FORRESTER®

How Banks Can Unlock Quick Wins And Lasting Benefits Through Smart Personalization

Customers Reward Contextually Relevant, Valuable, And Personalized Banking Experiences

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY BLEND, MARCH 2022

Table Of Contents

Project Director:
Nicholas Phelps,
Principal Market Impact Consultant

Contributing Research:
eBusiness and Channel Strategy
research group

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Executive Summary

Modern banking customers want personalized, convenient, and consistent experiences across touchpoints and channels. They seek convenience and value through real-time, predictive, and proactive financial experiences that serve their specific needs. While customers' expectations for value and relevance have evolved, many banks have struggled to change their approaches to personalization to meet, let alone exceed those expectations.[1]

Part of the challenge lies in the fact that the path to personalization excellence is not always clear. So what areas should banking decision-makers focus on to meet customer demand for differentiated, highly valuable, contextually relevant, and consistent experiences? This study outlines the dimensions of personalization maturity for the banking sector, and it offers a framework for leaders to evaluate their abilities and to plot a path to capture the short- and long-term benefits that advanced personalization programs can deliver.

Blend commissioned Forrester Consulting to evaluate the state of personalization in the financial services sector. To explore this topic, Forrester conducted an online survey with 324 decision-makers at lending institutions in North America as well as 2,137 banking customers. We found that customers are prepared to reward banks that deliver contextually relevant, highly valuable personalized experiences and that banks that excel at key personalization capabilities enjoy short- and long-term business outcomes and advantages over those with less advanced personalization capabilities.

Personalized experiences use customer data and understanding to anticipate, frame, guide, extend, and enhance interactions based on that customer's history, preferences, context, and intent.

Key Findings

Customers' expectations for banking experiences are rising. Digitally empowered customers have more options and more control of where they do business than ever before. To maintain competitive advantage and share of wallet, banks must deliver contextually relevant, timely, and personally valuable experiences. Surveyed banking customers said they will reward banks that reduce friction and provide valuable insights and guidance during moments of need and throughout the customer lifecycle. At the same time, customers' patience with banks that fail to deliver personalized experiences is wearing thin.

Personalization represents a major opportunity for banks that commit to delivering exceptional tailored experiences. Banking customers said reducing friction and offering relevant products during the application process drive consideration, opportunities to increase share of wallet, and more effective cross-sell and upsell. Banks that act now can also differentiate themselves in a crowded market: Just 14% of surveyed consumers believe banks currently deliver excellent personalized experiences. And nearly three-quarters of banking decision-makers said their bank plans to increase its investment in personalization in the next year to shore up their programs, ease friction for customers, and deliver highly valuable experiences.

Focusing development on key personalization capabilities drives better business outcomes for banks. When we asked surveyed decision-makers to evaluate their banks' current personalization programs across eight key personalization capabilities, it became clear that banks with more mature personalization programs are more successful at meeting their key business goals. Furthermore, leaders from mature banks specifically credited personalization programs for this advantage. Banks looking to improve their personalization programs can use our findings to examine the areas in which truly exceptional personalization programs drive business benefits and shore up their own capabilities.

Customers Are Looking For More Valuable And Relevant Experiences From Their Banks

Across industries, customers are being presented with experiences that are increasingly tailored to their specific needs and preferences. Retailers, streaming services, and device manufacturers have heavily invested in efforts to better anticipate customer needs and to improve their daily lives. The challenge for banks and credit unions is that customers don't silo expectations when they shift from experience to experience. In other words, their experiences with other verticals become expectations for how they want to interact with banks and manage their financial lives.[2]

