



2019 Accenture Global Financial Services Consumer Study

DISCOVER THE PATTERNS IN PERSONALITY

Explore our latest research and uncover the consumer trends affecting banks and insurers today. Find out how customers want to engage with you through our four powerful personas.

INKLUSIVE
DEUTSCHSPRACHIGER
ZUSAMMENFASSUNG



Kunden von Finanzdienstleistern teilen ihre Daten – doch sie verlangen Gegenleistungen

Banken und Versicherungen können auch in Zukunft für ihre Kunden relevant bleiben: Mit ganzheitlichen Angeboten, passgenauen Produkten und personalisierten Finanzdienstleistungen. Dies kann durch die konsequente Nutzung vorhandener und noch einzuholender Kundendaten erreicht werden. Selbst deutsche Kunden sind zunehmend bereit hierfür.

Wir stellen fest: Der Druck, individuelle – und gleichzeitig transparente – Zusatzleistungen zu entwickeln, um Kunden einen entsprechenden Mehrwert im Austausch für diese Daten zu bieten, wächst. Doch auf welche Kunden müssen Finanzdienstleister entsprechend unterschiedlich eingehen?

Vier Kundengruppen sind im deutschen Markt aufzufinden:

Pioniere (5%): Jung, risikobereit, technologieaffin und innovationsfreudig.

Pragmatiker (23%): Weltweit präsent, vertrauensvoll, unabhängig von Vertriebskanälen.

Skeptiker (20%): Grundsätzlich kritisch gegenüber Technologien bei gleichzeitig selbstbewusster Nutzung ebenjener, oftmals unzufrieden mit gegenwärtigen Kundenservices.

Traditionalisten (52%): Wertschätzen persönliche Beratung, vermeiden Technologien aktiv, verlieren zunehmend Vertrauen in Banken & Versicherungen.

Deutsche sind datensparsam, teilen diese jedoch für Preisvorteile

Wie bereits erwähnt, sind im Ländervergleich die Deutschen zwar zurückhaltender, wenn es um das Teilen von Daten zu Standort, Einkommen, Lebens- oder Konsumgewohnheiten geht: Lediglich 43% würden Daten mit ihrer Bank teilen (global 55%) und nur 37% mit ihrer Versicherung (global 48%). Winken allerdings konkrete und direkte Preisvorteile, dann sind 83% zu einer Datenweitergabe und -auswertung bereit.

Banken und Versicherungen sollten sich zum „Living Business“ entwickeln und ein Geschäftsmodell schaffen, das sich über traditionelle Branchengrenzen hinwegsetzt, innovativ ist und somit relevant bleibt.

Fünf Wege, wie man mit Daten relevante und integrierte Kundenerlebnisse schafft:

- Vernetzen und integrieren Sie Ihr Geschäftsmodell in einem Ökosystem mit anderen Partnern außerhalb der Finanzindustrie.
- Bieten Sie personalisierte und auf Ihre Kundengruppen zugeschnittene Serviceleistungen an.
- Bieten Sie individuelle Angebote und Services als Gegenleistung für Kundendaten an.
- Integrieren Sie alle physischen und digitalen Kanäle vollständig.
- Machen Sie Vertrauen, Verlässlichkeit und Transparenz zum Kern jedes Kontaktpunktes mit ihren Kunden.

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What brings customers together sets them apart

Financial Services customers are more willing than ever to share data—provided that data sharing powers integrated propositions and offers that are tailored to their needs.

The pressure is on for banks and insurers to provide highly personalized services, but how can they accommodate a million markets of one? By finding the patterns that bring customers together.

In 2018 we surveyed 47,000 banking and insurance customers across 28 markets in Asia-Pacific, Europe, Latin America, Middle East and Africa, and North America. Through this survey, which builds on our first biennial study in 2017 and is one of the largest of its kind, we sought to understand what these consumers value, what differentiates them and how they want to engage with financial providers.



Our study identified several patterns among consumers, which we distilled into five key findings:

1. Consumers want integrated propositions addressing core needs.

Our research reveals that around half of consumers expect financial providers to offer propositions addressing core needs, and not only traditional financial services.

These propositions typically focus on a particular customer need, such as a complete “mobility proposition” for car buyers that includes different financing, renting and reselling options, as well as access to insurance, maintenance and ancillary services.

Other examples include a property-buying solution encompassing a mortgage, home insurance coverage and an additional loan for furnishings and a health proposition that provides wearable devices, points-based rewards for healthy behavior, or access to wellness services.

2. Consumers increasingly want a fully personalized offering from their financial providers.

One in two consumers indicated an interest in personalized financial advice from banks that is shaped by their personal circumstances—including analysis of spending habits and advice on how to manage money—while 64 percent are interested in insurance premiums that are tied to behavior (such as driving safely).

3. Consumers are willing to share data with their providers in return for better advice and more attractive deals.

For example, they are interested in offers and perks based on where they shop most often and priority services such as a fast-track insurance claims settlement.

4. Consumers want better integration across physical and digital channels.

More than half of all our survey respondents expressed an appetite for a true omnichannel banking experience that would allow them to switch seamlessly between physical and digital channels.

5. Consumers' trust in financial institutions is high and increasing.

Consumers are likely to say that they trust their banks and insurers more than they did 12 months ago. To maintain this trust, particularly when holding customers' personal data, providers should demonstrate robust security measures while delivering value-adding insight and personalized services.

You can't spell personal without **persona**

To engage customers with personalized services—and see each customer as an individual—banks and insurers should first recognize their customers' similarities.

The consumers in our survey can be divided into four broad personas based on how they perceive and engage with banks and insurers. The differences between these personas are striking, and highlight how traditional demographic segmentation, such as by age or wealth, can miss important nuances of how consumers view their financial providers.



Meet the personas:



Pioneers:

Risk takers, tech-savvy and hungry for innovation

Tech-savvy and keen to engage with financial providers using mobile devices, Pioneers are hungry for innovation in services and channels. They account for 23 percent of respondents.



Pragmatists:

Ubiquitous, trusting and channel agnostic

Also making up 23 percent of the sample, Pragmatists see technology as a means to an end rather than as a lifelong passion. They are satisfied with the service levels they receive and they expect good value from providers. They are interested in (though a little suspicious of) personalization.



Skeptics:

Tech-wary, dissatisfied and alienated

Skeptics are the largest group, accounting for 33 percent of the sample, yet their dissatisfaction with financial providers means they are a challenging persona to engage. More than a third are under 35, making them a long-term opportunity for providers if they can be targeted.



Traditionalists:

Value human touch, tech-avoiders and losing trust

Generally older (55+) than the other personas, Traditionalists show low levels of engagement and satisfaction with their financial services providers. They are the smallest group from our consumer survey, comprising 21 percent of respondents.

Pioneers

Young:

50% are between 18 and 34.

More likely to be male than female:

55% of Pioneers are men.

Earning a good wage:

43% are in a high-income bracket.

Ethically minded:

65% say their provider's approach to corporate social responsibility will influence their choice.

Tech-savvy:

87% say their smartphone is their principal device for transacting online.

Open to risk:

Three in four are willing to take risks to improve their lives.

Hungry for innovation:

They want to explore new channels such as wearable devices.

Inspired by the new:

80% are interested in integrated propositions from financial providers and non-financial vendors.



Trusting, but not loyal

Although Pioneers trust their financial providers, they are the least loyal—a **third had switched banks within the past year**. But while the search for better-value products and services is their main driver for switching, Pioneers also consider more altruistic factors. Almost two thirds say that corporate social responsibility would influence their choice of a new provider.

Risk-takers

Pioneers are most willing to take risks to improve their lives—**75 percent of them say they don't mind doing this**—considerably more than the 53 percent of Pragmatists and over three times the percentage of Traditionalists who agree with this statement.

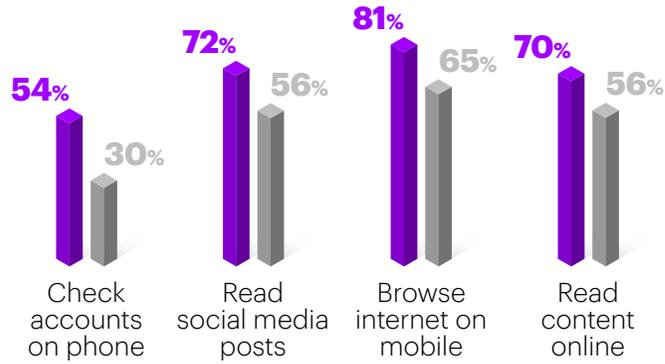


**CUSTOMER PERSONAS:
PIONEERS**

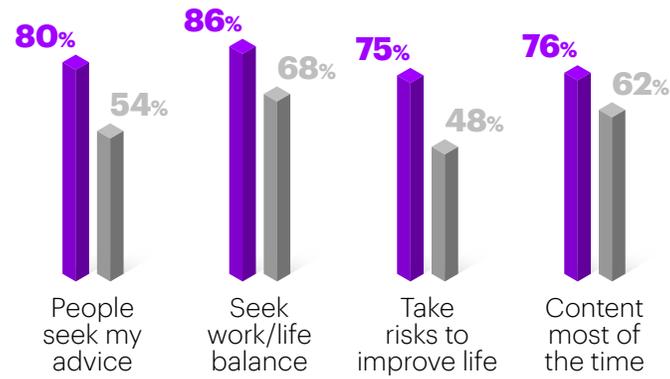
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Pioneers Total

