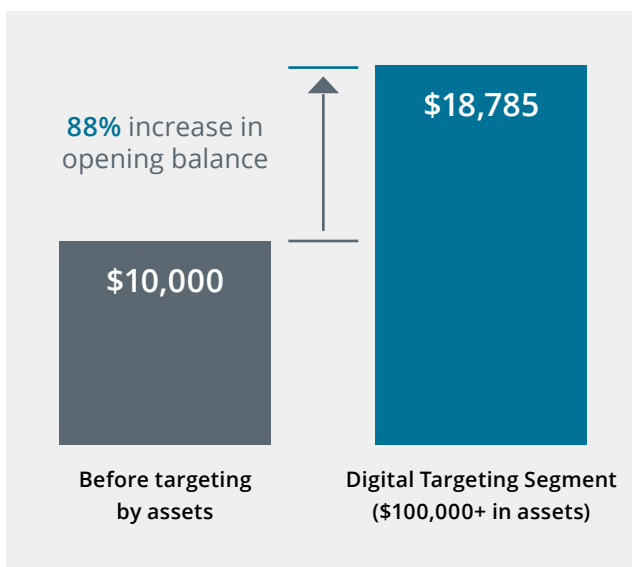
## Digital Targeting

How well is your FI marketing to the audiences you want to attract? Digital targeting can help you identify and target the right subsets of prospects who can help you meet your revenue goals.

Need proof? In **one instance**, an FI was looking to increase its account opening balances. But it discovered that most of its ad impressions were being served to consumers who were unlikely to be qualified because they lacked the desired asset levels the firm was looking to attract.

The firm needed a real-time, online targeting solution to achieve its goal. To address the problem, the FI implemented a real-time digital targeting solution for its next campaign. The solution helped differentiate online consumers based on their expected financial profiles. This new approach led the firm to realize:

- An **88% increase** in opening balances.
- **Fewer provisioning expenses** on new account setup efforts.
- An **increase in brand recognition** among affluent users.



### KEY TAKEAWAY

Identify who your target audience is, then leverage the best tactics that will lead that audience to you.

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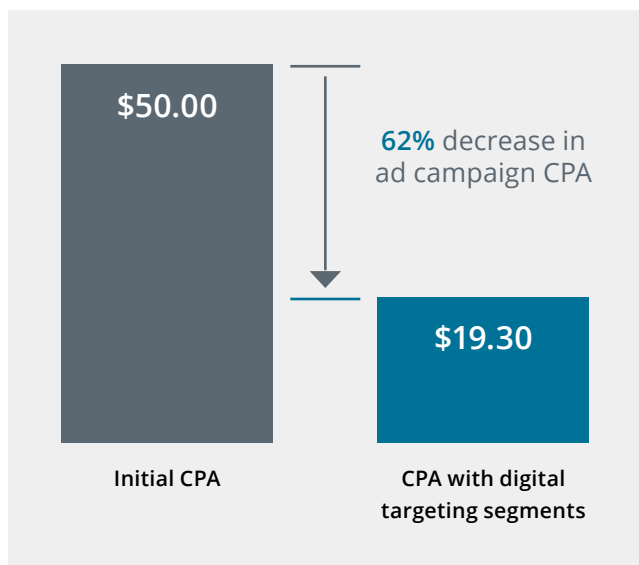
## Digital Campaign Performance

Understanding just how effective your digital marketing campaigns are performing is essential if you want to make the most of your marketing budget.

**Case in point:** A firm wanted to decrease its campaign cost per acquisition (CPA) to below \$50, while also improving its targeting to gain more control over which consumers were being served its ads. To do so efficiently, it needed to enable financial and economic digital measures that would help identify and target prospects who were more likely to be qualified.

For its next online ad campaign, the firm employed an audience targeting and insights solution. The solution helped it better define its target audience based on the attributes of past subscribers, then serve up ads only to consumers who were likely to have similar attributes. This new approach led the firm to:

- Achieve a **62% decrease in CPAs.**
- **Reduce advertising spend** on visitors who were unlikely to be qualified prospects.
- **Narrow the target audience by 53%.**



### KEY TAKEAWAY

Verify what the key attributes of your target audience are, and then focus your digital campaign tactics on reaching prospects with those key traits.