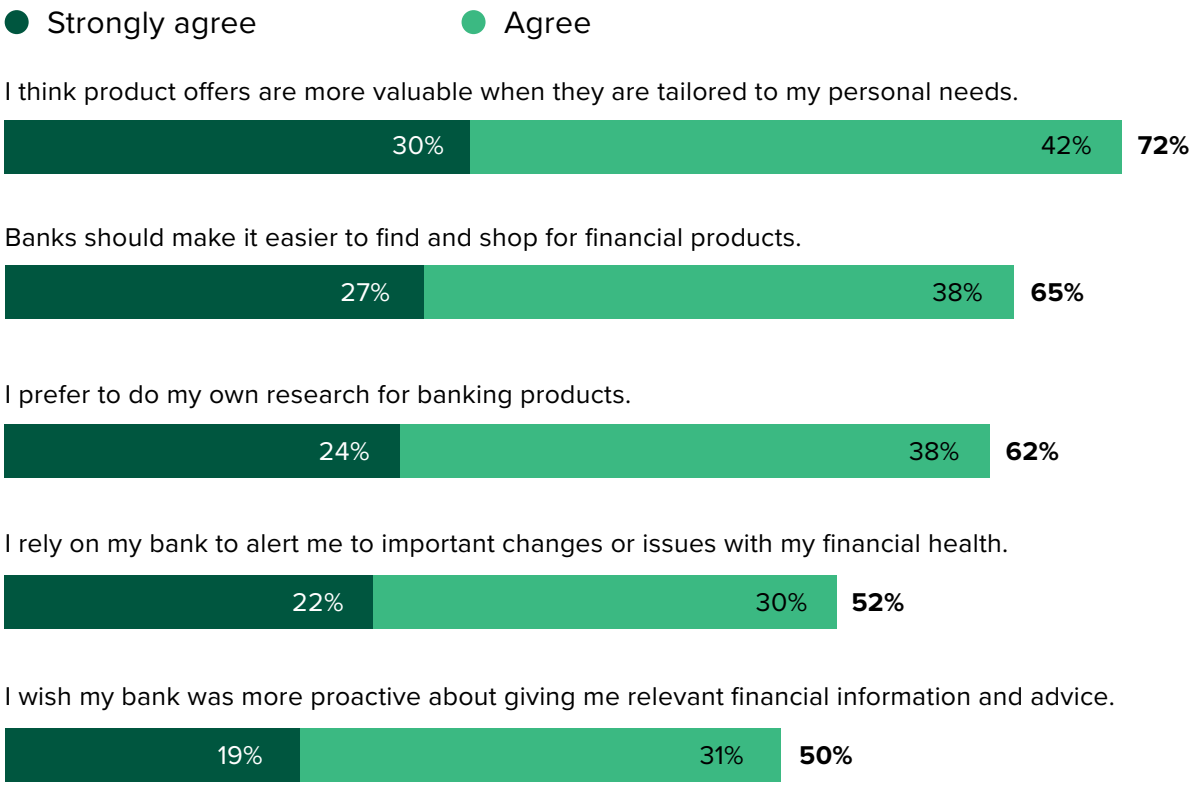
Surveyed banking customers said they are prepared to reward banks that can deftly and responsibly leverage data and insights to deliver personalized experiences. Almost three-quarters said they believe product offers are more valuable when they're contextually relevant, and 65% said they believe banks should make it easier to find and shop for financial products. Additionally, about half said they wish banks would be more proactive about giving them relevant financial information and advice that contributes to their financial well-being (see Figure 1).

Unmet expectations have significant downsides and, while rising demands for personalized experiences create new opportunities for engagement, digitally empowered customers are also prepared to go elsewhere with their money if their banks create friction and undermine trust with insufficient or clumsy personalization. For example, 58% of surveyed customers said it's frustrating when they apply for a new product and their bank forces them to enter personal information the bank already has, and 54% said they currently hold accounts with multiple financial institutions. That makes it all too easy for frustrated customers to turn to competing banks that make the process easier.

Figure 1

Customers Are Prepared To Reward Banks That Deliver Valuable, Relevant Experiences

"How much do you agree with each of the following statements about your experiences with banks or financial institutions?"



Base: 2,137 North American consumers who have applied for relevant financial products within the past 12 months
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

Customers reward banks for relevant, proactive, and seamless product offers and applications.

While surveyed customers said they will reward banks for valuable and relevant personalized experiences, they are increasingly aware — and wary — of how businesses use their information online. Therefore, it's important to think about how to build trust around how your bank uses its customer data. Eighty-eight percent of surveyed banking customers said they expect banks to ethically handle their personal and financial information. And while 75% are open to banks using their data to deliver more customized interactions, only 29% said they are willing to give carte blanche to these efforts. And 45% said they're interested in more personalized offers and information but that they expect to be able to exert control over which data is used and under what circumstances.

Decision-Makers Meet The Personalization Opportunity With Still-Developing Practices

Surveyed banking professionals said they recognize the opportunity presented by enhancing their organizations' personalization capabilities. This is apparent in the key business goals their banks set for the year and the benefits they expect their personalization strategies to deliver. Decision-makers said their banks' top business objectives include improving customer loyalty (46%), driving cross-sell and upsell opportunities (45%), improving customer experience or CX (41%), and driving better customer acquisition (39%). Great personalization taps into the customer's context to understand their needs, guides them through a more desired and profitable customer journey, and provides feelings of value, appreciation, and confidence that help banks improve customer acquisition, deepen engagement, and enrich relationships.[3]