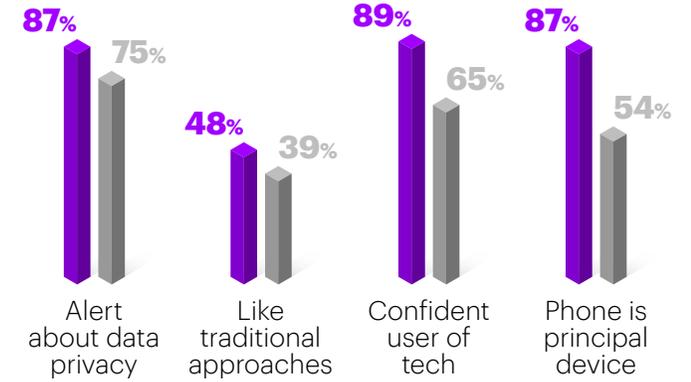
Activities



Lifestyle



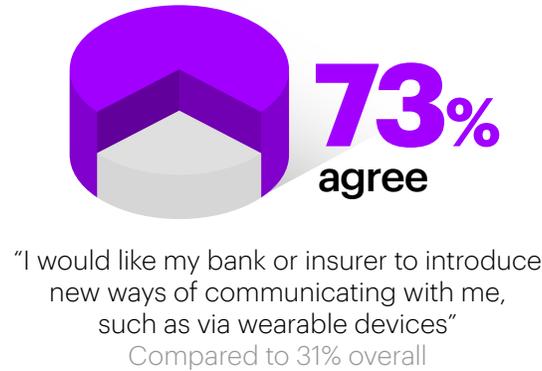
Tech and data attitudes



Importance of personalization



Importance of access



Trust

	Trust to look after financial well-being
Bank	88%
Insurance	83%
Tech/Telecoms	61%
Retailers	57%
Social Network Provider	48%

Pragmatists

Everywhere:

Pragmatists are the most evenly distributed persona group across age groups and geographies.

Channel agnostic:

77% don't mind which channel they use as long as they get what they need.

Satisfied:

78% have a positive experience when they visit their bank branch.

Content:

They are less likely to be interested in bespoke or novelty customer experiences.

Open to advice:

95% trust human advisors in bank branches to give advice on a loan or mortgage.

Data conscious:

79% say they are alert and cautious about their data privacy.

Trusting:

They are more likely to trust their bank to look after their financial well-being, and for their insurer to safeguard their data.



Happy with their service

Pragmatists are more broadly satisfied with their current financial providers than the other three personas. More than three-quarters say they have a positive attitude toward bank branches, and 96 percent say they trust the advice they receive from human advisors at their insurance branch when making a claim.

Interested in personalization, but wary about signing up

They are the group closest to Pioneers in terms of behavior, and are interested in offers, perks, alerts and tips based on their spending patterns. However, they are less interested in these services than Pioneers.

Embrace technology, but only up to a point

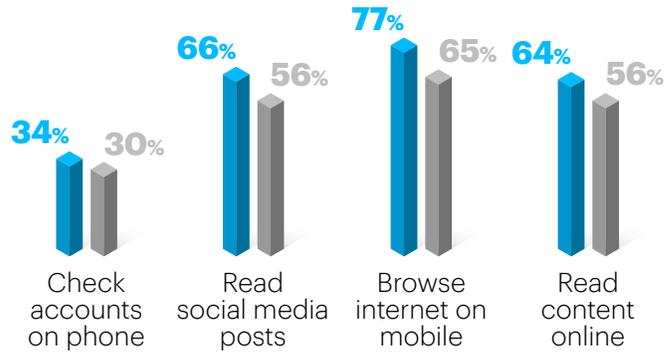
Pragmatists want control over their accounts and are keen on fast and efficient service. They like online access via desktop or laptop, rather than by mobile device. Less than a third are interested in a wider range of in-branch services, such as coffee shops or financial education.



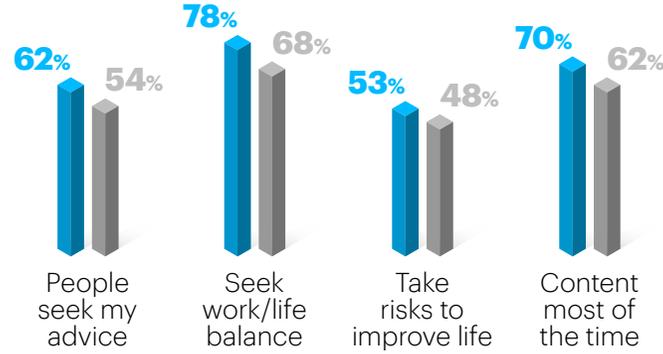
**CUSTOMER PERSONAS:
PRAGMATISTS**

■ Pragmatists ■ Total

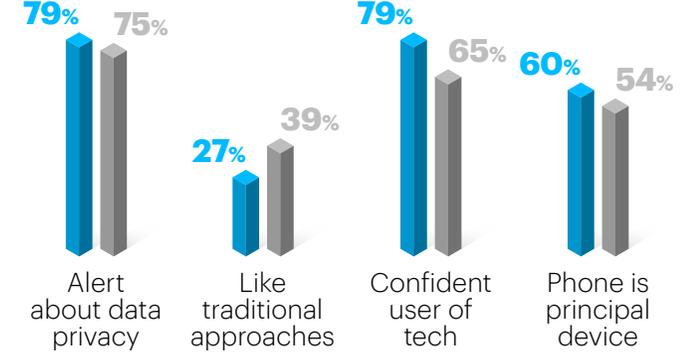
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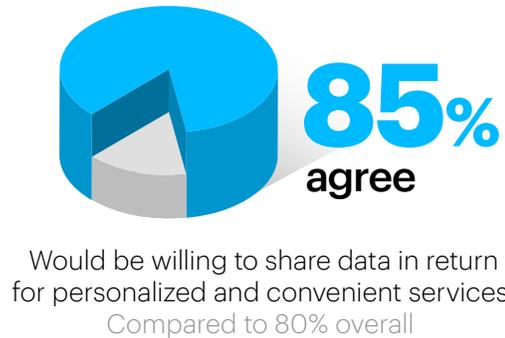
Lifestyle



Tech and data attitudes



Importance of personalization



Importance of access



Trust

Trust to look after financial well-being

Bank	89%
Insurance	77%
Tech/Telecoms	31%
Retailers	29%
Social Network Provider	18%

Skeptics

Discontent:

Just 45% say they are content most of the time.

Risk-averse:

Only 42% say they take risks to improve life.

Mistrustful:

Least likely to trust banks and insurers to look after their data.

More tech-wary:

They are less confident users of technology than their peers.

Frustrated:

They feel let down in terms of customer service.

Difficult to convince:

Low interest in integrated propositions around core needs from financial providers and non-financial vendors.

Dissatisfied:

Only 31% have a positive experience when they visit their bank branch.



Often unhappy

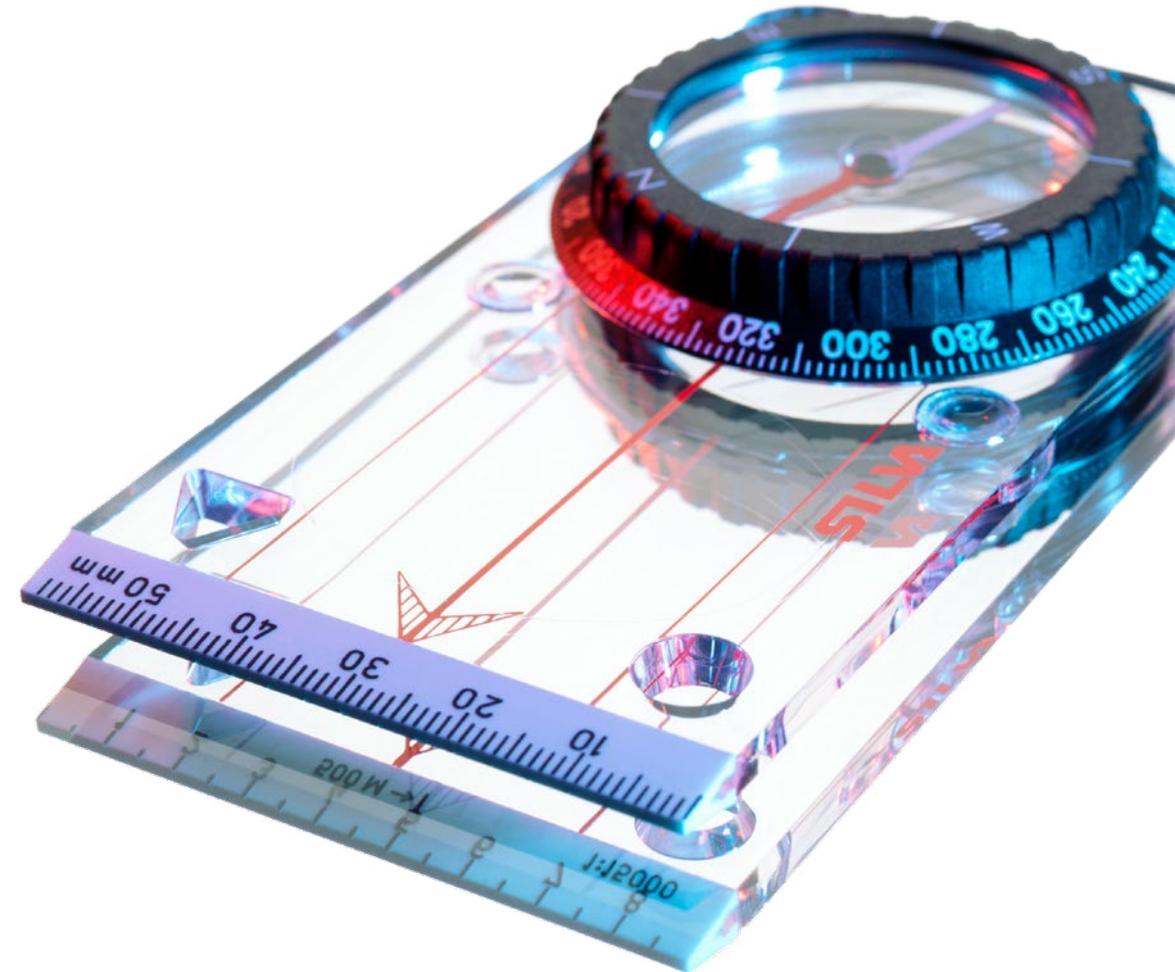
Skeptics are demanding and often unhappy with the service they receive from their financial services providers. They are not interested in personalized products and services and less than a third want to use new channels.