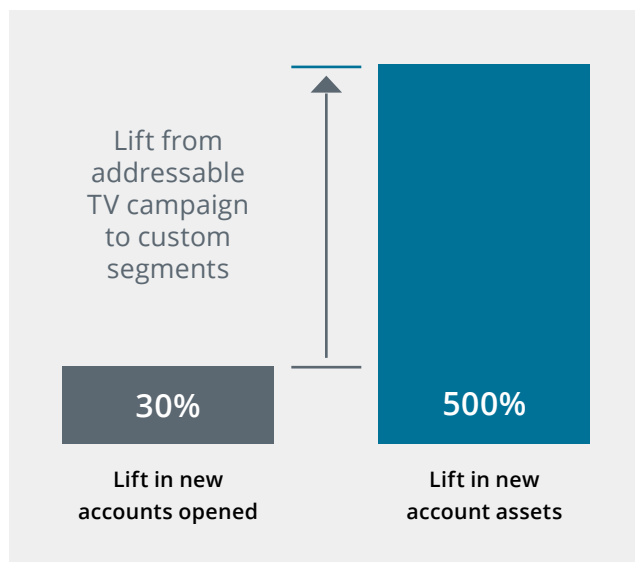
## Omni-Channel Marketing

If you want to improve your marketing results, one tactic to consider is how your institution can leverage financial data and segmentation expertise to drive targeted omni-channel marketing.

In [our final example](#), a firm was interested in leveraging internal and external data to create a new segmentation schema. The goal? To target multiple investor types while developing more targeted marketing efforts to support a new communications strategy.

To be effective, the firm needed to combine data, analytics, and modeling expertise to allocate consumer records to targeted customer segments across multiple marketing channels. It developed custom segment allocation models and ensured that the data and segments could be applied in both online and offline marketing efforts. Fueled with better information about consumers with the desired characteristics, the firm conducted a campaign via addressable TV. Consumers in custom segments were shown ads leading the firm to:

- Experience a **30% lift** in the number of new accounts opened.
- Realize a more than **500% lift** in new account assets.



### KEY TAKEAWAY

Confirm that your audience's desired characteristics and attributes are accurately reflected in and aligned across your omni-channel marketing efforts.

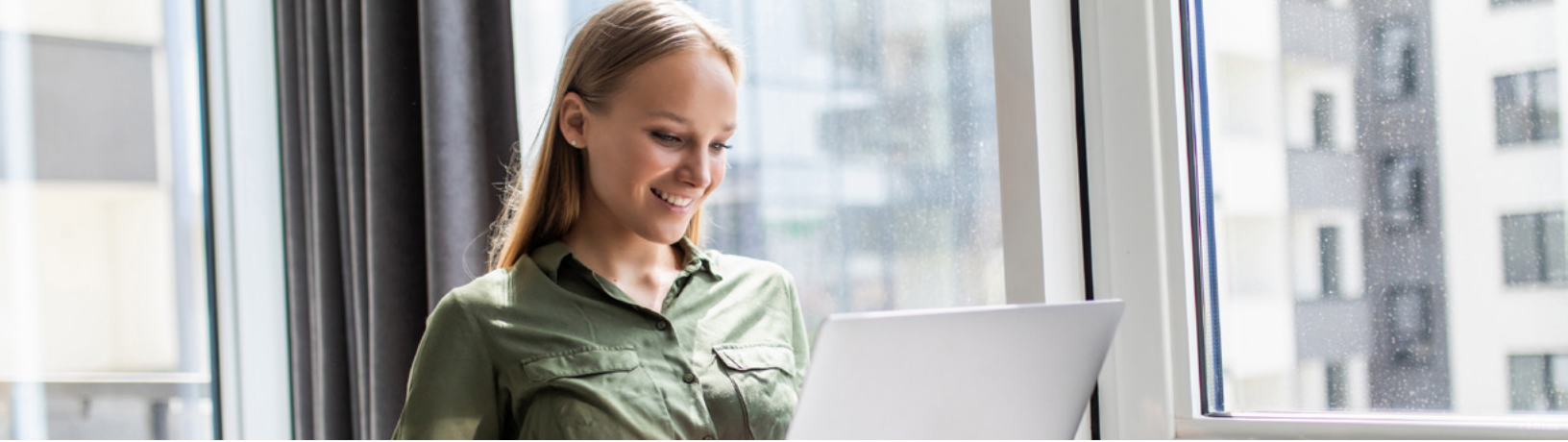
# Balancing Operational Needs with Customer Needs

