2022 Digital Trends

Financial Services in Focus

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With nearly 10,000 participants in the 2022 study, more than 95,000 businesspeople from every continent (including Antarctica) have contributed their time and insights to this research since its inception in 2010. Their contributions make this the largest and most durable international study of how digital trends are changing the marketing discipline.

Adobe and Econsultancy would like to thank everyone for their effort and insight.

Foreword

Welcome to the *2022 Digital Trends – Financial Services in Focus* report! Based on Adobe's annual survey, produced in collaboration with Econsultancy, the report captures the insights of 591 qualified client-side financial services respondents. It has enabled us to map the evolution of customer experience trends and identify opportunities for companies to refine their digital strategies and drive sustained growth in the new year and beyond.

There's no doubt that the global events of the past two years have accelerated the digital transformation for companies in the sector, and it won't be letting up. Indeed, the majority (86%) of those we surveyed either 'agree' or 'strongly agree' that the pace of change will persist for the foreseeable future.

Perhaps unsurprisingly, businesses are rethinking how they engage with customers. The pandemic raised the bar on the need for firms to be more agile, collaborative and speed up the time-to-value. It has prompted companies to turn to real-time data and insights to handle the unexpected. It has also forced them to bridge functional silos – across sales, marketing, product, IT, finance and support – to understand how to run a digital business end to end. As customers fluidly switched between channels of interaction, the need for omnichannel personalisation, automation and scalability took on greater urgency.

Companies that overcame organisational and technology silos and worked across functions to quickly move as one came out in front. Throughout 2021, we saw a widening gap between those that were able to pivot and capitalise on the shift to digital and those who were caught flat-footed.

The challenge that many organisations face today is how to incorporate the agile methodologies developed in the crisis 'war-rooms' of the pandemic into ongoing business operations. The study shows that many companies are struggling with implementing the

Christopher Young,
Director, Financial Services Industry Strategy at Adobe

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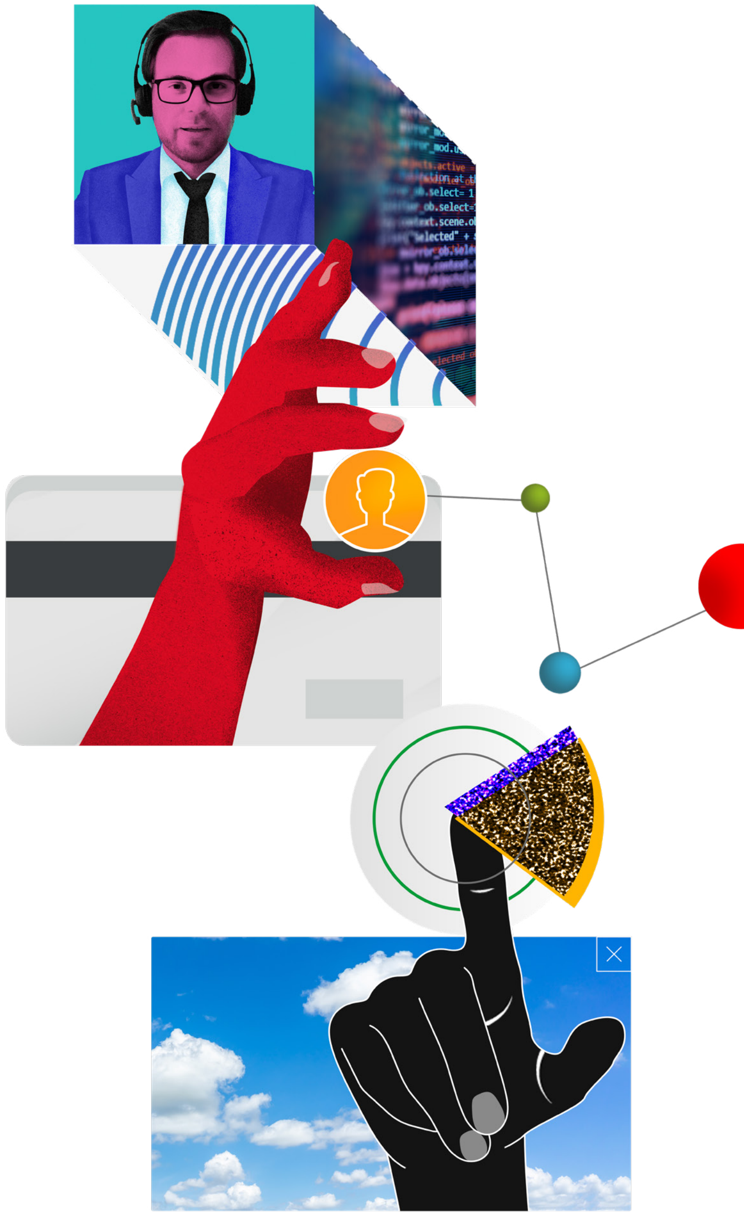
>
> ***2022 Digital Trends – Financial Services in Focus, Adobe***

necessary cultural and operational changes that are necessary to stay nimble and respond to rapidly evolving market dynamics.

How companies gather and extract insights from customer data will become more critical, especially as marketers shift from relying on third-party data and embrace first-party strategies. Our findings suggest that there is much work to be done here: a significant rate of practitioners see their organisation as ill-prepared for the deprecation of third-party cookies and shift to first-party data to personalise their customer experiences. This is especially troubling as customer expectations are continuing to rise and the importance of developing and nurturing direct customer relationships has never been more important.



As financial services firms move from one moment of uncertainty to the next, grappling with inflation, global supply chain problems, a tight labour market and shifting pandemic conditions, data-driven customer insights and the ability to quickly adjust strategies will be more important than ever. Companies that can successfully operationalise rapid decision making and act on customer insights will be better placed to achieve customer-centric experience innovation – and sustain business growth.

The *2022 Digital Trends – Financial Services in Focus* report explores a wide range of trends impacting companies' ability to successfully navigate the highly dynamic global environment, including changing customer expectations, escalating complexity and competition, training and development and the realities of hybrid work environments.

With the world in a constant state of flux, this year's report offers timely insights to help marketers and business leaders plan their strategies to drive sustained success in 2022 and beyond.

Methodology

The *2022 Digital Trends – Financial Services in Focus* report is based on an online survey fielded to select Econsultancy and Adobe lists. In addition, third-party panel participants were added to meet quota requirements and given an incentive for their time. The survey was launched on November 11th, 2021 and closed on January 6th, 2022 with 591 qualified client-side financial services respondents.

DEMOGRAPHIC PROFILES

- 29% of respondents are at the senior director level or above, 71% at the practitioner level. Throughout the report, we include comparisons between these two groups.
- 38% of respondents work for Retail Banking, 33% for Insurance, and 29% for Wealth and Asset Management.
- Those addressing both B2B and B2C markets equally accounted for 45% of respondents, followed by B2C (30%) and B2B (25%).

INTRODUCING THE MARKETING ORGANISATION PERFORMANCE INDEX

To explore the characteristics of leading and mainstream FS companies, we developed a Marketing Organisation Performance Index (MOPI). This was based on a practitioner-level survey question asking respondents to rate their marketing organisations on a 10-point scale along five distinct measures

- Agility in responding to opportunities and disruptions that may arise
- Innovation
- Collaboration from the technology/IT group
- Talent development and education
- Ensuring diverse and inclusive teams

We selected these five measures because, as you will see in the report, they are each related to building successful organisations that can survive and thrive in the complex and fast-changing business environment. Our thinking in developing this index was that a composite measure that incorporated all five would provide an additional level of insight above and beyond the individual measures.