Lacking in trust

Skeptics show low levels of trust in providers. This doesn't seem to affect their loyalty to these providers, however—on average, Skeptics stay with their bank for 14 years and their insurer for seven years.

Less likely to use mobile for transactions

Although younger than other persona groups, Skeptics are less likely than Pioneers and Pragmatists to use their mobile phone to access information and transact online, or to spend time each day browsing the internet on their mobile device.

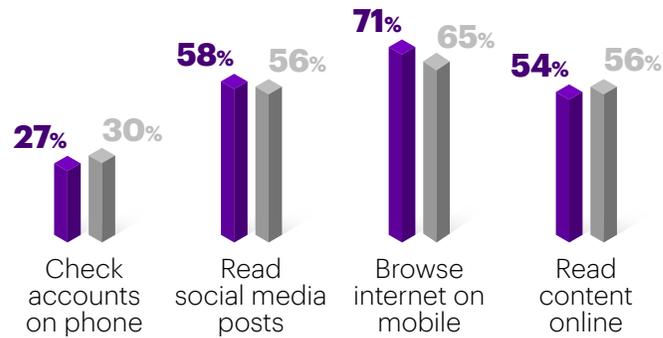


**CUSTOMER PERSONAS:
SKEPTICS**

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■ Skeptics ■ Total

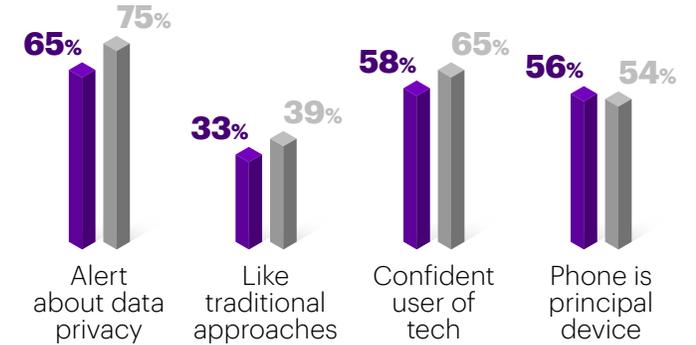
Activities



Lifestyle



Tech and data attitudes



Importance of personalization



Importance of access



Trust

Entity	Trust to look after financial well-being
Bank	65%
Insurance	59%
Tech/Telecoms	29%
Retailers	27%
Social Network Provider	21%

Traditionalists

Mature:

66% of Traditionalists are 55 or older.

Less well off:

Majority are in the low-to-medium income bracket.

Tech-avoiders:

78% never use a mobile app or website to contact their bank.

Responsive to the human touch:

Value personal contact with knowledgeable staff.

Feeling let down:

Only 53% say providers deliver well on their priority of polite, knowledgeable staff.

Losing trust:

13% trust their provider less than a year ago.

Wary of the new:

Uninterested in new products/services including integrated propositions from financial providers and non-financial vendors.



Human contact

This group shows little interest in product, service, or channel innovation and, in fact, tends to mistrust technology. They place much more value on personal contact with polite and knowledgeable professional advisors, while showing significant dissatisfaction with the quality of current services.

Declining trust leads to increased switching

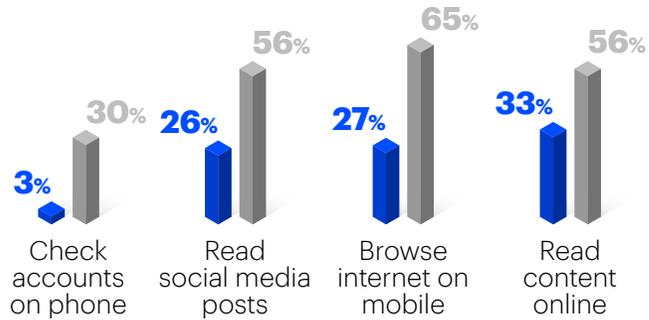
Traditionalists are the only group whose level of trust in their providers as guardians of their financial well-being has fallen over the past year. This is reflected in the fact that they have switched banks more over the past year than any other group except Pioneers.



**CUSTOMER PERSONAS:
TRADITIONALISTS**

■ Traditionalists ■ Total

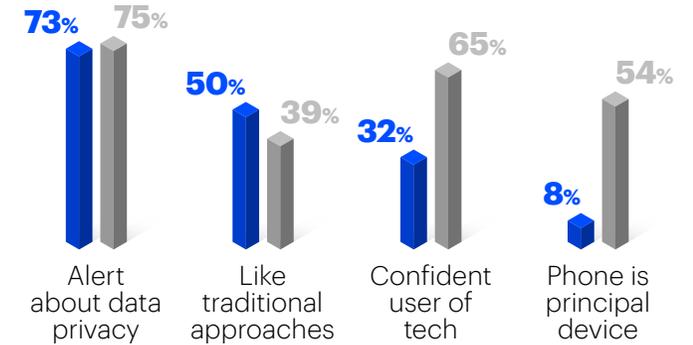
Activities



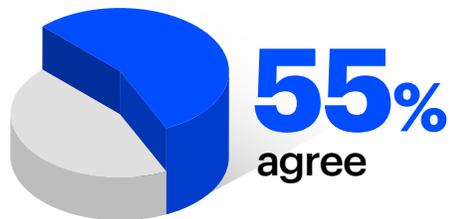
Lifestyle



Tech and data attitudes

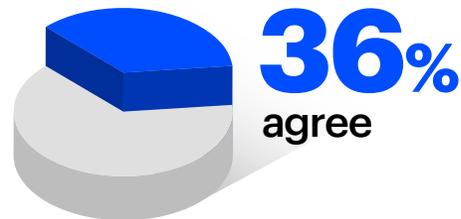


Importance of personalization



Would be willing to share data in return for personalized and convenient services
Compared to 80% overall

Importance of access



"I don't believe that mobile and online banking is secure"
Compared to 28% overall

Trust

Trust to look after financial well-being

Bank	69%
Insurance	56%
Tech/Telecoms	13%
Retailers	15%
Social Network Provider	8%

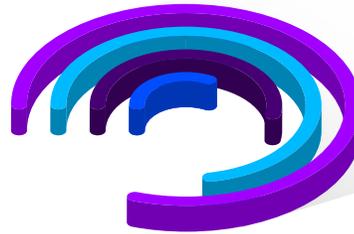
A closer look at the differences

The four personas paint a compelling picture of banking and insurance consumers. More importantly, they offer a pattern banks and insurers can use to build responsive, personalized services for their customers.

- Pioneers
- Pragmatists
- Skeptics
- Traditionalists

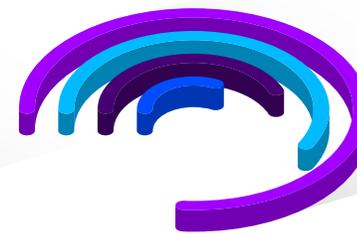
Appetite for an omnichannel service

80% 72% 53% 33%



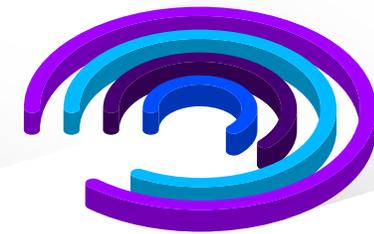
Interest in behavioral pricing

76% 58% 45% 32%



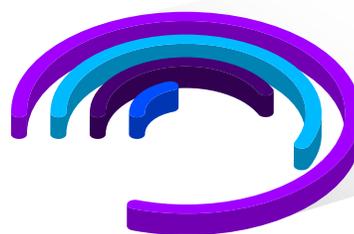
Trust in banking and insurance provider to look after long-term financial well-being

86% 83% 62% 63%



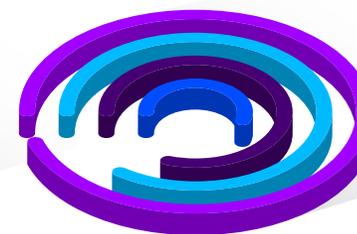
Interest in integrated propositions

80% 57% 43% 19%



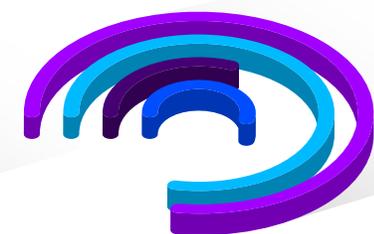
Willingness to share data

95% 85% 80% 55%



Positive experience when visiting branch

77% 78% 31% 54%



See similarity to understand difference

The personas allow us to both see similar traits and identify important differences among banking and insurance consumers.