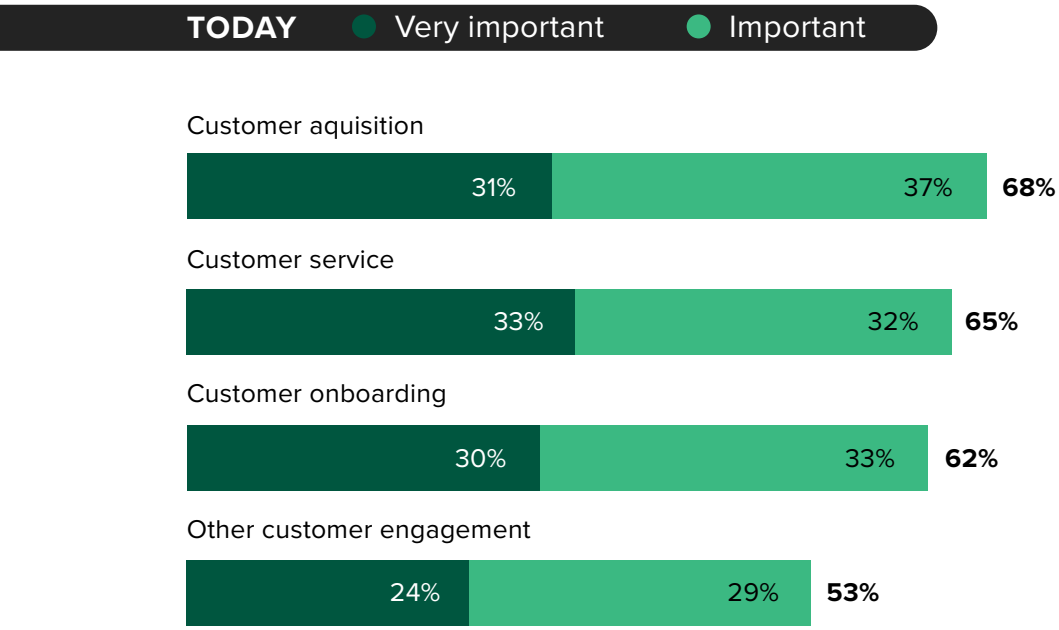
Surveyed decision-makers said they are prioritizing both long-term customer outcomes and near-term sales wins.

Decision-makers said they believe personalization is critical to succeeding with customer acquisition and service, but they also recognize its contributions across the customer lifecycle. Respondents from banks were most likely to say that personalization is an important driver for their organizations' customer acquisition strategies (68%), but they also nodded to its role in more effective customer service (65%) and onboarding (62%). And more than 60% said personalization will become even more important to success in customer acquisition, onboarding, and service during the next two years (see Figure 2).

Figure 2

Banks Believe Personalization Is Critical Today And That Its Importance Will Only Increase

"How important is personalization to success in each of the following kinds of customer interactions today, and how important will it be over the next two years?"



Personalization will be more/much more important in two years:
61%
63%
62%
56%

Base: 324 decision-makers at North American lending institutions
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

BANKS WILL DOUBLE DOWN ON PERSONALIZATION INVESTMENTS IN THE NEAR FUTURE

Because personalization plays such an important role in their organizations' success, it's no surprise that surveyed leaders said their banks plan to lean into these capabilities even more in 2022 — and their banks' investment plans demonstrate this. Nearly three-quarters said their bank will increase spend on personalization next year, and that includes 28% who said their bank will substantially up its investment (see Figure 3). Their investments will also likely involve extending personalization programs to more customer use cases as 80% said their bank will work to scale its personalized experiences across every stage in the customer lifecycle.

Banks have made these plans because decision-makers realize personalization drives better business and customer outcomes. Seventy-one percent of surveyed decision-makers said personalization helps deliver better customer acquisition and personalized experiences can help customers to more effectively manage their financial lives. Nearly 70% of decision-makers said personalization will help their bank more effectively serve its customers and that it has the backing of company executives who understand that personalization efforts are essential to business success. This momentum indicates that personalization is increasing in importance for banks. Many begin their personalization journeys with programs that personalize their customer acquisition efforts, and this approach is fast becoming table stakes as more banks get on board. And leaders can use acquisition-focused personalization to build business cases for more personalization investment because it's directly tied to ROI and benefits. However, the more sophisticated and holistic a bank's personalization efforts become, the more effective they are at driving acquisition and long-term customer metrics like customer lifetime value (CLV).

Figure 3

"Which statement best describes your organization's plans to invest in personalization capabilities in 2022?"