Since respondents rated their marketing organisations on a 10-point scale on each of five measures, the highest possible score was 50. We then assigned each respondent to one of two categories based on their index score:

- **Leaders,** comprising 34% of the respondents, are those whose scores ranged from 37 to 50. They rated their marketing organisation highly across most, if not all, five measures.
- **Mainstream,** comprising 62% of the respondents, are those whose scores ranged from 16 to 36.

1. Executive Summary

The digitisation of financial services (FS) has been a revelation, not least to the institutions themselves. The potential to transform the transactional relationship into one where service providers are real financial health partners has exploded over the past 12-24 months.. The challenge going into 2022 will be for leading institutions to keep up with the pace of change they – and other non-financial entities in industries as wildly different as entertainment, retail, and healthcare – have set themselves. For mainstream companies, this coming year may well be a case of 'do or die'.

WHAT THE NEW DIGITAL EXPERIENCE LOOKS LIKE

Customers' digital experiences are informed by Netflix, Amazon, their friends' Instagram feeds, amongst others. It's not surprising then that when it comes to customer experiences, these are among FS companies' key competitors. It's no longer enough to have a seamless transaction. Customers are searching for companies that help them succeed beyond that single engagement. With economic pressures rising in 2022, the companies that can help customers understand their financial position and manage it better, intuitively, and across any platform at any time, will be setting the pace.

NO ONE CAN AFFORD TO STAND STILL

In FS, no one can afford to rest on their laurels. Whether challenger or incumbent, there are elements that work in favour of each, but the ***rate of change is so fast that today's innovation is tomorrow's old news.*** This report identifies five key performance indicators that all FS businesses should continually benchmark against: Agility, Innovation, Collaboration, Talent, and Diversity. Leaders (as defined by the Performance Index described on the previous page) outperform their Mainstream peers on every indicator. But the reality is that today's organisations can't afford to let a single indicator underperform if they are to be successful overall.

SUPPORTING THE BUSINESS

Data is, unsurprisingly, the top priority for senior executives and practitioners in financial services — in mining it for insights and building architecture to manage it correctly. Building capabilities here will be crucial given the impending removal of third-party cookies in 2023. While FSs have a wealth of existing first-party data for managing customer relationships, our survey indicates they have yet to develop efficient strategies for gaining insights from it — an essential requirement to replace the loss of visibility third-party cookies provided.

Less explored among FSs are the technologies they can use to support their staff in various roles. The need to upskill and then invest in workflow technologies are top priorities for FSs that want to build agile businesses, with Leaders notably beginning to focus on the Marketing Operations role. This is a recognition that technology, talent, and digital experience (DX) excellence go hand in hand, and they must be resourced appropriately.

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>
> ***2022 Digital Trends – Financial Services in Focus, Adobe***

2. Situation: The New Reality for Financial Services

For many organisations, the pandemic itself was a catalyst for change. In the initial stages, customers and organisations were 'forced online', ultimately giving way to unique opportunities for engagements with new and existing customers. It gave many businesses the impetus to focus on omnichannel experiences, integrating online and offline experiences in ways rarely seen pre-pandemic.

The financial services industry was no exception, serving customers temporarily barred from in-person contact and bringing many of them online for the first time. Our research confirms that most FS companies saw a dramatic uptick in digital use, new online customers, and changing customer journeys (see *Figure 1*, below).

Fortunately, FS organisations had already been on a digital transformation journey before the pandemic struck; the foundations were already in place for remote and self-service transacting. According to one report, the industry has spent over $1 trillion on technology investments over the last four years, enabling personalised digital user experiences.[1]

While the surges quantified in *Figure 1* were most likely to be observed in retail banking, areas of finance with traditionally higher-touch, in-person experiences like wealth management have also moved to embrace the times. Take Merrill Lynch, which has found a way to replicate an in-person advisory session, at least in part. It announced 'Digital Wealth Overview,' a platform that created 3-4-minute-long personalised video presentations narrated by a virtual assistant. During these presentations, the assistant can speak directly to the investor, using the investor's own data.

1 IT Spending During COVID-19 in Banking | Celent

FIGURE 1

Thinking about the last 18 months, were the following true or false for your organisation? *('True' responses only)*

Sample size = 273 (Insurance respondents = 96; Retail Banking respondents = 106; Wealth and asset management respondents = 71)

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

Customers can also see their financial status displayed in a much more digestible, engaging format than in a phone call, which might lack supporting materials. It is a way of bringing the best of both digital and offline worlds together.[2]

Given that elsewhere, our survey indicates that most senior FS executives expect the pace of change to persist for the foreseeable future (86%), it's unsurprising that players like Singapore-based DBS are investing over $200 million into its Intelligent Banking capabilities.

Heightened Digital Expectations

Heightened digital adoption means heightened digital expectations, and customers don't care if the product is finance or films. According to an executive at HSBC-backed mobile payments firm PayMe, "people aren't comparing us with other banks or even other payment solutions. They're comparing us with things like their Netflix experience."[3]

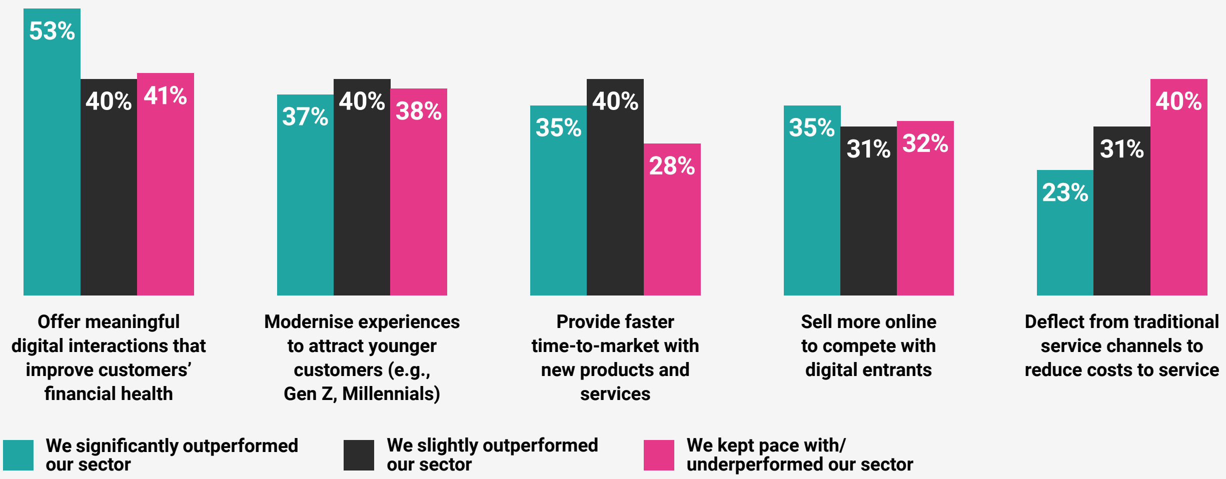
In the same way that the 'Netflix experience' isn't just about accessing a film, true DX in retail banking isn't about accessing accounts. In the same way Netflix understands customer preferences and makes intelligent recommendations, the shift from in-person banking to online means the financial advice aspect must also make the leap. This is particularly true in the context of 2022's economic circumstances. A quarter of Americans expect their financial situation to worsen this year, which means customers will increasingly depend on FSs to help them get on top of their finances.[4]

Unsurprisingly, as shown in *Figure 2,* 2021's strongest performing FS brands in our study were far more likely to indicate that 'offering meaningful digital interactions that improve customers' financial health' was among their organisation's top goals (53%) compared to those that simply 'kept pace with' or 'underperformed' their sector (41%).