As FIs look for better ways to engage with customers in this new digital normal, they'll need ways that help them balance their operational needs with their customers' needs. Institutions can find that balance and create better customer experiences by using several valuable tools and techniques.

Here are a few to consider as your institution looks to achieve its digital transformation goals.







## Predictive Intelligence

As digital acceleration continues to upend what traditional customer experiences look like, FIs may struggle with identifying behaviors in this new environment that can enhance retention. Institutions that can efficiently leverage and analyze their data can begin to close the gap between what their business offers and what their customers want—and ultimately provide better customer experiences.

Your data can offer a wide scope of information to help you better meet your customers where they are and when they need you. It can tell you:

- How your customers prefer to interact with you, whether it's a live chat, a live customer support call center, an email, a mobile app, or in a branch.
- How they behave online to find information.
- Their specific online behaviors that indicate they're ready to make a digital purchase.

This is where a predictive intelligence approach can help. Even with systems that don't speak to each other, there are digital signals to follow and suitable software to be implemented. Combined, they knit activities together to create insights that can be acted upon.

For instance, if you can identify the most visited areas on your website, you'll be better able to understand what consumers are looking to learn. Then you can tailor your content and digital experiences to ensure they'll continue to find what they need from you—and not from a competitor.

In addition, the data you use to evaluate your customers doesn't all have to be new. It can come from "offline" activities, such as in-person transactions and customer center inquiries, which, in turn, can inform your digital touchpoints.



### KEY TAKEAWAY

**Data can shed light on your customers' digital behaviors, allowing your FI to enhance the customer experience so you can make the right offers at the right time—and thus improve your retention rates.**



## Experience and Security

Customer experience and security protections can be pain points for FIs. If security protections become too burdensome, the customer experience will decline. But with too few security protections, increased digital interactions can **increase fraud risks** for customers.

Rather than choosing between experience and security, FIs should review their digital processes to identify ways that will both improve customer experience and provide strong security shields.

If your institution is looking to deliver an optimal experience at the registration stage, consider implementing these steps on the back end to verify security:

- Ask consumers to supply less personal information.
- Apply behind-the-scenes data collection to verify their identity.
- Conduct passive checks before verifying their identity.

If your institution is looking for greater security protections around registration, log-in authentication, and payments, consider implementing these steps on the back end to provide an optimal experience:

- Leverage identity information to streamline the registration process and reduce the amount of input customers need to provide.
- Leverage FaceID or fingerprints for login ease.
- Use digital signals, such as device or location, without compromising risk.



### KEY TAKEAWAY

**Security protections and customer experiences aren't mutually exclusive. Your institution can do work on the back end that both ensures security and provides a seamless experience.**

Typically, pain points across this cycle fall within two camps:

Customer experience

Security protections

## PROBLEM

Delivering an optimal experience at the Registration stage.

- Registration
- Log-in/Authentications
- Payment

## SOLUTION



Businesses can ask consumers to supply less personal information.



Instead, apply behind-the-scenes data collection to verify identity.



Conduct passive checks before verifying identity.



Utilize identity information to streamline the registration process. This can reduce the amount of input a customer needs to provide.



Leverage FaceID or fingerprints for login ease.



Use digital signals, such as device or location, without compromising risk.