44%
Somewhat increase its investment (by less than 10%)

28%
Significantly increase its investment (by more than 10%)

Base: 324 decision-makers at North American lending institutions
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

Banks Must Shore Up Personalization Capabilities To Maintain Advantage

Just 14% of surveyed banking customers said banks are extremely effective at delivering contextually relevant experiences and product offers. That places banks fourth out of five included industries. Retail was the most highly rated personalization industry and has long been seen as a leader for banks to aspire to.[4] Banks need to leverage their increasing investment in personalization capabilities to maintain a competitive advantage – both against other banks that are building and optimizing their personalization programs and digital-only entrants that have personalization built into their DNA.

Getting personalization right can be a challenge, and organizations can recognize value faster by leveraging external expertise and tools. Respondents from banks were most likely to highlight challenges with effectively capturing and managing the customer data that fuels their banks' programs (38%), concerns that their personalization efforts will turn off customers rather than engage them (37%), and their abilities to deliver personalized experiences across all product lines (36%). These respondents also recognize that getting personalization right is critical. They said ineffective personalization can lead to less-efficient sales processes (48%), loss of competitive position to organizations with better personalization capabilities (47%), less-efficient marketing (46%), and lost engagement opportunities arising from customer opt outs (44%). Banking leaders — especially those just getting started on their personalization journeys — would benefit from finding an easy-to-deploy solution that will let them test, learn, and benefit from personalization approaches. By doing so, they can gain early experience and use program outcomes to build business cases for deeper deployment.

IT'S IMPERATIVE THAT BANKS MOVE FASTER ON PERSONALIZATION TODAY

Customer expectations and increasing industrywide capabilities serve as good reasons to get moving on personalizing customer interactions, but the stakes are only going to rise for banks as several market forces will challenge them on their own turf in the near future. These include an increasingly crowded digital banking landscape and more banks' adoption of sophisticated, data-driven CX.

In addition, there is a growing opportunity to foster and benefit from customer financial wellness. Millions of banking customers are feeling more insecure about their finances due to the COVID-19 pandemic and resulting economic upheaval. Advanced banks are leveraging digital technologies and personalization to boost customers' financial capabilities, literacy, and management to help them avoid financial pitfalls and build wealth. As they do so, customers increasingly see their banks as indispensable agents that contribute to healthier customer financial situations.[5]

Surveyed consumers indicated that banks need to leverage their customer insights to help drive customer financial wellness. Seventy percent of surveyed customers said they appreciate when a bank sends an alert if they can't cover upcoming expenses, 65% said they value proactive assistance with financial applications, and 64% said they appreciate receiving proactive offers for financial products or features they qualify for based on their financial standing and situation. Only 57% said sending personalized recommendations based on financial situation is valuable.

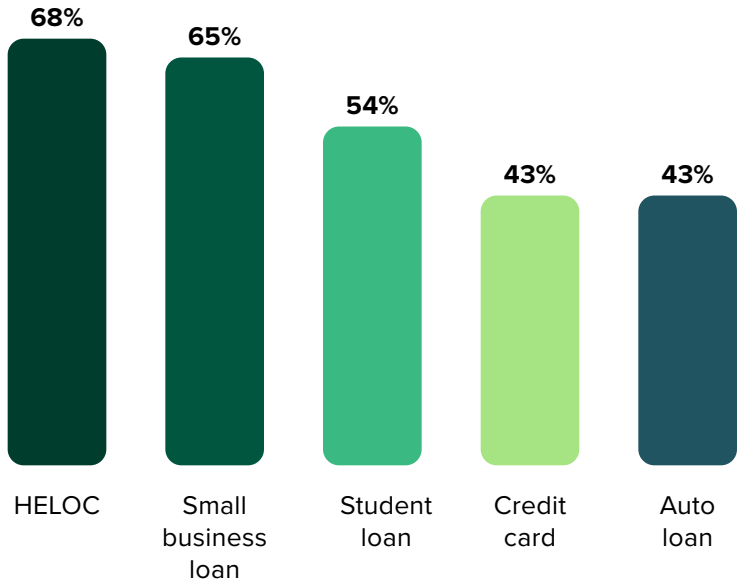
Personalization Drives Major Opportunities For Banks If They Can Harness It

Banks can capitalize on short-term opportunities by delivering timely personalized recommendations at key customer moments. For example, customer acquisition creates significant opportunities for cross-sell and upsell, and personalization can help banks gain an advantage. Sixty-eight percent of surveyed banking customers said they have actively considered opening at least one other financial product while applying for an account during the past year, and 43% said they're open to some form of financial product cross-sell at the time of a new account application (see Figure 4). And 72% said product offers are more valuable when they are tailored to their personal needs. This presents a compelling opportunity to capture immediate value from personalization.