2 https://www.wealthmanagement.com/technology/merrill-lynch-launches-de-mand-personalized-data-rich-client-videos
3 https://www.cdotrends.com/story/16084/rethinking-cx-tall-order-FSI
4 https://www.cnbc.com/2021/12/21/a-quarter-of-americans-expect-their-finan-cial-situation-to-be-worse-in-2022.html

FIGURE 2

Top goals of FS organisations versus perceptions of their organisations' performance relative to their industry sector peers.



Sample size = 423 Note: The sample size includes both senior executives and practitioners.

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

In this new reality, the best products will offer the most valuable features in terms of individual customers' specific preferences and needs. According to recent global research by EY, personalisation features that help maximise functional benefits linked to products are most valued by financial services customers.[5]

Against a backdrop of financial turbulence and rising costs of living, consumers need visibility, guidance, and flexibility more than ever.[6] Indeed, customers have flocked to Bank of America's 'Life Plan' empowering individuals to set financial goals based on their life priorities and better understand and act on steps to achieve them. Tracking 5 million customers as of October 2021, it has become the company's most rapidly adopted digital feature of all time. At the same time, since launching nationally one year ago, account balances among Life Plan users have increased by $34 billion.[7]

Accelerating Digital Experiences Through Partnerships and Acquisitions

Moving from a transactional relationship across a handful of channels to a more partnership-based one across the omnichannel is anything but straightforward. The mobile-first disruptors make it look easy, but some critical points are in their favour. They have built their offering on a modern tech stack that isn't just fit for purpose; it was designed for it. Despite their rapid innovation, disruptors' customer share, relative to incumbents', remains small. Challenger banks such as Chime have dramatically grown their user base – from eight million in 2020 to 12 million in 2021 – but data from 2021 showed that, among all US consumers, only 11% have a digital bank as their primary institution.[8]

This is partly due to customer inertia; annual switching rates are reportedly stuck at 2% in the UK alone.[9] But this only tells part of the overall story, with traditional financial services companies increasingly taking a leaf out of fintech's books to combat the growing threat from digital-savvy disruptors.

Supporting this point, Econsultancy's *Digital Transformation Monthly – 2021 in Review*[10] provided the following examples:

- *May 2021 saw HSBC USA squared up to fintech rivals with the launch of a multi-currency digital wallet solution – the first such offering from a US bank – enabling small- and medium-sized businesses to "pay like a local" in overseas currencies.*[11]
- *Visa moved into fintech and broader financial services with the acquisition of the European open banking platform Tink.*[12]
- *Mastercard followed suit with the acquisition of Danish open banking firm Aiia, in a move that Chief Product Officer Craig Vosburg said, "anchors our European open banking efforts and allows us to continue to meet our customers where they are."*[13]
- *2021 also saw J.P. Morgan achieve its long-rumoured ambition of launching a digital challenger bank brand in the UK, as the launch of Chase in September marked its first foray into retail banking overseas.*[14]

None of this is to say that established financial services firms are no longer feeling the squeeze from newer upstarts, many of whom continue to give financial services firms a run for their money as they stabilise and grow. For example, Challenger bank Monzo is on the rebound after a turbulent 2020, closing a new $500m funding round in December 2021.[15]

5 https://www.ey.com/en_gl/banking-capital-markets/how-can-banks-transform-for-a-new-generation-of-customers
6 https://www.forbes.com/advisor/investing/ipsos-consumer-confidence-jan-2022/
7 https://newsroom.bankofamerica.com/content/newsroom/press-releases/2021/10/more-than-5-million-bank-of-america-clients-use-life-plan-in-its.html
8 https://www.forbes.com/sites/ronshevlin/2021/02/01/challenger-bank-chime-hits-12-million-customer-mark/?sh=46d11e323f59
9 https://www.ft.com/content/57cd381b-25a8-4704-89e9-b8b94b667c08
10 https://econsultancy.com/reports/digital-transformation-monthly-2021-in-review/?view=full
11 https://www.finextra.com/newsarticle/38070/hsbc-to-take-on-fintech-rivalswith-multi-currency-digital-wallet
12 https://www.visa.co.uk/about-visa/newsroom/press-releases.3112117.html
13 https://www.mastercard.com/news/press/2021/september/mastercard-expands-open-banking-reach-with-acquisition-of-aiia/
14 https://www.ft.com/content/90d9be53-d8d2-478b-8740-4ce0a3f23b05
15 https://www.reuters.com/business/finance/monzo-valuation-jumps-45-billion-after-fresh-funding-round-2021-12-08/

Indeed, only 12% of FS practitioners think their digital experience is currently ahead of customer expectations (see *Figure 3*). For those encouraged that more than half appear to be keeping pace, it is a fragile position to be in given customers' constantly rising expectations. It's perhaps understandable that traditional players are seeking to accelerate their digital transformation aims and accelerate quickly.

Benchmarking Against Performance Indicators

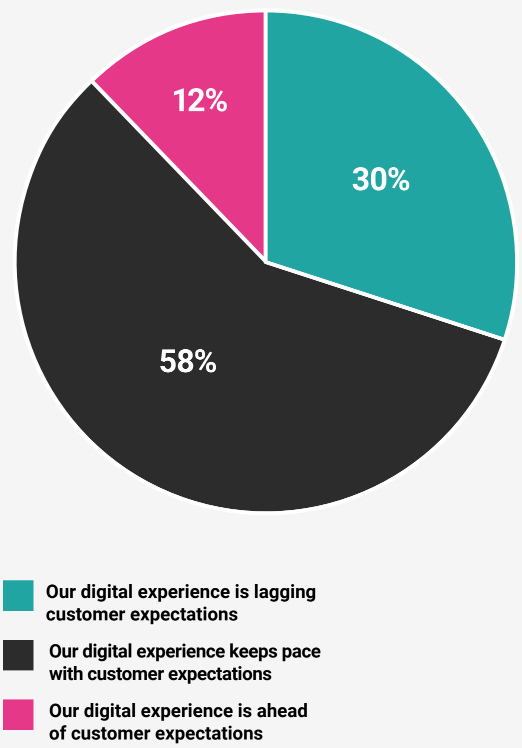
To understand what separates leading companies from static or lagging organisations, we have created a Performance Scorecard that helps us understand what drives companies' performance in their digital customer experience.

We first asked respondents which of three categories best describes their company's digital customer experience: lagging customer expectations, keeping pace, or ahead. We then asked them to gauge the overall health of their business by rating it on a 10-point scale on each of five criteria:

1. *Agility in responding to opportunities and disruptions that may arise*
2. *Innovation*
3. *Collaboration from the technology/IT group*
4. *Talent development and education*
5. *Ensuring a diversity of backgrounds and opinions*

FIGURE 3

How would you describe your organisation's digital customer experience?