There are five key findings where our persona groups differ in terms of their attitudes and preferences in relation to financial services:

- 1. Appetite for integrated propositions addressing core needs**
- 2. Appetite for personalization of services**
- 3. Willingness to share data for reciprocal benefits**
- 4. Integration between physical and digital channels**
- 5. The role played by trust**



1 Appetite for integrated propositions addressing core needs

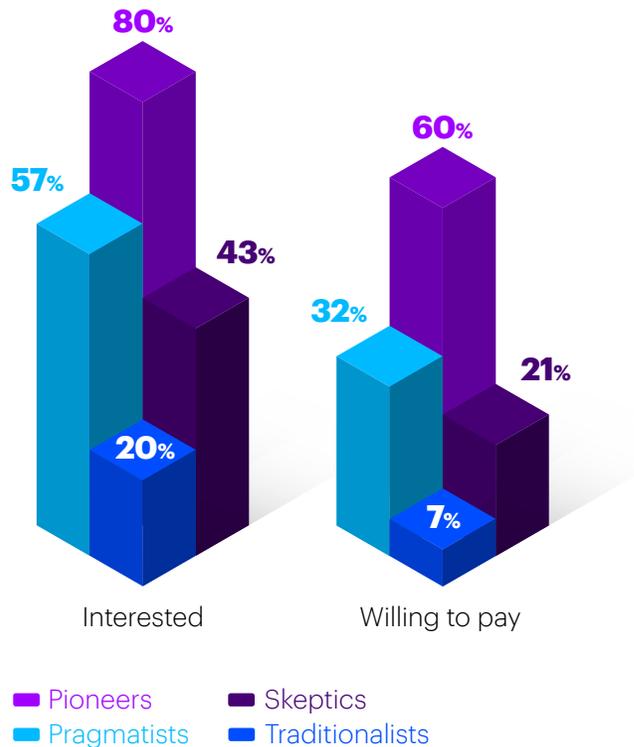
An abundance of choice can be a mixed blessing for consumers. They spend a huge amount of time and effort just to absorb and make sense of the sheer volume of information available.

One solution to this problem is the availability of integrated propositions combining products and services from financial providers and non-financial service vendors. These give customers a “one-stop-shop” to address a core need—such as health insurance that includes regular medical checks and free gym membership; a home-buying package that includes a house-hunting service, mortgage, home maintenance checks; or a car package that includes the car, financing, insurance and ongoing maintenance.

Integrated propositions represent a major opportunity for financial services providers, and our survey shows interest from more than half of respondents. However, financial providers have work to do to position these integrated propositions attractively. Currently, a lower percentage of consumers surveyed would be prepared to pay, despite showing interest.

“Financial providers should position themselves as orchestrators of an ecosystem of suppliers.”

Interest in integrated propositions that address core needs overall



Car-care propositions including insurance, car loans, remote monitoring, maintenance and advice and/or lessons on driver safety

	Pioneers	Pragmatists	Skeptics	Traditionalists
Interested:	82%	60%	43%	18%
Willing to pay:	63%	36%	21%	6%

Home-care propositions covering home insurance, financing, a service to cover essential home repairs and all home utilities

Interested:	82%	61%	45%	22%
Willing to pay:	64%	40%	26%	10%

Home-buying service provided by banks, including advice on searching for a new home, mortgage deal, house-protection insurance and legal advice and procedures

Interested:	76%	45%	36%	13%
Willing to pay:	55%	23%	16%	4%

Home-security propositions that include insurance, remote home monitoring, financing and security tips

Interested:	81%	53%	42%	17%
Willing to pay:	63%	35%	24%	8%

Personal finance propositions, provided to banking customers, that include an analysis of spending habits and advice on effective money management

Interested:	81%	60%	41%	16%
Willing to pay:	54%	23%	14%	3%

Health and well-being propositions that bundle annual medical checks, access to video appointments with medical professionals, financing, health insurance and remote health monitoring

Interested:	80%	60%	48%	24%
Willing to pay:	63%	37%	26%	9%

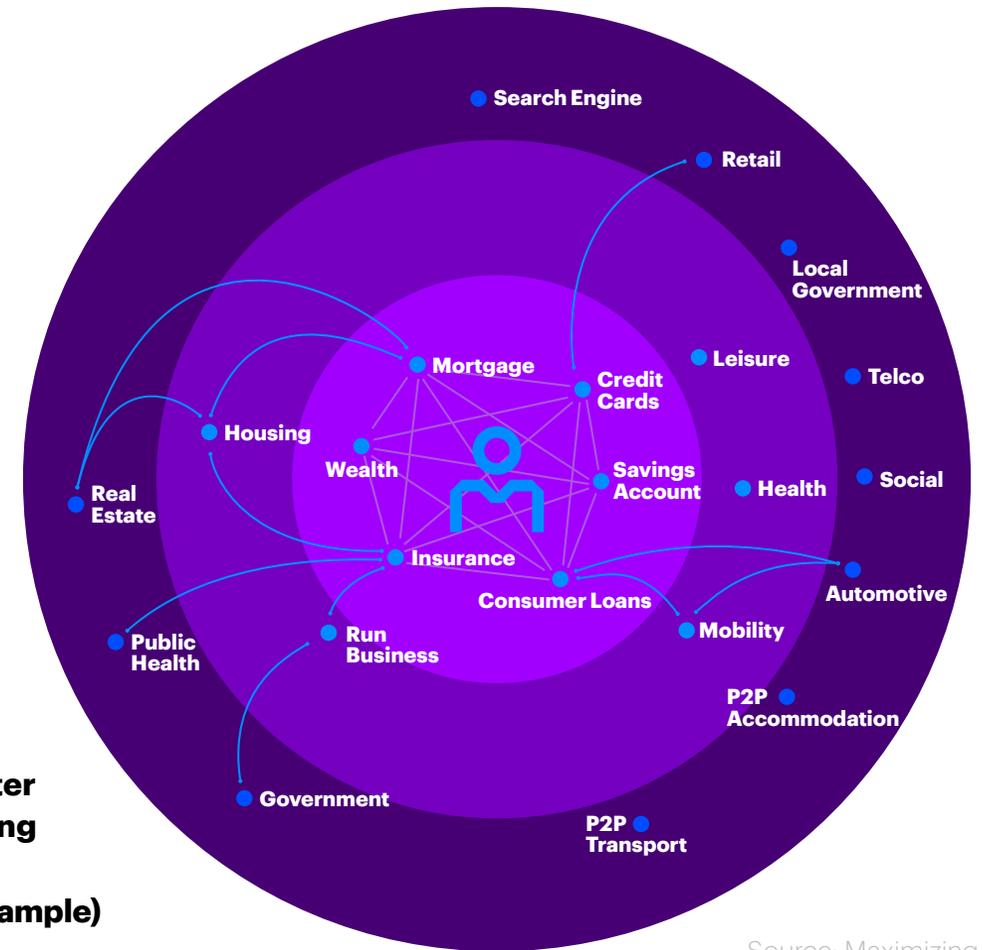
What does this mean for financial providers?

They should become key players in ecosystems that deliver integrated propositions around a customer need.

Providers should aim to position themselves as a trusted advisor within an ecosystem of alliance, vendors and partner organizations, each of which can deliver a particular aspect of an integrated proposition (see Figure 1).

As well as creating new opportunities for banks and insurers, this can also create new challenges. Providers should clearly define the specific value they bring to, and gain from, the ecosystem. They should also effectively manage their brand within a network of third-party providers over which they have no direct control, particularly if they are not the ecosystem orchestrator.

Figure 1. Trusted Financial Services Advisor at the center of a growth-inducing banking universe (non-exhaustive example)



Network effect where ecosystem interactions provide opportunity to up/cross sell services and acquire new customers

Source: Maximizing Revenue Growth in Retail Banking, Accenture 2018

CUSTOMER ATTITUDES AND PREFERENCES: 1: APPETITE FOR INTEGRATED PROPOSITIONS ADDRESSING CORE NEEDS

Banks and insurers can leverage ecosystems to deliver value to consumers in a number of different ways. These ecosystems should aim to respond to critical “life moments” for consumers—for example when they are buying a home or car, starting a family or retiring (see Figure 2).

The power of these ecosystems relies heavily on the seamless sharing of customer data to create continuous feedback on consumer needs—allowing providers to develop more relevant and personalized services. Financial services providers should develop and communicate clear guidelines for the sharing of data with ecosystem alliances, vendors and partners—concern about their data being passed on to third parties is one of the two main reasons consumers are reluctant to share data with financial services providers.