Figure 4

Banking Customers Are Open To Cross-Sell Opportunities

Percent Of Respondents Who Considered Opening An Additional Account When Applying For Each Of The Following Financial Products



72%

of surveyed banking customers said product recommendations are more valuable when they are personalized.

Base: 2,137 North American consumers who have applied for relevant financial products within the past 12 months
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

At the same time, it's crucial that banks find ways to leverage personalization to reduce friction at the time of application. Across financial products, surveyed consumers said enabling smoother applications and approvals was a major deciding factor in bank choice. Naturally, customers are primarily driven by the best rates, discounts, and reward programs. But respondents consistently said the degree to which the bank makes the application process easy (e.g., by auto-filling required and known first- and third-party information or providing fast pre-approvals and quick access to funds) is the second- or third-most critical decision driver. In this way, delivering an excellent, personalized experience at the time a customer needs it drives more consideration and purchase, which can help banks capture more market share. This approach also gives banks a way to compete on different footing than the familiar, commodified, and limited "race to the bottom" field of low rates and giveaways.

Surveyed customers said easing application processes and providing quick access to funds are strong drivers of bank choice.

BANKS ARE LEANING INTO ADVANCED CAPABILITIES TO CAPTURE PERSONALIZATION BENEFITS

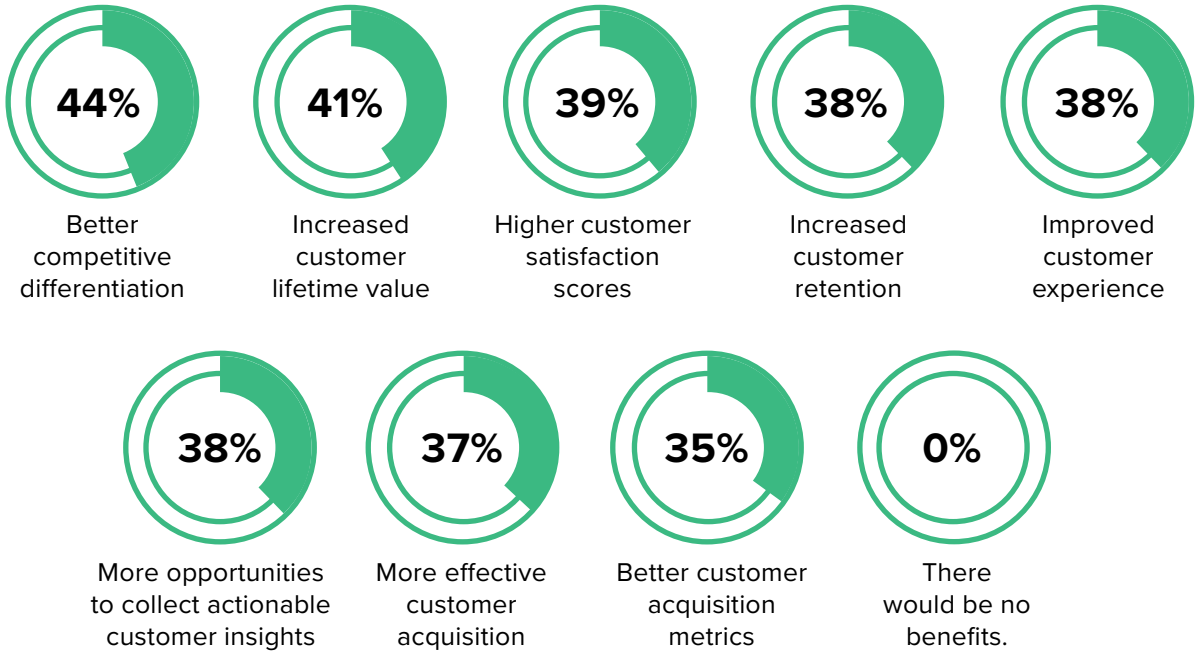
Banks' increasing investment in personalization will drive a significant rise in the adoption of key capabilities in the coming years. For example, 45% of surveyed decision-makers predicted an increase in adoption of personalization based on machine learning (ML) within two years. They recognize that consumers expect more choice in how, where, and when they interact with banks and open new financial accounts. More than half of surveyed decision-makers said it's important or mission-critical to empower customers to use the channel of their choice for each step of their buying journey, enable them to apply for loans through the channel of their choosing, ensure they have relevant and personalized options available to them, and allow them to leverage first- and third-party data to reduce friction in the loan application process.

Banking decision-makers said their organizations are making investments and setting priorities because they believe in the returns that better personalization will deliver. Surveyed decision-makers said improved personalization strategies will deliver better competitive differentiation, improve CLV, and drive better customer satisfaction, retention, and CX (see Figure 5).