Sample size = 380

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

Finally, we cross-tabulated the responses to these two questions, and the results are displayed in *Figure 4* below.

Figure 4 clearly shows that FS companies that exceed their customers' expectations on their DX have universally higher scores across all five measures ranging from *Agility* to *Diversity* than those that lag those expectations. There are no outliers. Drilling down into the data, we see that the most significant differences between organisations whose DX exceeds customers' expectations and those that lag customer expectations are *Innovation* (a difference of 3.1 points on the 10-point scale) and *Collaboration* (a difference of 3 points).

The pattern is the same whether it is a Retail Banking company or an Insurance one. In its Global Banking Review, McKinsey agrees that leading banks and fintech are the ones imitating the models of consumer DX leaders Amazon, Spotify, and Netflix.[16] The message is clear – if you excel in DX, your marketing performance is likely to thrive and vice versa. Improve one, and the others may well follow.

Often, when presented with a 'status update' like this, there can be a sense of futility – 'where are we going wrong,' followed by 'where do we start'. By breaking the performance indicators into specific sections, it is possible to see where improvements need to be made and how much work is required to close the leaders' gap.

16 https://www.mckinsey.com/industries/financial-services/our-insights/global-banking-annual-review

FIGURE 4

Customer experience proficiency versus organisational performance against key dimensions.

How would you describe your organisation's digital customer experience?
Our digital experience…

	Lags Customer Expectations	Keeps Pace with Customer Expectations	Ahead of Customer Expectations
Agility	5.2	6.5	7.5
Innovation	4.8	6.6	7.9
Collaboration	4.9	6.7	7.9
Talent	5.2	6.5	7.4
Diversity	5.8	6.8	7.9

Note: The numbers displayed in the table are average scores, with 10 being the highest possible score. Sample size = 318

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

3. Complication: A Rethink – But Not Necessarily a Rebirth

The majority of established FSs, whatever the sub-sector, were not built with today's market in mind. To implement effective change, those that are already on a transformation journey will have to double down, and those that are lagging will have to act now, and act decisively.

This does not, however, require a total transformation. You can't be happily sailing the seas as an aircraft carrier one day, spot a submarine, and because it's faster and better at avoiding trouble, just decide to become one too. You need to deal with the fact of who you are and how you can work with what you've got to improve. You also have to work out what to tackle and when, because your aircraft carrier is still moving, still working even as you are reengineering. You can't just park up in dry dock until you're done.

Not least because the competition isn't pausing while you're fiddling with your compass. It's not just the fintech mentioned earlier that threatens to alter consumers' perceptions of what great DX looks like. Even non-banking brands could pose a threat.

Amazon and Mercedes are just two global organisations with solid brands and broad customer bases that are already making inroads into financial services: the former with its credit card and the latter primarily in insurance.[17] If they were to navigate the regulatory frameworks, there is a distinct possibility they could pose a real threat. It's also the ultimate expression of advice we gave earlier – that customers expect the same experience from their bank as from their ecommerce or auto brands. Indeed, they may eventually be one and the same.

For FSs, the most effective approach to this sort of recalibration is first an appraisal, using a combination of the benchmarking system discussed in the previous section, and issues specific to the FS sector. The most common of these are:

1. ***Data:*** *Collect and combine multiple data sources into a unified profile for better insights and cross-channel activation.*
2. ***Content:*** *Dynamically create, optimise and deliver content across any device, screen, and channel to meet the demands of personalisation.*
3. ***Journey orchestration:*** *Understand the customer context of each stage of the journey in order to orchestrate the next best experience.*

17 https://www.reuters.com/business/finance/banks-beware-outsiders-are-cracking-code-finance-2021-09-17/

Understanding where to begin the transformation process (i.e., the initial appraisal) will also indicate how best to organise around it. This is often far from obvious. Our research reveals a disconnect across FSs as to the delegation of responsibilities. More senior leadership executives state personalisation is owned by a single department like Marketing (25%) than do practitioners (18%) (see *Figure 5*).

However, the research reinforces the generally accepted belief across all executive levels that shared ownership and collaboration are vital to scaling personalisation and more effective customer journeys overall – many hands make light work – than holding responsibility in a single function or department.

However, this does need to be balanced by accountability, generally sitting within the leadership team. This is less operational and more philosophical, helping maintain consistency and shared goals.

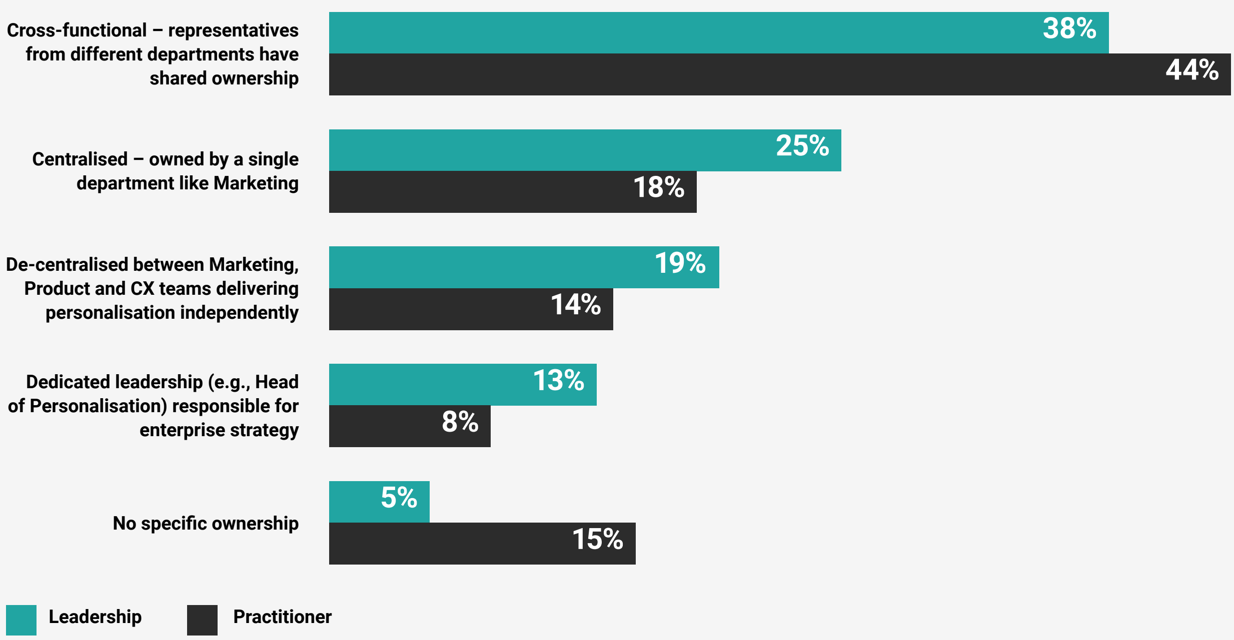
Once again, reality doesn't always match the ideal. As reported in *Figure 6* (see next page), we asked respondents to describe their organisations along a number of dimensions: fewer than half of senior executives (44%) agree that their disparate teams already collaborate effectively, with a further 48% actively working on it.

While it has only been generating headlines in recent years, it has always been a fact that a diverse and inclusive organisation usually outclasses less engaged institutions.[18 19] The regular inclusion of different voices and perspectives has been credited with helping businesses in every sector recognise and act on a wide range of consumer needs, improving both customer and employee experiences.

