

Market commentary

Competitive payments experiences begin with data

The payments industry is a competitive landscape, fraught with shifting regulations, cluttered rails and invasive fintech disrupters.

For a financial institution (FI) to compete in today's payment ecosystem, they need a data-led payments strategy that delivers expedient solutions and premier customer experience. There is no surer route to triumph in this context than the responsible and proactive usage of data.

By nature of the trade, FIs enjoy an enormous wealth of customer data. Sophisticated FIs are tapping into massive data lakes, looking for opportunities to generate new revenue streams, shape more meaningful relationships and design operational efficiencies.

Still, many FIs are not harnessing the full potential of their data. For some, it has not been a strategic imperative and leadership teams have kicked the can down the road. For others, competition has forced their hand, making data a priority. However, they still lag behind as they lack the tools and know-how to invent and execute data-driven experiences.

These eager FIs must take a strategic approach to unlocking the value of data in payments. Their efforts must yield stronger customer relationships, create new payments experiences and institute



sustainable practices that will meet their business needs for years to come.

The first step an FI needs to take is removing the systemic barriers that prevent critical sharing and analysis of data. The potential of data is only truly realized through collaborative analysis across business units, wherein FIs can gain a more holistic view of a customer and their payments-focused and non-payments-focused behaviors. Additionally, many FIs are augmenting their data analysis to include aggregated third party data. Introducing external data, from geospatial to sales-informed sets, only further paints an accurate portrait of the customer.

Data scientists aren't the only individuals within the walls of a bank who can and should provide meaningful insights on this data. Marketers, relationship managers, UX/UI designers, and above all bankers, should have democratized access to data in order to provide timely and valuable insights that allow the entirety of the FI's internal teams to succeed.

FIs need not boil the ocean when it comes to authorizing their data strategy either. A crawl/walk/run model is critical in slowly but steadily rolling out your data-led payments strategy. This includes carefully understanding the potential of your data lake, investigating how your toolset can leverage the data, and planning for what your employees will do with the information they collect. The benefits of starting small are immeasurable.

In reality, the entire journey to a data-led payments strategy begins with an assessment of the customer needs. What do they need from their FI in terms of both

banking products and digital products? What is their financial health? What is their affinity for technology? Understanding who your customer is will help you plan for what data to collect and what resources to employ.

Following these best practices will allow your organization to avoid costly missteps and offer your customers competitive payments experiences built on a foundation of robust data.

Corporate Headquarters

4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