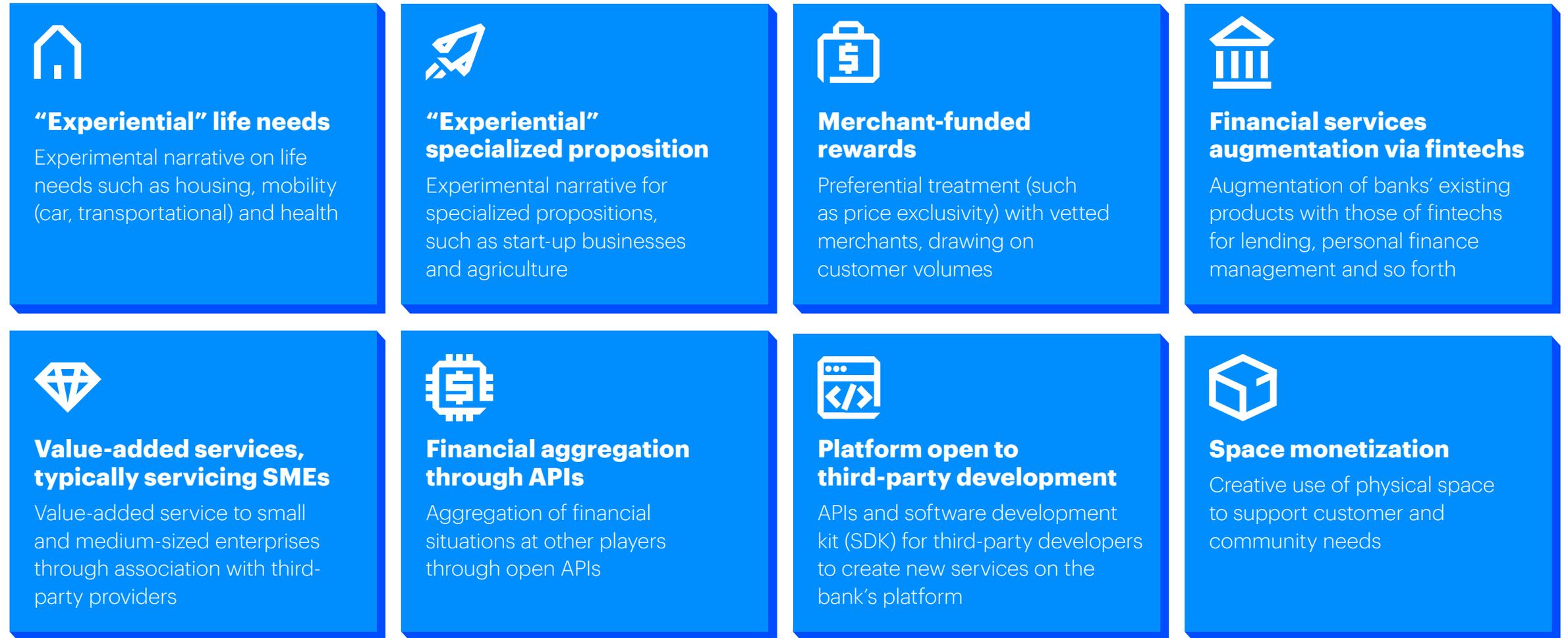
DBS Bank Ltd in Singapore provides a good example of a strong ecosystem. It recently launched DBS Marketplace for car ownership, a joint venture between the bank and its car-seller partners sgCarMart (SGCM Pte Ltd) and Carro (Trusty Cars Pte Ltd).

DBS Car Marketplace is a one-stop, online market for customers looking to purchase or sell cars. An on-site car budget calculator provides an estimated loan amount the buyer could obtain, and then offers up a list of cars based on their budget. If they find a car they like, they can arrange online with the seller for a test drive. Finally, both buyers and sellers enjoy a guided experience and free paperwork services for car ownership transfers.¹



**CUSTOMER ATTITUDES AND PREFERENCES:
1: APPETITE FOR INTEGRATED PROPOSITIONS ADDRESSING CORE NEEDS**

Figure 2. Eight non-exclusive key plays of an Orchestrator of Ecosystems



Source: Maximizing Revenue Growth in Retail Banking, Accenture 2018

Building ecosystems is a vital part of becoming a living business, and doing it effectively relies upon a number of key technologies.

An example of a strong insurance ecosystem is ERGO Safe Home (ERGO Group AG), a virtual product bundle consisting of home contents insurance, an emergency service and smart home technology. This integrated smart home program cares for customers' homes when they are not able to react in case of an emergency, and relies on services provided by different companies and IT capabilities.² USAA (United Services Automobile Association), which provides a wide range of services to clients through its associated firms, is another example of a strong ecosystem that drives solid engagement with clients.³

Building ecosystems is a vital part of becoming an adaptive “living” business—one that evolves quickly to adapt to changing customer needs and behaviors. Doing so effectively relies upon a number of key technologies, including application programming interfaces (APIs), artificial intelligence (AI) and robotic process automation (RPA). It also requires a mindset shift for organizations that are used to working in a more independent and competitive manner. Yet organizations that are able to make this shift are more likely to be able to upgrade their innovation capability, allowing them to develop services that inspire higher customer loyalty.

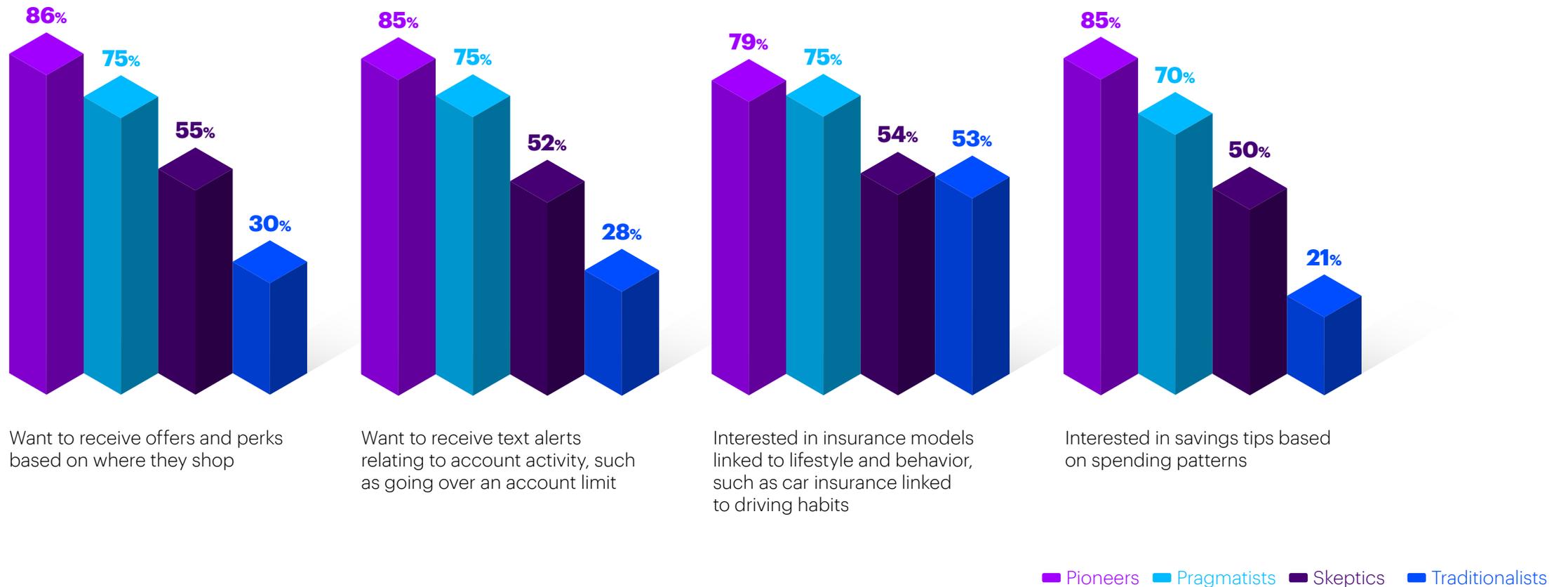
2 Appetite for personalization of services

You might think that all customers like the personal touch from their financial providers, but actually the extent to which people want customized services varies greatly.



The table below shows the percentage of each persona that expressed an interest in different types of personalization.

Engaging through personalization



What does this mean for financial providers?

They should actively target customers interested in personalized services with experiences that strengthen their brand values at every touchpoint.

Consumers, especially Pioneers and Pragmatists, have a strong appetite for greater personalization from banks and insurers. This includes personalized offers, advice and alerts, as well as personalized products and services based on usage or behavior.

To make this work, providers first require a rich set of customer data. However, the real challenge is to convert that data into actionable insight. This requires data analytic skills and tools and the ability to automatically execute the result—such as a personalized offer—across the preferred channel. Ultimately, providers should focus on creating a “segment of one,” where each individual is treated as unique.

This should go beyond just pointing out the facts, such as highlighting a consumer’s spending patterns. Instead, it should extend to offering genuinely tailored advice and offers.

JP Morgan Chase & Co. does exactly this by delivering a hyper-relevant, highly personalized service to consumers through Chase Pay®, an app that allows users to order food through an order-ahead feature, and redeem personalized offers from participating merchants.⁴

In the insurance sector, the “YouDrive” program by Direct Assurance, which is part of the global AXA Group, connects a DriveBox device to the customer’s car that records events during every journey and generates a score after each ride. The higher the score, the lower the premium.⁵ Elsewhere in the insurance sector, Vitality Corporate Services Limited’s well-established health program gives members points for healthy behavior, which are recorded through wearable activity-tracking devices and can be exchanged for rewards through several participating firms.⁶

As they introduce greater levels of personalization, it is critical for providers to have offerings that are attractive rather than intrusive, and that customer data is safeguarded at all times. Given that failure to safeguard data was the second biggest reason in our survey why consumers leave their bank or insurer, providers should be very active in communicating data security measures to their customers to promote trust.

