

# Research reveals what customers want from banking personalization

Customers tell banks how  
to tailor banking products  
and experiences

 amdocs  
**make it  
amazing**



# Customers talk personalization

Many banks see personalization as a must-have capability. They want to deliver the right offer to the right customer at the right time. Revenue rises thanks to increased cross-sell and upsell success – and it's potentially less annoying than spammy promotions. Why wouldn't customers want well-timed and well-targeted offers? Many do, but customers have an expansive view of personalization. They expect more.

The customer experience specialists at Amdocs conducted research to uncover what bank customers really want from personalization. We talked to people about their perspectives on the personalization of banking and non-banking experiences.

Our findings show that banks have a long way to go – and an opportunity to leap ahead of FinTechs. By improving personalization, banks can realize higher revenue as they delight customers with tailored banking experiences. Critically, they can stem the outflow of customers to FinTechs by making personalization feel empowering to customers.

Our in-depth discussions with banking customers explored:



People's banking and non-banking experiences with personalization



How consumers define and view personalization



What people want from personalization



Experiences consumers see as ripe for improvement with personalization

## Research-based insights

We recruited 58 qualified American consumers. Qualifications included some self-identified familiarity with the concepts of personalization and data privacy. A select group of qualified consumers joined one of our researchers for one-on-one 90-minute interviews. In these interviews, they described what personalization meant to them. The interviewer guided the conversations to ensure each participant covered a consistent set of topics.

The interview format freed participants to share specific, detailed examples of personalization likes and dislikes. Researchers identified patterns that they then grouped into four customer types. Their key conclusion: Banks need to adopt personalization that spans offers, advice, and processes to meet customer expectations.

### **Nix the jarring offers**

Customers don't mind a few mismatched offers. (Think: Discounts on gaming subscriptions to non-gamers.) Sometimes they might even make good gifts. But some offers scream, "The bank isn't even paying attention to my business."

One respondent got visibly agitated when she described receiving a postcard offer to refinance her mortgage – from the bank that for 20 years serviced the mortgage she'd paid in full months earlier. She felt a sense of accomplishment for owning her home outright. The bank showed it didn't care ... or even know. What might have been welcome? A card thanking her for 20 years of business, and an offer describing how home equity lines of credit can enhance financial flexibility for homeowners like her.

## Is personalization for revenue or retention? Yes!

When banks use personalization to increase offer relevance and uptake, revenue rises. For instance, a well-timed car loan offer arrives just as the customer begins looking for a new car. Such personalization can streamline the loan application process, making it seamless to act.

Personalization also has the potential to help traditional banks stop the outflow of customers to FinTechs and digital-only banks – and even to lure customers back. According to a [recent survey of consumers in the United States](#), 64% of respondents indicated that they were likely to open accounts with digital banks in the next five years, with 32% saying they were “very likely.”

Why shift to digital banks? Respondents feel that digital banks do some key things better, such as a [better app experience \(39%\)](#), [improved offers \(38%\)](#), and [lower fees \(38%\)](#). While personalization doesn't address fees, it can enhance the digital experience and improve offers. In fact, the survey found that 38% of respondents would share more personal data to get highly relevant reward offerings.



## **Yikes! Too personal!**

As long as you protect their personal data, most customers like personalized offers, content, and financial alerts. But like a locker room attendant at a gym, you shouldn't notice too much.

For example, we asked whether interviewees would like a note congratulating them for a raise reflected in an increase in employer-based direct deposits. That's a unanimous no.

Several people said they would, however, appreciate a text or email alert about significant changes in regular deposit amounts.



## What is personalization?

Personalization means something very different to customers than it does to banks. We asked customers to define and describe a great personalization experience. The results surprised us. Every respondent described a tailored experience (as we expected). And most then described a frictionless digital experience – with no personalization involved.

For instance, one interviewee pointed to the ease of finding related products at an online ecommerce site. Another described a simple application for a home equity line of credit at a FinTech. Our conclusion: Consumers see the digital experience and personalization as

inseparable. So, any customer-centric offers and processes must take place within a well-designed experience flow – or customers are less likely to value it.

What isn't personalization? Several customers mentioned that they receive offers for products and services that seem targeted only by income level. They were adamant: Income-based targeting is not personalization.