Figure 5

Banks Tie More Effective Personalization To Business Benefits

"Which of the following business benefits do you believe are the result of delivering highly effective personalized experiences to your organization's customers?"



Base: 324 decision-makers at North American lending institutions
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

Decision-makers said their banks' personalization investments have helped shore up competitive advantages and drive more rewarding customer relationships.

Focus On Key Personalization Capabilities To Deliver Better Customer And Business Outcomes

To plot a course to personalization improvement, Forrester developed and tested a personalization maturity model that outlines the key capabilities that drive effective banking personalization programs and asked survey respondents to assess their organizations against the following criteria:

- **Experiences:** What is the range of personalized experiences the bank offers today?
- **Data:** What types of customer data can the bank leverage to create personalized experiences?
- **Advice and recommendations:** What types of personalized assistance can the bank deliver?
- **Channels:** What channels can the bank use to deliver personalized advice and recommendations?
- **Customer lifecycle:** Which customer lifecycle stages can the bank personalize for customers?
- **Product scope:** How effectively can the bank offer personalized recommendations across products?
- **Proactivity:** How well can the bank predict which product recommendations will be most useful to each customer?
- **Employee enablement:** How well can the bank position its employees to deliver personalized experiences?

Forrester tabulated the results for each of the eight categories and scored each of the decision-makers' organizations on a scale between zero and 10 for a total possible score of 80. Ultimately, 19% of the respondents' banks scored between 48 and 80 points and qualified as highly mature, while 18% of their banks scored between zero and 35 points and qualified as low-maturity banks. We then compared the results from highly mature banks against those of less mature ones to understand the effects and outcomes of more mature personalization programs, and also to detail how mature banks outperform the competition.

BANKS WITH MORE MATURE PERSONALIZATION PROGRAMS HAVE HIGHER BUSINESS PERFORMANCE THAN LOWER-MATURITY BANKS

Decision-makers at banks have multiple priorities and initiatives vying for their time, focus, and investment. Therefore, devoting resources to the finer points of personalization may seem like a risky bet with an uncertain payoff. But the performance of mature banks indicates this isn't the case. In fact, 26% of banking decision-makers said their bank was more likely to exceed its revenue goals last year and that they plan accomplish it without major cost overruns.

Surveyed decision-makers from banks with more mature personalization programs credit those programs for their banks' business successes.

For example, respondents from mature banks were nearly three times more likely to say their bank outperformed its goals in cross-sell, upsell, and customer acquisition when compared to respondents from low-maturity banks. Mature banks are far more successful at understanding and responding to customer needs. Sixty-four percent of respondents from these banks said their organization is likely to overachieve against its CX goals, and 33% said their bank is successful at improving customer loyalty and retention (see Figure 6).

Figure 6

Mature Banks Are Much More Likely To Succeed At Their Key Business Goals

Key business priorities	Mature firms' overperformance
Improve cross-sell and upsell	+189%
Improve customer acquisition	+180%
Better understand/respond to customer needs	+171%
Accelerate digital transformation/drive digital innovation	+171%
Improve customer experience	+64%
Improve customer loyalty and retention	+33%
Reduce costs	-1%

Base: 324 decision-makers at North American lending institutions
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

And there's another interesting note about this comparison: Although mature banks are focused on building personalization maturity, it hasn't led to excessive costs. In fact, respondents from mature banks that have invested in personalization capabilities said their bank was nearly as likely to have reduced costs. Making this gap even starker, respondents from low-maturity banks said customer acquisition and cost reduction are their organizations' two top business goals for the year. But they also haven't been more successful than mature firms in either.

Finally, respondents from mature banks said personalization is responsible for their bank's success across customer touchpoints. They were 55% more likely to describe personalization as a very important driver of their bank's success in customer acquisition than respondents from low-maturity banks. They were also 73% more likely to say personalization contributed to their bank's customer-service success and 122% more likely to credit their bank's personalization capabilities for its success in customer onboarding.

FOLLOW THE LEAD OF MATURE BANKS TO EXCEL IN PERSONALIZATION

Are you looking to close the gap between your bank and more mature banks and to develop deeper and more rewarding relationships with your customers? It helps to examine where mature banks truly excel and then to develop a plan to build toward true personalization excellence. Looking at the eight categories of the maturity model, the results of mature banks show how they differentiate themselves by overperforming on the basics and laying the foundation for more advanced programs (see Figure 7).