Personalized services should also demonstrate added value. It is not enough just to tell consumers how they are spending their money. Instead, providers should show them how they can save money and take advantage of offers. Customers should be made to feel that they are genuinely benefiting from the service, for example by receiving reduced charges or relevant promotions. This applies particularly to Traditionalists, who currently show little appetite for personalization.



3 Willingness to share data for reciprocal benefits

Truly personalized financial services are powered by data. The more information a provider can collect about a consumer, within the confines of evolving and increasingly strict privacy regulation, the easier it is to provide services that are truly relevant to an individual's specific requirements.

Our survey suggests that customers understand this and are prepared to hand over more personal information in return for a more tailored service. More than three-quarters of all respondents are willing to share the data required for benefits such as personalized offers, more efficient and intuitive services, and more competitive pricing. But as the table that follows shows, the personas vary in their willingness to share data.

“More than three-quarters of all respondents are willing to share the data required for benefits such as personalized offers...”

Attitudes towards data sharing

Willing to share data in return for advice that is more relevant to your personal circumstances

Willing to share data in return for receiving faster, easier services (e.g., rapid loan approval)

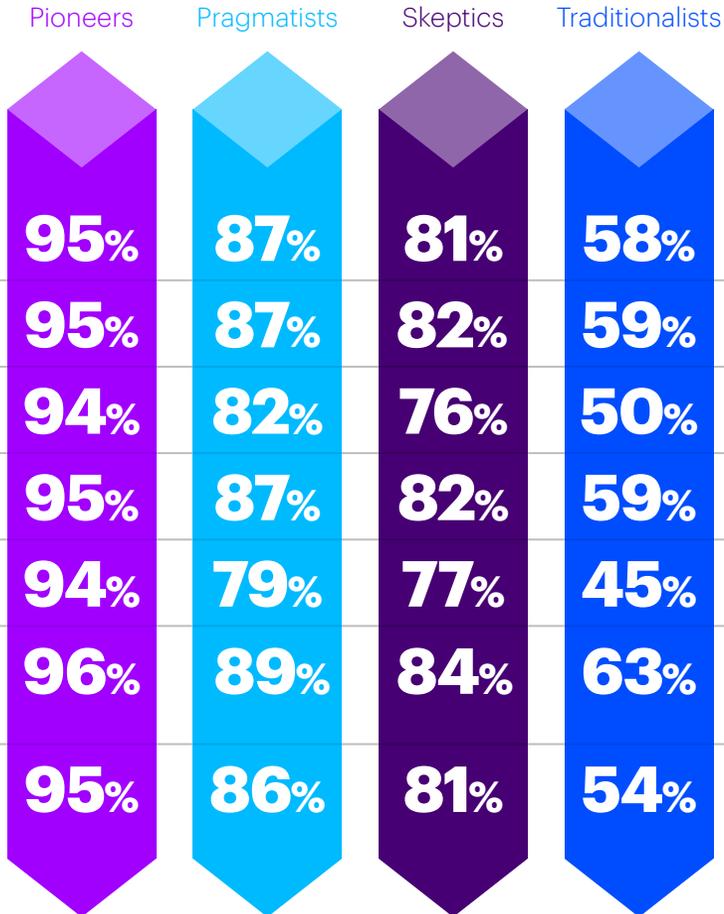
Willing to share data to receive personalized offers based on your current location

Willing to share data to receive a priority service (e.g., fast-tracked claims settlement)

Willing to share data to receive discounts on non-insurance related products or services

Willing to share data to receive more competitive/ lower prices (e.g., based on health, driving behavior, exercise habits, etc.)

Willing to share data to receive personalized services/ information that helps to reduce the risk of injury, loss, etc.



“The more information a provider can collect about a consumer, ...the easier it is to provide services that are truly relevant...”

What does this mean for financial providers?

They should consider creating stronger incentives to encourage customers to share their data.

The majority of respondents are willing to share data in return for products and services that make their lives easier.

Many banks and insurers have already started to build and apply a more complete set of customer data to offer new, hyper-relevant services, such as applications that help consumers to manage money, or insurance products that are priced based on behavior. Many providers are still working out, through trial and error, the more compelling propositions.

But over time, consumers are likely to expect greater innovation in return for handing over their data, and providers that are able to identify attractive data-driven services for different customer segments stand to gain a stronger competitive advantage.

An example of a hyper-convenient service for banking customers is “Emma”, a banking application from fintech Emma Technologies LTD. that lets users manage all their accounts in one place, avoid overdraft fees, track spending and pay off debt.⁷

CUSTOMER ATTITUDES AND PREFERENCES:
3. WILLINGNESS TO SHARE DATA FOR RECIPROCAL BENEFITS

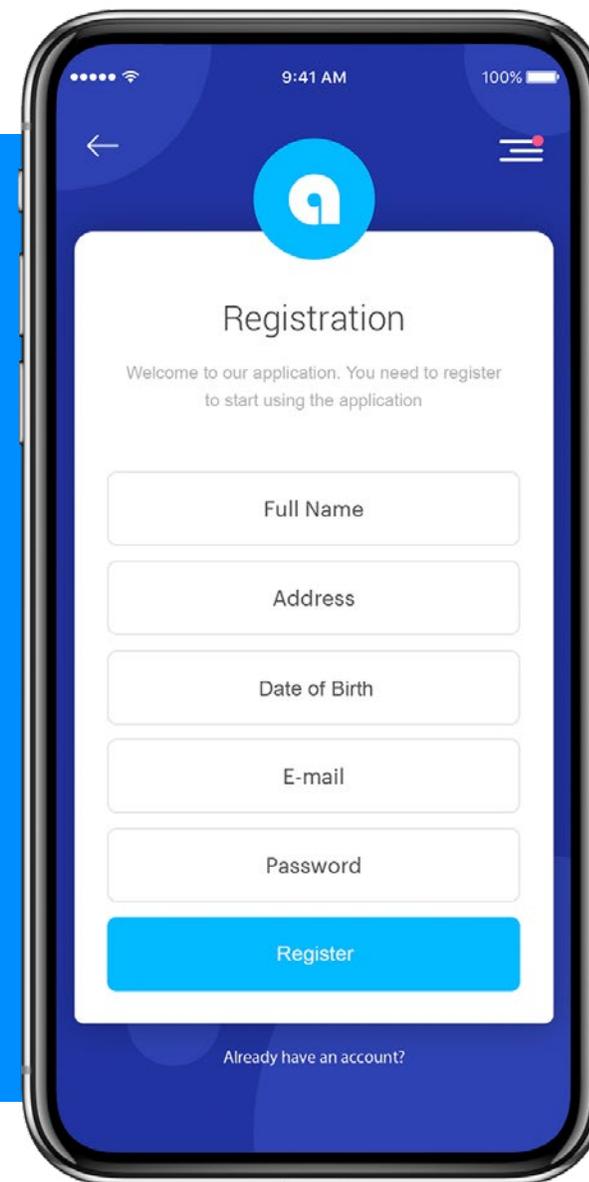
In the insurance sector, the Tokio Marine & Nichido Fire Insurance Co., Ltd. has developed an all-in-one Internet of things (IoT) device for auto insurance customers that records driving information, warns drivers when they are approaching frequent accident points, and gives alerts based on their individual situation. It also provides general information about weather and gives drivers feedback after a journey.⁸

To unlock value from customer data and develop tailored products and services, many financial providers are turning to predictive AI algorithms. These algorithms identify correlations between hundreds and even thousands of variables, from age, gender and income, to more complex behavior patterns such as purchasing behavior and use of location-based services. Financial services providers can use AI to create increasingly detailed personas and predict purchasing behavior across channels and products.

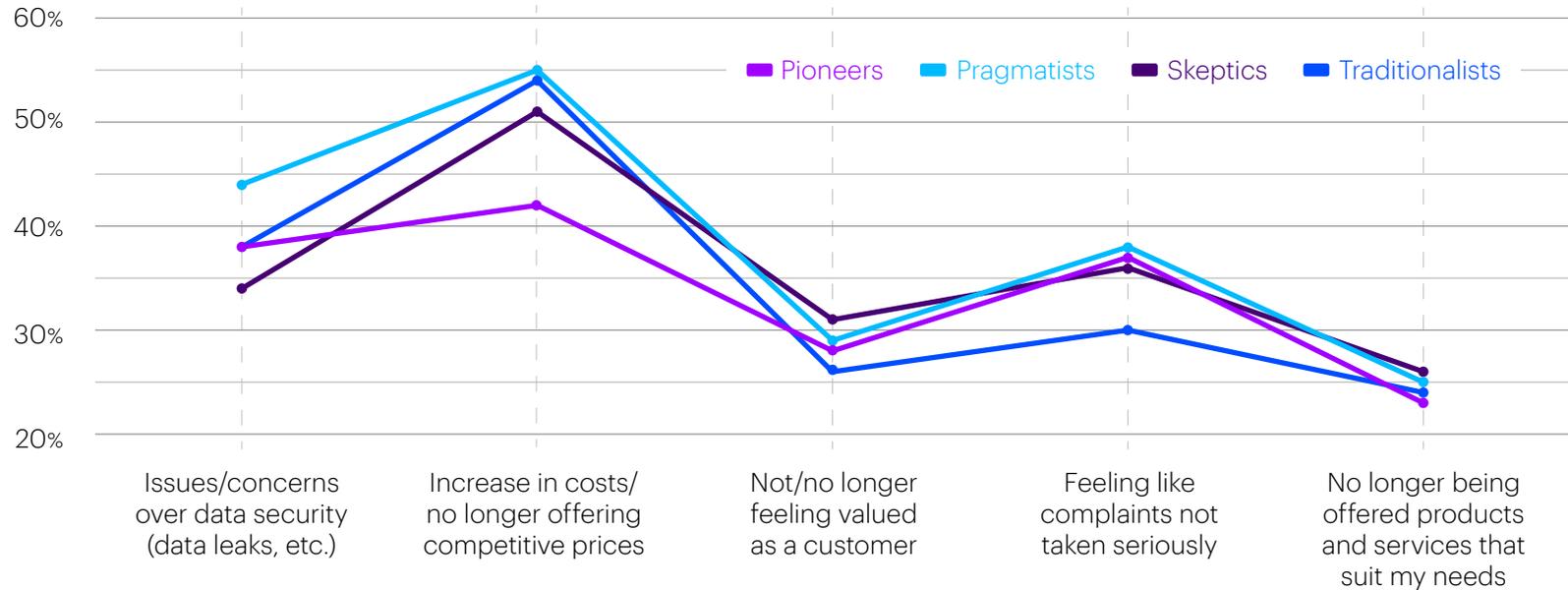
“...over time, consumers are likely to expect greater innovation in return for handing over their data...”