# Retaining Customer Relationships in a Digital World

In an increasingly digital financial space, consumers have more options than ever when it comes to the FIs they can do business with. This can be great for them, but it can be daunting for FIs looking for the best ways to maintain customer relationships.

Here are a few areas to consider improving as your institution looks to build and retain strong customer relationships.





## Identity Trust

Identity trust is a crucial component of any strong customer relationship, and it's critically important as the COVID-19 pandemic shifts consumer behaviors. FIs need to know who they're doing business with in a digital space, and consumers need to be assured that their safety and security is of the utmost priority to the institutions they choose to do business with.

Being able to trust consumer identities as they're presented in real time across any digital interaction strengthens and protects the entire customer journey—all the way from account generation and login, to payments and disputes—helping FIs excel within the industry's new, accelerated tempo. In turn, this can increase approval rates and revenue while reducing manual reviews, false positives, and chargebacks.

For consumers, this means:

- Being able to maneuver through online interactions with ease and convenience.
- Personalized experiences that can deepen consumers' trust in the business and its brand.

For FIs, this means:

- Preserving resources normally dedicated to reviews, false positives, and fraud recovery.
- Redirecting those resources and efforts toward more rewarding, personalized experiences to help the business and the bottom line grow.



### KEY TAKEAWAY

**Identity trust is a two-way street. It can seamlessly bridge gaps between consumers and FIs, and it can lead the way to more efficiencies through digital interactions for both parties.**



## Fraud Risk Reduction

Identity trust and fraud reduction often go hand in hand, and with good reason: Strong identity trust processes can help reduce the risk of fraud.

Robust, carefully orchestrated authentication and identification strategies are especially critical in today's new digital normal. Legacy systems that were once used to detect and mitigate fraud are often aged out. At the same time, driving business in an increasingly digital space means taking on more significant risk.

- An Equifax study of top card issuers found that an average of **1 million accounts per year are identified as potentially synthetic** (often created with a combination of real data and fabricated information)—with an **average loss of \$1,830** per account.<sup>2</sup>
- Research from the cybersecurity firm BioCatch determined that **85% of FIs experience fraud during the account opening process.**<sup>3</sup>
- Research from the professional services firm Ernst & Young Global Limited estimated **the annual cost of money laundering and associated crimes at between \$1.4 trillion and \$3.5 trillion USD.**<sup>4</sup>

To effectively fight existing and future fraud threats without disrupting the customer experience, FIs must change how they approach identity authentication and fraud prevention. This means looking toward advanced authentication strategies and establishing a "gold standard" of strategies that can be applied across an increasing number of in-person and digital touchpoints.

This approach should enable FIs to answer four key questions as they look to reduce the risk of fraud:

- Is this identity likely to be real?
- Is this identity likely suspicious?
- Is this person more likely to be who they claim?
- Should I do business with them?



### KEY TAKEAWAY

**By reducing the risk of fraud, FIs can create secure, seamless experiences for their customers that ultimately improve their own bottom line.**

## Success in the New Digital Normal

Throughout the many long months of the COVID-19 pandemic, FIs have moved quickly to adapt to this era of digital acceleration. Now, it's time to do more—it's time to reevaluate the world and take steps to adapt your business for future success.

Institutions that fully understand where customers are in their life stages, build customer loyalty, offer the most relevant products and services, maintain strong relationships, and securely protect customer data are poised to succeed in this new digital normal. And institutions that evolve their processes mindfully will be able to accelerate their business.

While the business landscape is changing, the core of doing business in this new digital normal is the same as it's always been: Focus on your customers.

No matter what's changed, your institution is still marketing to people. If you can take an empathetic approach using all the information covered here, you can ensure your response to this digital transformation will be shaped by customer demands—and you'll be primed to continue building and growing relationships with customers who will have a positive impact on your bottom line.



### SOURCES

- 1 Twilio 2020 Global Survey
- 2 Equifax Insights
- 3 BioCatch New Account Opening Fraud Research
- 4 EY Disrupting Financial Crime



Contact Us: [equifax.com/business/contact-us/](https://equifax.com/business/contact-us/)



## ABOUT EQUIFAX

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