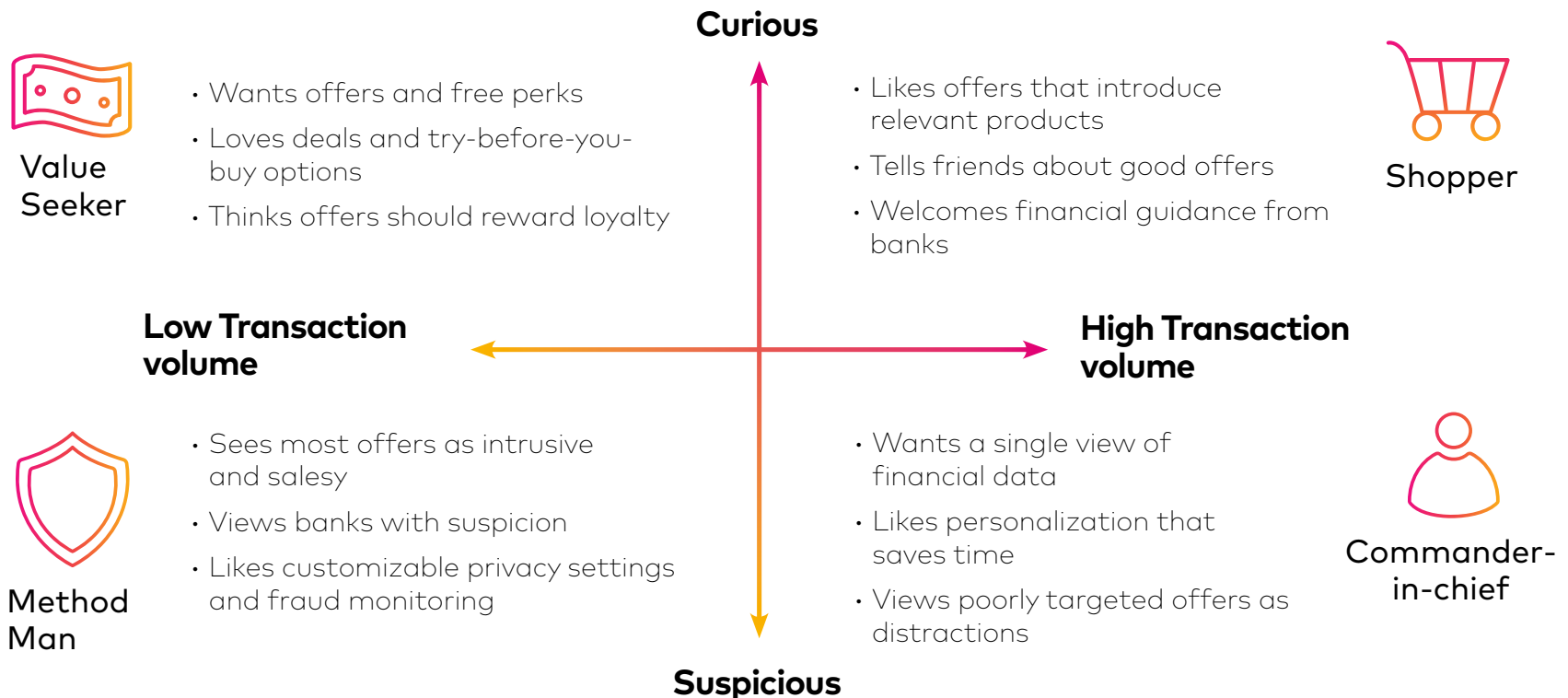
### **Customers LOVE imaginary personalization features**

When asked about personalization experiences they liked, 70% of the people we interviewed pointed to their favorite social media sites. Most went on to describe privacy and configuration features that don't actually exist on those sites. And they wished their banks offered similar features.

Our takeaway: Tech giants enjoy a halo effect when it comes to digital experience personalization that traditional banks do not. That isn't fair, but it does show the extent to which people bring expectations from non-financial digital experiences to banking.

# Research uncovers the personalization preferences of four customer types

When researchers reviewed the interviews, they found common threads among many interviewees. They determined that most consumers' personalization preferences align with one of four customer types. A higher transaction volume makes two of the types ideal targets for personalization.



Research reveals what customers want from banking personalization



Research uncovers the personalization preferences of four customer types

Each customer type views offers differently. But it's the Shopper who most closely matches the vision many banks have for personalization. The Shopper will act on the right offer at the right time – and tell a friend. But the other types are more selective about acting on (or not being annoyed by) offers. The Value Seekers want rewards, not opportunities to buy. Free trials of relevant third-party services fit that vision.

The Method Man and Commander-in-Chief crave control of their financial lives through personalization, with the Method Man focused on being able to control privacy settings easily. In contrast, the Commander-in-Chief sees security and privacy as table stakes in a financial relationship. The Commander-in-Chief views the acceleration of financial processes as the biggest potential benefit of personalization. Are they open to offers? Yes, but unless the offers are well-timed and targeted, these customer types will ignore them.



# Tailored banking for all: The three categories of personalization

Interviewees made clear that they see personalization as encompassing much more than recommended offers. They want all digital financial services to match their preferences and circumstances. Researchers used these findings to identify three distinct categories of personalization. By enabling each, banks can meet the needs of the four customer types.