Figure 7

Mature Banks Excel With A Foundation Of Data And Customer-Centricity

Category	Mature banks' overperformance
Data: What types of customer data can the bank leverage to create personalized experiences?	+109%
Advice and recommendations: What types of personalized assistance can an FI deliver?	+102%
Customer lifecycle: Which customer lifecycle stages can an FI personalize for customers?	+94%
Channels: What channels can an FI use to deliver personalized advice and recommendations?	+81%
Employee enablement: How can an FI position its employees to deliver personalized experiences?	+70%
Experiences: How many / what kinds of personalized experiences can FIs offer today?	+58%
Product scope: How effectively can an FI offer personalized recommendations across products?	+26%
Proactivity: How well can an FI predict which product recommendations will be most useful to the customer?	+24%

Base: 324 decision-makers at North American lending institutions
Source: A commissioned study conducted by Forrester Consulting on behalf of Blend, November 2021

Mature banks excel at leveraging data to deliver valuable CX when and where customers need it.

By examining the areas where mature banks excel, it's easy to see a pattern that can also serves as an excellent template for any bank looking to develop its personalization program into a differentiating experience.

- **Data excellence means building a holistic understanding of your bank's customer.** Data is the foundational capability for programs that are designed to create more targeted and tailored experiences. Mature organizations tap more sources of customer data, including customers' assets and income, transactions, credit scores, and even third-party data like social, browsing, and third-party offer data to ensure their CX is as contextually relevant as possible for customers. To meet customer demands for personalized and consistent experiences, banks should work to harness customer insights to deliver real-time, predictive, and proactive financial experiences that serve the customers' specific needs.[6]
- **Maturity in advice and recommendations requires a focus on delivering customer value.** Mature banks take a strong foundation of customer data and use it to create experiences that put customer value first. They leverage holistic knowledge of their customers based on their stated and inferred needs to effectively address their immediate financial needs, they optimize short-term financing options, and then guide them toward achievable long-term financial wellness, like reducing debt or increasing savings.
- **Effective customer lifecycle personalization lets banks be there when customers need them.** One of the key lessons from the age of empowered customers is that it's those customers, not businesses, that set the terms and the agenda, and they have an ever-increasing ability to favor brands that support them on their terms. Because mature banks focus on delivering personalization across the customer lifecycle, they can proactively plan and deliver contextually relevant experiences to customers when they need them most. In doing so, they reduce friction and add value to moments in marketing, prequalification, onboarding, or servicing. This helps customers consistently feel supported and valued by showing up when they're needed.

- **Mastering channels lets banks be available where customers need them.** Deploying personalization across the customer lifecycle is about supporting customers when they need, and our findings show that mature banks are obsessed with being there for customers where they're needed as well. Mature banks excel at delivering personalized experiences across online and offline customer touchpoints so customers feel consistently supported regardless of how the bank reaches out.
- **Employee enablement powers the whole organization to deliver valuable, relevant, and consistent experiences.** Customer obsession is the job of the whole organization, and highly mature banks are adept at ensuring relevant employees are empowered to personalize customer experiences and product recommendations by delivering the insights they need in real time.
- **Creating personalized experiences that respond to customer needs and reduce friction across the lifecycle is a major differentiator.** Mature banks leverage available first- and third-party data to enhance their understanding of what customers qualify for and need from them, then they obsess about meeting those needs through targeted recommendations and advice delivered in the moment and channel that customers choose. Providing effective personalized experiences also reduces customer friction by minimizing the need for customer data input and qualification steps to quickly deliver solutions.
- **Mature banks apply the virtues of personalization across the full scope of products.** Having more mature product scope practices means applying personalization across a full suite of products while orchestrating them in a coherent and centralized manner. In this way, customers of more mature banks receive consistent value and experiences regardless of what business unit they engage with at the bank.
- **Proactivity means leveraging customer understanding to anticipate needs.** Mature organizations excel in proactivity by leveraging customer understanding and intuitive design to anticipate and meet customer needs. The experiences they create are rooted in customer context derived from holistic data practices and they are designed to reduce friction in the customer journey.

Banks looking to shore up or improve their personalization programs should start with foundational capabilities like getting their data management and insights generation in place because customer context should ultimately guide all personalization decision-making. This will help lay the foundation for adopting personalized customer acquisition efforts that can help build expertise and bolster the business case for further investment. Decision-makers should leverage this understanding to create genuinely valuable customer outcomes and experiences, then ensure those experiences are available to customers when and where the customer decides they're needed. Banks should then ensure that relevant employees are empowered with insights to foster and deliver these personalized experiences in a way that strips out manual processes and reduces friction in their customers' journeys. Banking leaders should evaluate their organizations across these dimensions and derive a plan to mature their programs. Decision-makers can accelerate their bank's progression from table stakes personalization to truly differentiating experiences by leaning on partners and internal teams to define a right-sized plan that moves them from current to desired states.