18 https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters
19 https://impact.economist.com/perspectives/strategy-leadership/time-act-seven-principles-effective-diversity-equity-and-inclusion-data-collection

FIGURE 5

Who is responsible for personalisation initiatives in your organisation?



Sample size = 477

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

As illustrated in *Figure 6*, senior executives recognise its importance, with 47% saying they are currently pursuing diversity and inclusion and another 45% saying they are working on it. Notably, only 8% say that this initiative is not on their radar. The conversations around D&I have certainly been around for years, but progress has been glacial. However, it would appear that it's now on leadership's radar and, encouragingly, gaining traction.

Building Blocks for Greater Collaboration

The challenges FSs face, while significant, are at least reasonably clear. Our research shows that senior executives know the tools and techniques they need to put in place over the coming year to achieve their goals (see *Figure 7* on the next page).

Senior executives' top priorities clearly revolve around organising data (*Data and insights,* 65%) and making it fit for purpose (*Enterprise data architecture,* 57%). This is perhaps unsurprising given the vantage point this can give FSs seeking to fuel marketing automation, personalise content at scale, and feed sales software.

A case in point is CaixaBank which went on its own transformation journey in 2021 when it merged with Bankia, Spain's most prominent banking entity. Already offering the most extensive branch and ATM network, the bank sought to build a fully omnichannel experience.

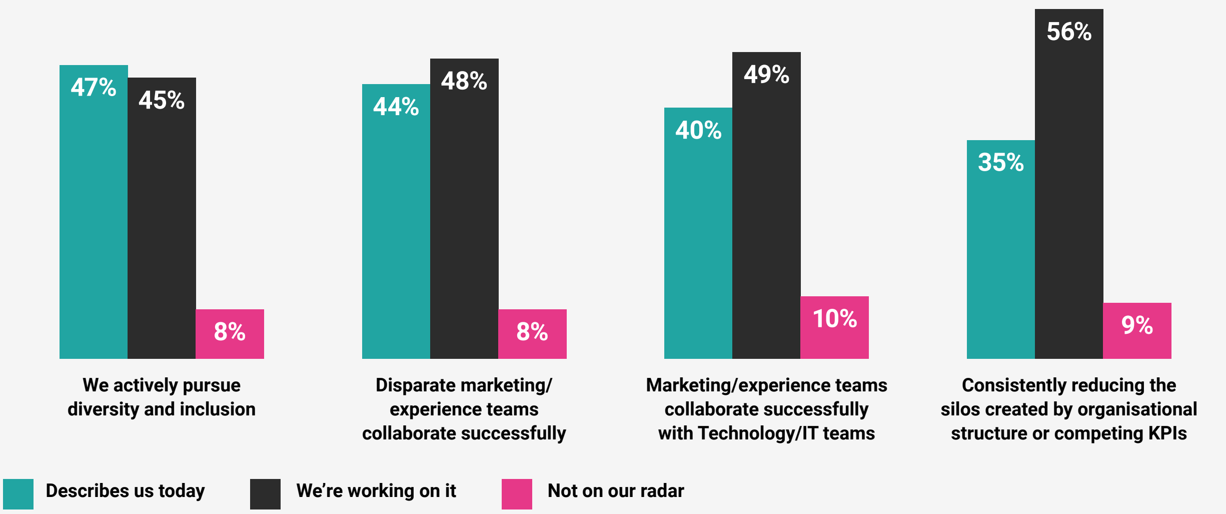
This was made possible by Caixa's business intelligence unit, responsible for turning vast volumes of customer data into 400 predictive models for campaign orchestration, used by marketing teams to deliver targeted campaigns to end customers.

Whether it's via an app, email, SMS, or in-branch, the bank needs to be able to use the right channel at the right time. And with so much possible activity, being able to manage volumes of communications means leaning on automation. Automating the bank's customer newsfeed is just one way technology can take the burden off financial advisors and free them up to deliver high-value services.[20]

20 https://business.adobe.com/blog/the-latest/caixabanks-personalized-banking-with-adobe-campaign

FIGURE 6

How would you describe your organisation?

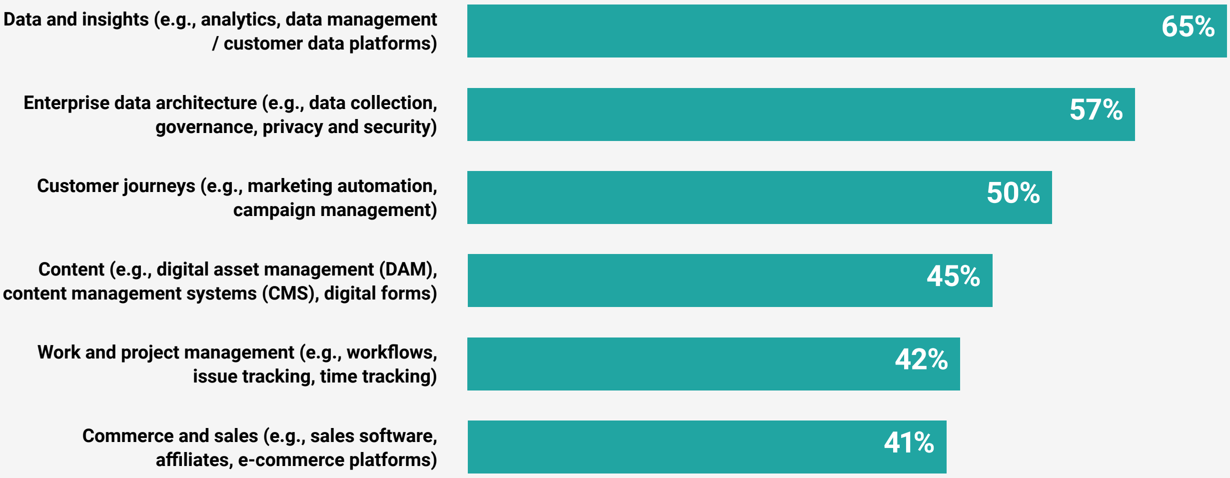


Sample size = 152

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

FIGURE 7

Please rank the top technology priorities for your organisation in the next year.



Note: The figures below represent the aggregate of executives ranking each tool/technique as being among their top three technology priorities.
Sample size = 159

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

It's revealing that workflow and project management are relatively low on senior executives' list of priorities (42%). Yet, they should not be overlooked. Such technologies can be simple to implement and deliver significant savings in hours worked, elimination of duplicated tasks, and avoided mistakes.

Case in point: Liberty Mutual recognised the potential for improving its workflows. With over 45,000 employees worldwide, the insurer implemented a technology foundation that supports cross-collaboration with a single view of marketing priorities, assets, and content. The result enabled employees to deploy more coordinated approaches in line with broader organisational goals.[21]

> **"As we look to attract new customers and retain existing customers, our goal is to create seamless experiences across all our customer touchpoints. We're looking for better ways to optimise our approach and constantly improve our work. We have the tools to manage creative processes in a high-volume environment. We have the metrics we need to see how we're performing. It's a critical factor for driving creativity and business growth."**
>
> **Clifford Stevens,**
> *VP, Managing Director, Creative Operations, Liberty Mutual*

21 https://business.adobe.com/customer-success-stories/liberty-mutual-insurance-case-study.html

The Cookie Crumbles

While banks can garner a great deal of information from customers at the point of application, when it comes to prospecting and digital marketing, third-party cookies have played an important role for many years. But at some, yet to be decided, point in 2023, the cookie will be defunct.[22] Unless logged in or using some other kind of universal ID, consumer activity online will no longer be visible to brands.