Providers should invest in and communicate clearly on measures to protect customer data.

In addition to incentivizing consumers to share data through personalized benefits, regulatory requirements task providers to keep consumer data safe. This is clearly a significant concern for consumers, with notable proportions saying they would change provider due to concern over data security. Indeed, such issues are key factors behind “churn” across all four personas, which further highlights the importance of a careful response by providers. With that in mind, providers should be careful to do more to safeguard customer data and communicate this to customers—in particular, as they start to participate in ecosystems, which rely on a seamless sharing of data between multiple parties. This may require additional investments in data security or guarantees with compensation commitments in the event of a data security breach.



Top reasons why consumers would leave their current provider (consumers ranked their top three)



Consumers feel issues/concerns over data security would lead to them leaving their current provider.

Financial services providers ignore the risks of a breach of trust at their peril: Accenture's Competitive Agility Index shows that this has a direct and substantial impact on the bottom line. For example, we calculated that money laundering allegations cost one company US\$1 billion in revenue.⁹ Providers should emphasize trustworthiness as a brand value and actively communicate this to customers through all touchpoints.

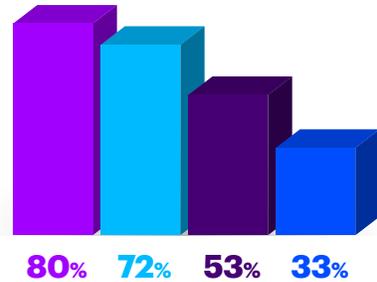
4 Integration between physical and digital channels

The ability to deliver a consistent level of service across all channels is an increasingly important competitive differentiator for financial providers.

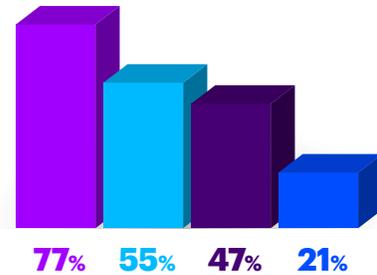
More than half of all our consumer survey respondents expressed an appetite for a true omnichannel banking experience, which would allow them to switch seamlessly between physical and digital channels.

And yet, not all consumers are satisfied with their experience across channels. Additionally, some say that digital interaction with financial services providers is less satisfactory than their digital experience with companies in other sectors. This should be taken as a wake-up call to traditional financial services providers, given that 61 percent of Pioneers and almost one in three Pragmatists and Skeptics say they would trust technology and communications companies such as Apple, Inc., Google LLC, and Verizon Communications Inc. to look after their long-term financial well-being.

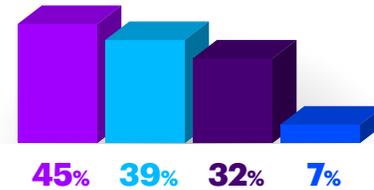
Interaction preferences



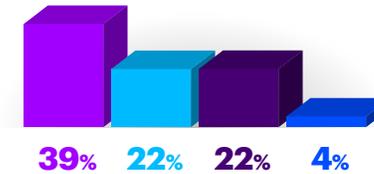
Want to see their banks blending physical and digital services



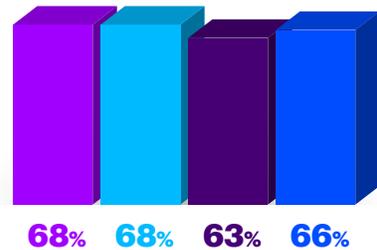
Would like to be able to switch between online and telephone channels during a transaction



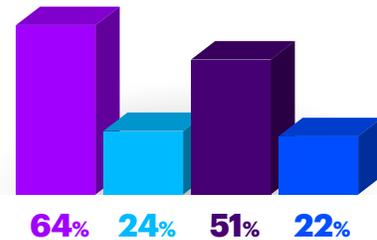
Prefer to use mobile devices or tablets to communicate with their bank



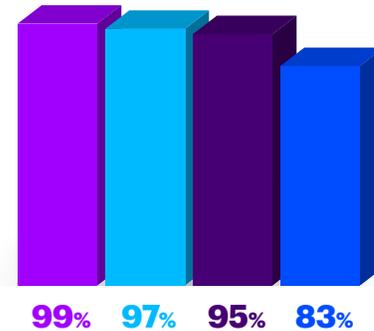
Prefer to use mobile devices or tablets to communicate with their insurer



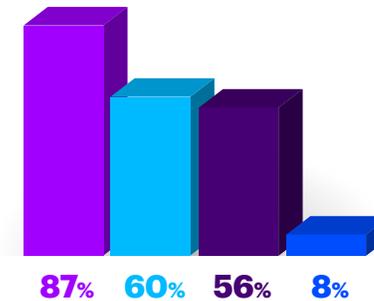
Favor face-to-face interaction with their bank



Say the quality of service varies across channels



Read content online



Use phone as principal device



What does this mean for financial providers?

They should leverage their physical footprint and integrate physical and digital services to meet customer needs more effectively.

The consumer survey shows that while some persona groups, such as the Pioneers, are happy to engage with providers via online channels, all consumers still value face-to-face support when undertaking certain banking and insurance activities. To meet the needs of these groups effectively, providers should offer a multichannel service that allows consumers to contact them in the way that is most convenient. Although face-to-face contact is strongly favored by all persona groups, there is considerable geographic variance. In geographies where physical channels are important, providers should look to develop branches into “experience hubs” that also offer digital services.

For customers such as Pioneers, who show interest in channel innovation, providers can experiment with innovative new channels, such as video conferencing, virtual reality and chatbots. At the same time, providers should assign staff with the strongest customer-interaction skills to Traditionalists, just over half of whom say their providers do not deliver well on the polite, knowledgeable in-person service they value. This group engages infrequently through digital channels—**78 percent, for example, never use a mobile app or website to contact their bank**—so in-person contact is the primary route to value-addition.

**CUSTOMER ATTITUDES AND PREFERENCES:
4. INTEGRATION BETWEEN PHYSICAL AND DIGITAL CHANNELS**

The goal for all personas is to create a coherent customer experience by offering intelligently personalized products and services through the appropriate mix of channels according to the customer profile. Providers should also align the experience with their brand—values such as simplicity, personalization and service excellence should be tangible for customers.

In a world where customers value simplicity and a seamless buying experience, insurer KBC Group introduced an award-winning, data-driven platform that simplifies the process for getting homeowners insurance by asking customers just three questions and providing them with an immediate quote.¹⁰

Another example is major U.S. insurer CNA Financial Corporation's Get a Quote service, which connects small business owners to licensed producers or independent agents to provide insight, customized insurance coverage and completion of the policy purchase.¹¹



To offer customers greater face-to-face support, Pioneer™ Federal Credit Union has developed the myPioneer Personal Assistant app that allows customers across the United States to video conference with bank agents.¹² The app displays both a video of the agent, as well as any relevant forms at the bottom of the page, allowing customers to sign them with their fingertip during the call.

Another example of providers delivering a strong “phygital” experience is PNB MetLife India Insurance Company Limited’s virtual reality platform, which transports the customer into an insurance expert’s office where they can talk across the table.¹³

Increasing the value delivered by the high-cost advisors, who are so clearly important to customers, is a challenge for financial providers. Many are turning to a combination of RPA and AI technologies to accomplish this, using RPA to automate standard transactions and AI to surface new behavioral insights.

Together, these technologies allow staff to address customers’ desire for personal contact during complex transactions, while using these in-person encounters for cross- and up-selling based on a detailed, up-to-date view of the customer’s behavior and likelihood of purchasing various offerings.

AI and other predictive algorithms can also be used to forecast customer churn, allowing advisors to devote more in-person time to high-lifetime-value customers who are showing high scores for likelihood to switch providers. These technologies also allow providers to improve speed and efficiency of service—**rated by consumers in our survey as the most important service criterion**—by automating an increasing number of transactions, allowing customer-facing staff to focus on generating new value and delivering a high-quality customer experience in person.