Key Recommendations

Forrester's in-depth survey of banking decision-makers and customers about the state of personalization yielded several important recommendations:

Banks need to pick up the pace on personalization to remain competitive.

Customers are prepared to reward banks that can deftly and responsibly leverage data and insights to deliver personalized experiences. But banks' personalization programs fall well short of customers' expectations. To meet or exceed consumer demand and to maintain a competitive edge, banks must move faster to execute on personalization.

Drive customer acquisition and onboarding success with personalization.

Most surveyed decision-makers said they know that personalization is an important driver for their bank's customer-acquisition strategies, however much of the focus has been around personalized marketing — especially email marketing. There's more that banks can and should do to improve acquisition success like using personalization to make application processes easier for customers and speeding up underwriting approvals and access to funds. These improvements can aid banks in achieving quick wins and building a business case for future personalization investment.

Realize greater benefits with proactive personalization across products, channels, and the customer lifecycle.

Banks with mature personalization programs greatly outperform less-mature firms across key business KPIs. What do mature personalization firms have in common? They personalize a greater number of experiences, leverage more customer data, provide personalized service and advice across multiple channels and products, personalize experiences across the customer lifecycle, anticipate customer needs to deliver proactive personalized insights and recommendations, and empower employees to deliver personalized experiences.

Lean into advanced capabilities to capture personalization benefits.

Efficiently delivering personalization at scale and across products and the customer lifecycle requires advanced technologies such as AI and ML. Banks' increasing investment in personalization will drive significant rise in adoption of these advanced capabilities in the coming years. Decision-makers predict there will be a 45% increase in the adoption of ML-based personalization within two years. Overcoming the challenge of scale across the product and customer lifecycle will enable banks to fully capture the customer benefits and business benefits of personalization.

Create personalized experiences that deliver value and build trust.

Consumers are increasingly interested in more personalized experiences; however, most expect to be able to exert control over which data is used and under what circumstances. Therefore, it's important for banks to ensure they build trust around how they will use customers' data to deliver personalized experiences. While customers are increasingly interested in more personalized offers and information, most expect to be able to exert control over what data is used and under what circumstances. Banks should ensure they factor in customer trust with their personalization programs.

Appendix A: Methodology

In this study, Forrester conducted an online survey with 324 decision-makers at financial organizations in North America and 2,137 banking customers to better understand the landscape of personalization in the financial services industry. Banking survey participants included decision-makers in IT/operations, digital experience and delivery, line of business, and marketing roles. Questions provided to consumers asked about their attitudes and behaviors around personalization with banks. Questions provided to decision-makers were geared toward evaluating their organizations' personalization strategies and planning. Respondents were offered a nominal financial incentive as a thank you for time spent on the survey. The study began in June 2021 and was completed in February 2022.

Appendix B: Demographics

REGION	
North America	**100%**

FINANCIAL PRODUCT APPLICATION (CONSUMERS)	
Credit card	**67%**
Deposit account	**40%**
Mortgage	**25%**
Auto loan	**21%**
Personal loan	**18%**
HELOC	**10%**
Student loan	**7%**
Small business loan	**2%**

FINANCIAL SERVICES SECTOR (DECISION-MAKERS)	
National bank	**27%**
Regional bank	**27%**
Community bank	**21%**
Federal credit union	**14%**
Online-only lending	**10%**

GENERATION (CONSUMERS)	
Gen Z	**8%**
Millennial	**36%**
Gen X	**27%**
Baby Boomer+	**29%**

HOUSEHOLD ASSETS (CONSUMERS)	
High ($1M or more)	**11%**
Medium ($50K to $1M)	**74%**
Low ($50K or less)	**15%**

ORGANIZATION SIZE (DECISION-MAKERS)	
20K employees or more	**11%**
5K to 19.9K employees	**18%**
1K to 4.9K employees	**24%**
500 to 999 employees	**24%**
100 to 499 employees	**17%**

POSITION (DECISION-MAKERS)	
C-suite	**24%**
Vice president	**30%**
Director	**27%**
Senior manager	**20%**

Appendix C: Endnotes

[1] Source: “Chart Your Course To Successful Personalization In Banking,” Forrester Research, Inc., September 29, 2021.
[2] Source: “Banks Should Personalize Across The Lifecycle And On All Touchpoints,” Forrester Research, Inc., December 1, 2021.
[3] Source: Ibid.
[4] Source: Ibid.
[5] Source: “Consumer Banking Trends In 2021,” Forrester Research, Inc., March 30, 2021.
[6] Source: “Chart Your Course To Successful Personalization In Banking,” Forrester Research, Inc., September 29, 2021.


FORRESTER®