**Offers:** This category includes everything from promotions of the bank's services to offers from third-party companies. Open banking presents an opportunity to partner with third-party financial service providers, including FinTechs. Many banks are also expanding relationships with other businesses, such as streaming services. Personalization lets banks offer well-targeted services to customers, avoiding the annoyance that can accompany a high volume of irrelevant offers.

**Info advisory:** This includes the proactive delivery of personalized information to the customer. For instance, a bank can use customer data to recommend relevant articles and videos to customers. It also encompasses customizable monthly statements. A restaurant owner, for example, might request a standard statement along with charts that detail supplier spending.

Research reveals what customers want from banking personalization

**In process:** This is the sum of personalized experiences delivered within a specific customer journey. It captures and presents the bank's full view of the customer's financial circumstances. The bank uses that information to help the customer make more-informed financial decisions faster. It also personalizes alerts, such as for fraud or overdraft risk, based on prior events. For instance, a high-spending customer might receive an overdraft alert when their account falls below \$1,000, while another might receive one at \$75.

Interviewees displayed the highest degree of enthusiasm when describing in-process personalization. Deploying in-process personalization may prove challenging. It requires innovation at the product level and actionable data. Perhaps most crucially, banks must present in-process personalization within a frictionless and customer-centric digital experience.

Tailored banking for all: The three categories of personalization



# Winning at personalization

To deliver what people want from personalization – and increase revenue – banks need to be able to launch innovative products that capitalize on customer data. It's just as important to up-level every aspect of the digital banking experience. That's especially true because people don't make significant distinctions between just-for-me experiences and convenience. At Amdocs, we propel banks ahead in both areas.

## **Reshape banking experiences**

The Amdocs team builds digital experiences based on research into true customer needs and motivations. After uncovering what customers want – from loan applications to in-process financial advice to customizable statements – we work with banks to create it. Connecting design, technology, and compliance from the beginning accelerates projects.

[See how we empower teams to improve digital experiences.](#)

## **Unlock inspiring personalization**

Amdocs gives your people the actionable data they need to develop personalized products, offers, and pricing – fast. A centralized view of banking customers and products lets you spot opportunities for product innovations that bundle banking and third-party services. Less reliance on IT to launch and manage products makes it easy to find what works.

[Learn how to accelerate product personalization.](#)

# Personalization in action

## **Simplifying the complexities of retirement planning**

Retirement planning presents challenges for people with no prior investing experience. Yet, it's wise to start early with a clear picture of what success looks like for you. Doing so inspires informed investment choices that add up to big gains over a lifetime. Amdocs worked with a bank to develop a financial planning tool that helps people make choices that suit their unique needs.

The team started with research into what people wanted. The result: A digital experience that shows people the long-term implications of different types of investments. People come away with personalized insights. Interactive graphs convey the implications of different scenarios.

In the first month of release alone, 10% of the bank's retirement account holders tried the experience. They loved it. So did the bank's employees, who use it to guide financial conversations with customers. But what about regulators? The experience complies with all security and regulatory requirements.



Research reveals what customers want from banking personalization

### **Catalyzing product personalization**


What stands in the way of personalization for many banks? A siloed and account-centric view of customers. Customers with several accounts might as well be multiple customers. It's easy enough to deliver a dashboard that lets customers and service agents see multiple accounts at once. But it's hard to put the customer at the center and use account data for personalization.

A European bank turned to Amdocs to help it gain a customer-centric view across accounts. Its objective was to seamlessly group all services into a unified invoice. The bank realized its initial goal – and much more.

More personalized invoices cut per-invoice costs by 75%. And customers loved the change, with the bank's customer satisfaction score increasing by 50%. But the real win proved to be new product and pricing personalization power. In just days, the bank can turn ideas into product bundles and promotions designed to appeal to specific customer types.

Personalization in action





Research reveals what customers want  
from banking personalization

Let's make banking amazing

## Let's make banking amazing

Amdocs helps banks like yours build momentum by uncovering and capitalizing on their true value. With personalization, that means getting the most out of the customer insights in your data and creating banking experiences that set you apart. We help you pull the right levers to realize big change fast. You go from playing catch-up with FinTechs to setting a higher standard for banking.

[Talk to our team](#) about how you can take the lead with product innovation and digital banking experiences.

Amdocs helps those who build the future to make it amazing. With our market-leading portfolio of software products and services, we unlock our customers' innovative potential, empowering them to provide next-generation experiences for both the individual end user and large enterprise customers across the communications and media, and financial services industries. Our 31,000 employees around the globe are here to accelerate our customers' migration to the cloud, enable them to differentiate in the 5G era, and digitalize and automate their operations.

Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.58 billion in fiscal 2022.

For more information, visit Amdocs at [www.amdocs.com](http://www.amdocs.com)