As illustrated in *Figure 8*, our research shows that financial services practitioners are more confident in their organisation's ability to gather first-party data (83%) than actually using it (75%). Of some concern given the fast-approaching deadline for the demise of the cookie, only 67% agree that they are 'effective' or 'highly effective' at preparing for a post-third-party cookie environment.

When building out a more flexible and digital framework, multinational bank, CIBC, made sure it created the capability to use first-party cookies connected to known customer data. This way, it could profile past customer behaviours that would drive the next customer engagement while also building out profiles with multiple IDs to target customers with the right products and services.

A spokesman explained, "The ability to measure and understand customer behaviour in real-time is transforming the way we do business."[23]

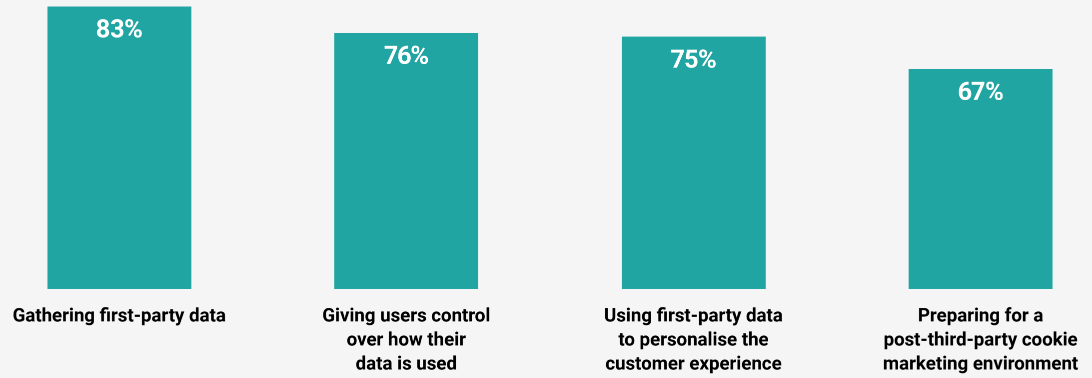
It wasn't just a question of bringing new technologies on board; the bank did have to realign teams and resources. Existing behavioural data helped the company deliver targeted messages on a computer or at an ATM. Those messages were adapted in real-time, meaning they weren't constantly reinventing the wheel, content-wise. Those with a surplus in their accounts now see ads for savings accounts, while those receiving financial relief see ads for helpful services.

Moving away from cookies and towards consent-driven, first-party data is already helping CIBC improve customer engagement – doubling conversions and saving hours every day on content development.

22 https://www.bbc.co.uk/news/technology-57611701
23 https://business.adobe.com/customer-success-stories/cibc-case-study.html

FIGURE 8

How would you rate your organisation in the following areas? ('Highly effective' and 'Effective' responses only)



Sample size = 331

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

4. Resolution: Staying Focused on Customer Experience

There is clearly a need for FSs to examine their priorities and needs as businesses and begin their transformation process with those in mind. However, too much focus on internal needs risks sidelining the ultimate driver of all this activity – customer experience. Whatever steps FSs take, it has to be with at least one eye on the customer.

Figure 9 reveals the steps both practitioners and senior executives are taking to better meet customer needs. Convenience and transactional ability clearly loom large, with enhanced self-service functionality topping the table.

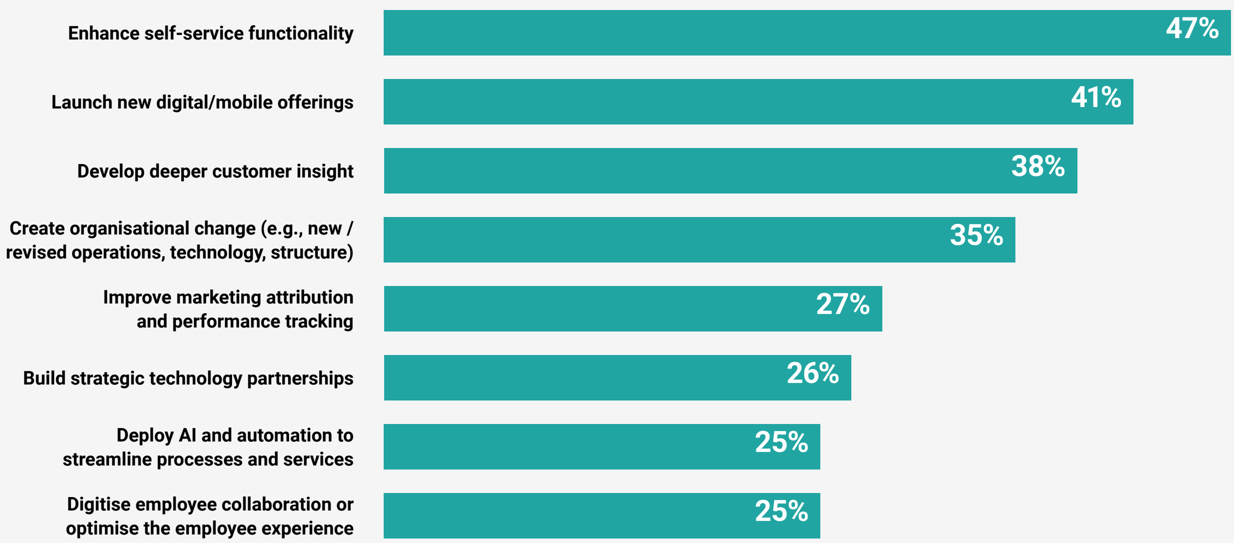
Australian payments specialist Hay's aim is to improve people's lives by giving them easy-to-understand yet in-depth access to their spending patterns. The app automatically categorises transactions and provides a monthly expenditure summary. Its onboarding process has come in for praise, with a mobile-first platform that allows for account opening in under five minutes. When the world of travel opens up again, Hay's automated processes will also allow the bank to recognise when customers are on the move across borders, removing the fraud checks that often cause blocked cards and frustration abroad.[24]

What sets Hay apart is its ability to help customers delve into their financial situation and plan better. This, too, comes under self-service functionality, as an automated financial analysis function means customers don't have to resort to in-person conversations to help them make decisions.

24 https://www.hellohay.co/

FIGURE 9

What are the top three priorities your organisation is taking to better meet customer needs?



Sample size = 480 includes both practitioners and senior executives.

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

It's easy to talk about how Artificial Intelligence and Machine Learning can benefit FSs. As observed in examples with Caixa and DBS, banks create predictive analytics surrounding customer behaviour to better gear experiences to customer value. It can also enable customer service at scale through automated systems, learning over time to create ever-more seamless digital experiences.

However, its effectiveness is dependent on how customer data is structured in the first place. Relatively low rates deploying AI and automation (25%) speak to the earlier findings, which indicate that FSs are concentrating on their data foundations, connecting disparate legacy systems to achieve a more unified customer view.

Either way, those early adopters that solve the data challenge and then learn from the underlying customer insight will be better positioned to build a competitive advantage.

Priorities of leading FS organisations

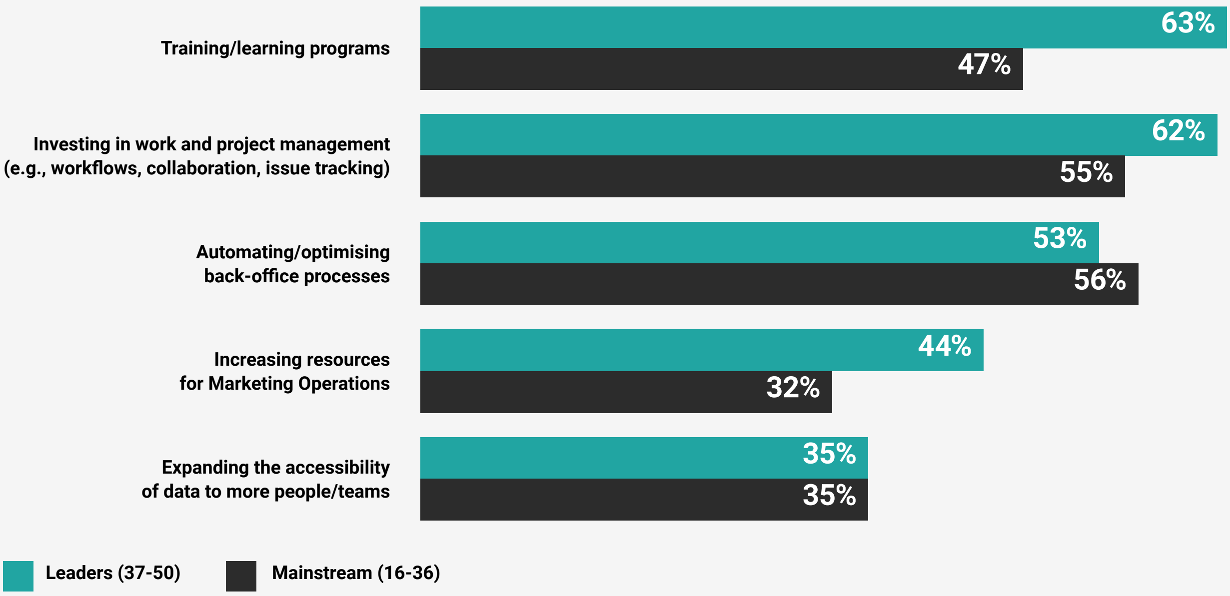
Using our Marketing Operations Performance Index (MOPI) developed for *Adobe Digital Trends 2022,* we identified the characteristics of Leaders and Mainstream companies in the FS space.

The majority of the FS industry comprises Mainstream companies, but a small but significant proportion (33%) would be considered Leaders. When tallied with the potential steps an FS business can take to increase productivity (see *Figure 10*), it is clear where Leaders feel the opportunities lie.

Leaders are notably more likely than Mainstream companies to focus on upskilling and providing employees with the best tools to do their job. Nearly two-thirds of Leaders (63%) expect to implement training or learning programs to increase productivity compared to only 47% of Mainstream companies.

FIGURE 10

Which of the following steps, if any, is your organisation taking to increase the productivity of the marketing/ecommerce group?



Sample size = 319. *Note: The sample size for the laggards' group was too small to include for meaningful statistical analysis.*

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

At the same time, while both groups agree they need to invest in work management tools, and automate back-office processes, Leaders are more than a third more likely (44%) than the Mainstream (32%) to be investing in Marketing Operations.

The term Marketing Operations was coined by Scott Brinker in the late 2000s. Having identified that "technology decisions and marketing strategy are intertwined," Brinker foresaw a new position blending IT professionals and marketing to lead the way in increasing digital-first industry sectors.[25]

> **"Leaders are more than a third more likely (44%) than the Mainstream (32%) to be investing in Marketing operations."**
>
> ***2022 Digital Trends – Financial Services in Focus, Adobe***

It doesn't mean everyone in marketing is also a technologist. Advances in dashboarding mean the day-to-day use of solutions requires minimal technical training. By having an expert who can understand the needs of Marketing while also being able to select and manage the most appropriate technology solutions, everyone can get on with 'their day job', confident that there is a watchful eye on technological performance.

That said, FS organisations need to make sure they have a robust technological skills base. Some leading FS businesses would consider themselves as much technology companies as financial ones.

> **"FS organisations need to make sure they have a robust technological skills base. Some leading FS businesses consider themselves as much technology companies as financial ones. HSBC is a case in point, with 20,000 employees in its IT group."**
>
> ***2022 Digital Trends – Financial Services in Focus, Adobe***

The industry has notable IT-heavy players, HSBC's 20,000 employees in its IT group being a case in point.[26] The company has made significant bets on AI and digital innovation, most recently launching AiMAX, the first rules-based, multi-asset investment strategy to use AI to deliver a next-generation asset allocation strategy to clients.[27]

25 https://chiefmartec.com/2010/04/rise-of-the-marketing-technologist/
26 https://www.i-cio.com/management/best-practice/item/hsbc-hitting-the-technology-reset-button-for-an-agile-digital-future
27 https://www.fintechfutures.com/2021/04/hsbc-launches-first-multi-asset-index-driven-by-ai-and-big-data/

Create Conditions for Success

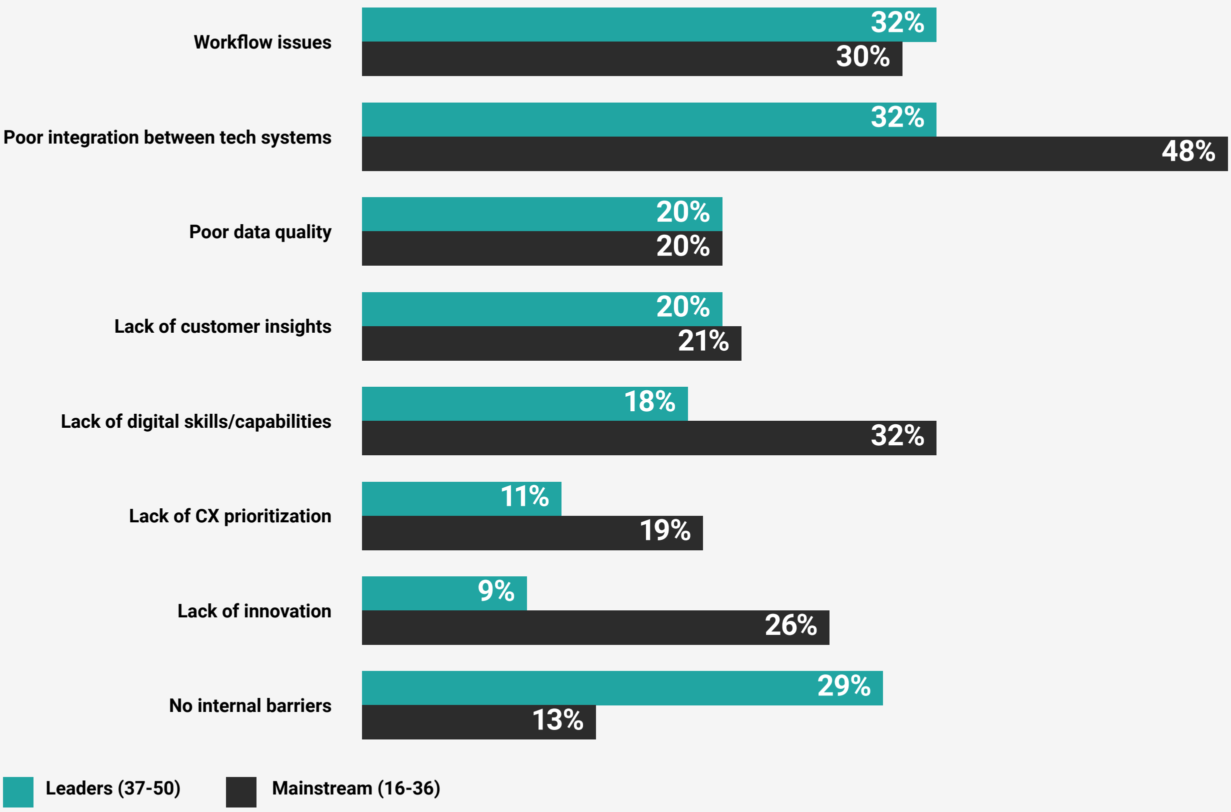
Earlier in our report, we outlined the five criteria that can help companies improve their performance against their customers' DX expectations (see *Figure 4*). When we asked practitioners in our survey what was holding them back (see *Figure 11*, below), Leaders were notably less likely to suffer from many of the hurdles than Mainstream companies. It's possible to conclude that Leaders are more likely to create conditions that support organisational performance and deliver on DX.

Take innovation, for example. Our research has already revealed that most FS executives believe the pace of change will persist for the foreseeable future. Fortunately, less than one in ten practitioners in Leading organisations believes a lack of innovation holds their customer experience organisation back (9%). By contrast, 26% of Mainstream organisations cite lack of innovation as holding them back.

Innovation needn't be full-throttle transformation, but the implication from Leaders is clear – if you're not moving forward, you're moving backwards.

FIGURE 11

What is holding your marketing/customer experience organisation back, if anything?



Sample size = 319. *Note: The sample size for the laggards' group was too small to include for meaningful statistical analysis.*

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

Banque Pictet is an example of a traditional bank that has nevertheless looked to update its experience wherever possible to stay relevant and competitive. It has long prided itself on its attention to detail but this diligence offline in brochures and letters translated to a bloated and erratic online experience. The bank realised that if it was to create a differentiated DX, it had to take a different tack online, one that didn't just keep pace with competitors but one that made the most of the platform while still retaining the bank's unique, personal flavour.

One way it did so was by cutting the volume of content from 400 pages to 100, but completely personalising them to each visitor. As of today, more than one-third of visitors to its site enjoy a fully personalised experience. For instance, after programming the top banner on Pictet.com to display content based on each visitor's level of knowledge about Pictet and its services, the company click-throughs jumped by 800%.[28]

Figure 2 at the beginning of the report explored the top drivers of digital investments in 2022, highlighting a particular focus on meaningful digital experiences that improve customers' financial health. *Figure 12* below illustrates that Leaders are well-positioned to deliver experiences that truly add value to the customer relationship.

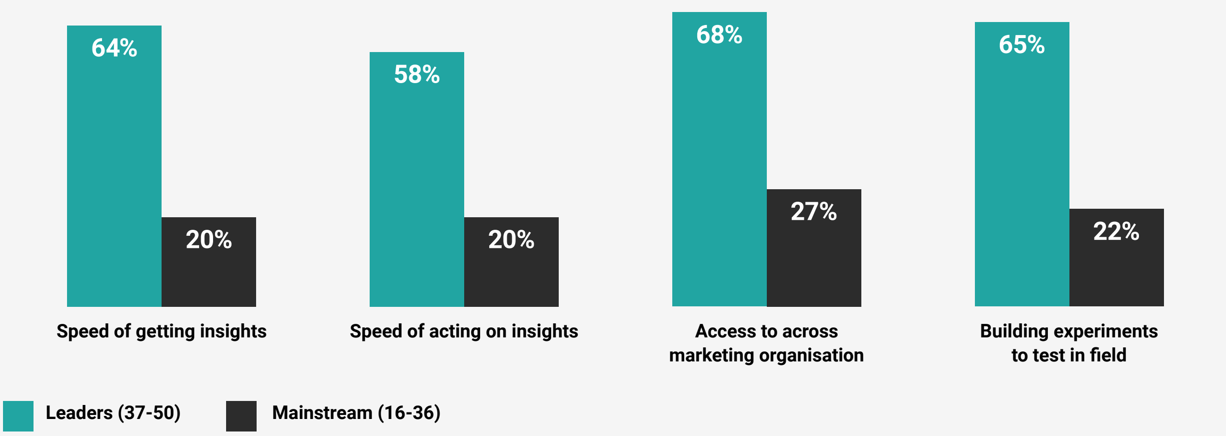
Compared to the Mainstream, Leaders are significantly more likely to rate their organisation as either 'strong' or 'very strong' regarding all four measures, from the speed of getting insights to building experiments to test in the field.

In an industry sector where customers' financial behaviours and decision-making processes continue to change, the ability to quickly respond and mobilise resources to respond to changes is more important than ever. Such insights can establish a culture of agility, driving "sprint approaches", insights on-demand, and experimentation with real-time data. The result will empower senior executives and practitioners to bring ideas to their organisation that accelerate the path to successful digital transformation.

28 https://business.adobe.com/ch_de/customer-success-stories/banque-pictet-case-study.html

FIGURE 12

Thinking about key marketing insights in your organisation, how would you rate the following? ('Very strong' and 'Strong' responses only)



Sample size = 283. *Note: The sample size for the laggards' group was too small to include for meaningful statistical analysis.*

Source: Adobe/Econsultancy, Digital Trends Survey, Q4 2021

5. Recommendations

FROM TRANSACTION TO PARTNERSHIP

Being able to transact online, via mobile, or withdrawing cash from an ATM are commonly available banking services. The next step in DX evolution is for financial services to become active partners in their customers' financial health. This means providing tools, content, and access to expertise across channels. From financial calculators to advisors, customers expect FSs not just to deliver help today but prepare them for the future by helping them make smarter decisions regarding their money. This means using customer data to predict risk in insurance, model investment outcomes for customers and their families, and provide budgeting tools for banking customers.

BLEND AGILITY WITH EXPERIENCE

Challenger banks are marked out by their lean operations, fit-for-purpose tech stacks and focused product ranges, particularly those that target niche audiences or offer innovative financial instruments. Traditional banks will need to emulate this pared-back approach while also finding ways to join up systems, data streams, and teams to create a more holistic, agile organisation. Cutting out inefficiencies, promoting collaboration, and whole organisation understanding new customer journeys have been challenger specialties. However, traditional banks also enjoy scale, trust, and broad existing networks – particularly physical branch networks – that make them genuinely one-stop shops for many consumers. Marketers on both sides should be looking to deliver DX that is the best of both worlds.

TALENT AND TRAINING LEADS TO DECISION-MAKING CONFIDENCE

There can be no doubt that if you want to get the most out of the modern technology you already own or are looking to invest in – you must train your teams to use them. This is underlined in our research. For example, compared to Leaders, Mainstream FS companies are far more likely to agree that poor tech integration and lack of digital skills as barriers holding their customer experience organisation back (*Figure 11*). Training teams to thrive in digital environments in turn drives necessary cultural transformation. By democratising data and breaking down departmental silos, organisations can focus on getting teams to work better together in the pursuit of delivering customer experience excellence.