**CUSTOMER ATTITUDES AND PREFERENCES:
4. INTEGRATION BETWEEN PHYSICAL AND DIGITAL CHANNELS**

They should have a GAFA vision and grow business through third-party platforms

The study shows that being able to access their bank or insurer quickly and easily is an important factor for many consumers, particularly Pragmatists. At the same time, almost half of consumers surveyed say they expect their bank to use data to anticipate their needs and recommend products and services when they are required.

Financial services providers should review existing, ubiquitous channels such as GAFA (Google LLC, Apple, Inc., Facebook, Inc. and Amazon.com) as a means of product and service delivery (see Figure 3).

Figure 3. Different ways providers can use GAFA channels to reach customers



**Leverage GAFA
platforms to
distribute
financial services
propositions**

Packaging of financial services products (such as cards, loans and so forth) for sale on GAFA and other retailer platforms



**Place
funding on
GAFA platforms**

Placement of (sub-prime) funding on GAFA and fintech platforms for them to provide to end-customers



**Sell digital
services
through APIs**

Offer to customers and other enterprises digital services, such as digital identification, digital vault and so forth



**Monetize
algorithms and
platforms**

Make available to other players banking intellectual property, such as algorithms (Know Your Customer, risk scoring, physical space and so forth) and platforms

Source: Maximizing Revenue Growth in Retail Banking, Accenture 2018

When considering GAFA channels, financial services providers should carefully weigh the benefits of access via favored consumer applications—such as being able to offer payments via established social channels, augmented interaction utilizing virtual or augmented reality, as well as more sophisticated or relevant marketing messages—versus the potential threat of these channel owners developing or expanding their own financial service offerings.

Banks and insurers can also work with third-party platforms in a mutually beneficial way, for example by sharing customer data to improve understanding of customer needs, and developing new products and services that meet such needs.

5 The role played by trust

Overall, trust in banks and insurers is high: Seventy-seven percent of respondents say they trust their bank to look after their long-term financial well-being, while 68 percent trust their insurer to do the same.

However, trust varies among personas. It is lowest among Skeptics, who also show the least satisfaction with their branch experience.

Trust is not necessarily a driver of loyalty. For example, Pioneers, the group with one of the highest levels of trust in their bank and insurer, are also most likely to trust a non-traditional provider—such as a telco or tech company—to look after their long-term financial well-being, suggesting new sources of competition. They are also the group that has switched provider most over the last year. Providers should also do more to engage with Traditionalists, 13 percent of whom say their trust in financial providers has dropped in the last year. Traditionalists are likely to act on their discontent—indeed, this group switched provider most often, after the Pioneers.

“77%
of respondents say they trust their bank to look after their long-term financial well-being, while 68% trust their insurer to do the same.”

Trust and loyalty	<i>Pioneers</i>	<i>Pragmatists</i>	<i>Skeptics</i>	<i>Traditionalists</i>
Say the main reason they stay with their bank is that they like it	69%	74%	46%	55%
Have a positive experience in bank branches	77%	78%	31%	54%
Trust their bank to look after their long-term financial well-being	88%	89%	65%	69%
Trust their insurer to look after their long-term financial well-being	83%	77%	59%	56%
Trust non-traditional providers to look after their long-term financial well-being	60%	34%	31%	17%
Trust their bank less than they did last year	9%	8%	18%	15%
Trust their insurer less than they did last year	10%	7%	16%	12%



What does this mean for financial providers?

Only 7 percent of the respondents in our survey reported having switched bank accounts over the past year, giving better value products and services as their main motivator.

However, competition from non-traditional providers is increasing and the Pioneers in our survey show a willingness to entrust their long-term financial well-being to these vendors. Financial services providers cannot afford to rely on customer inertia over switching, and competing on price would not be a sufficient competitive differentiator over the long term.

Many providers have recognized this and are focusing on new ways of creating added value for customers. As we mentioned earlier in this report, personalization, a move to providing integrated propositions with non-financial vendors, and a focus on robust data security are promising avenues for strengthening customer loyalty and increasing customer lifetime value.

A head start for bankers and insurers

To stay relevant and win loyalty in a digital economy, banks and insurers should harness consumer data to deliver a hyper-relevant, highly convenient and trustworthy customer experience.

One way they can do this is to find patterns among their customers' varying personalities. Ultimately, this means becoming a "living business"—**creating a business model that moves beyond traditional industry boundaries and is agile, innovative and hyper-relevant.**



How can banks and insurers get a head start on building a living business model?

By following these steps:

Meet core needs:

Expanding business models through ecosystems with non-financial vendors

Banks and insurers should also identify opportunities to participate in ecosystems, providing integrated propositions addressing core needs. Again, those opportunities should vary by customer segment. Pioneers and Pragmatists appear most interested in the integrated propositions we explored in our consumer survey. But there are likely to be pain points for all customer segments that can be addressed through ecosystems combining products and services from a network of alliances, vendors and partners.

As providers look to use branded channels such as GAFA platforms for delivery of products and services, and as they cooperate with non-financial vendors in the provision of integrated propositions around core customer needs, they should focus on amplifying their brand values to differentiate themselves from their ecosystem members. The brand and its promise should be communicated consistently across all physical and digital touchpoints.



**Find the segment of one:
Offering personalized experiences tailored to personas**

Banks and insurers should develop new capabilities. Specifically, they should use technology cost-effectively to create personalized experiences for increasingly different customer segments—ultimately down to a “segment of one.” As our consumer survey shows, there is considerable variation in the type of experience valued by different customer segments.

The Pioneers and Pragmatists in our survey, for example, are interested in personalized offerings and integrated propositions delivered through a mix of channels and ecosystem members. Providers should define a strategy for each customer segment that identifies the investments required to deliver targeted returns. This should take into account the long-term growth prospects for the segment, varying by geography, such as Traditionalists—the segment with the highest percentage of 55+ respondents in our survey—being expected to grow in countries with aging populations.

Incentivize for reciprocation: Receiving personal data in exchange for advice and better terms

The majority of respondents in our survey are prepared to share more data in exchange for personalized services. Willingness to do so varies significantly by persona, however, providers should work particularly hard to identify genuine value for customers who are less interested in and less prepared to exchange data for personalized services.

Match channels to consumers: Fully integrating physical and digital

Given the high value placed on face-to-face contact with financial advisors by all of our personas, across all age groups, providers should use technology effectively to allow human advisors to focus on value-generating activities and not on anything that could be automated for lower cost. We would expect some to be open to the automating processes previously requiring human contact.

The Pioneers in our consumer survey are over twice as likely as the other three personas to trust an automated chatbot in helping them apply for a mortgage or loan, for example. Providers can also consider cost-effective ways of bringing the advisor to the customer such as video calls. Working out—and effectively executing—the appropriate mix of automation and human contact is key to achieving the status of trusted “collaborator” in the customer journey towards financial well-being.

Build loyalty: Anchoring trust through all touchpoints

Consumers in our survey show high levels of trust in their providers. And yet, as they engage with third parties to provide integrated propositions, banks and insurers can expect to work harder if they want to maintain that trust.

For many, doing so would mean making additional investments in bolstering data security. Informing customers on measures to strengthen data security and how their data is shared with ecosystem alliances, vendors and partners is expected to become an increasingly important element in brand differentiation.

The ability to respond with agility to individual consumer needs is a critical aspect of becoming a living business: one that continuously evolves its core business model and extends its offer beyond the traditional boundaries of banking and insurance.

Serving the unique needs of every customer, with hyper relevance and hyper convenience, might seem daunting. But when banks and insurers find the patterns among their consumers, they can find their way toward offering trustworthy, omnipresent, personalized services.

About the research

Accenture surveyed **47,000** respondents across **28 markets** including Australia, Brazil, Canada, Chile, China, France, Germany, Hong Kong (SAR), Indonesia, Italy, Japan, Netherlands, Singapore, Spain, Sweden, Thailand, the United Kingdom and the United States.

Respondents were consumers of banking and insurance; they were required to have a bank account and an insurance policy. Respondents covered multiple generations and income levels. The fieldwork for the survey was conducted during May and June, 2018.

[accenture.com/FSConsumerStudy2019](https://www.accenture.com/FSConsumerStudy2019)

The global consumer: Personas by region and market

Note: The findings and data presented in this document come from the 2019 Accenture Global Financial Services Consumer Study, February 2019, unless otherwise stated.

	Pioneers	Pragmatists	Skeptics	Traditionalists		Pioneers	Pragmatists	Skeptics	Traditionalists
Global	23%	23%	33%	21%					
North America					Middle East and Africa				
Canada	11%	26%	23%	40%	South Africa	26%	36%	32%	6%
United States	21%	28%	16%	35%	UAE	38%	17%	42%	3%
Europe					Asia Pacific				
Belgium	6%	23%	30%	41%	Australia	15%	28%	25%	32%
Finland	4%	28%	34%	34%	China (mainland)	48%	14%	35%	2%
France	8%	18%	34%	40%	Hong Kong (SAR)	18%	12%	59%	11%
Germany	5%	23%	20%	52%	India	51%	20%	26%	3%
Italy	12%	22%	41%	25%	Indonesia	48%	24%	27%	1%
Netherlands	7%	25%	27%	41%	Japan	4%	5%	47%	44%
Spain	17%	26%	40%	17%	Malaysia	31%	18%	45%	6%
Sweden	6%	31%	35%	28%	Singapore	19%	19%	52%	9%
United Kingdom	16%	24%	23%	37%	Thailand	55%	12%	31%	2%
Latin America									
Argentina	20%	30%	41%	9%	Colombia	41%	26%	27%	6%
Brazil	36%	23%	37%	4%	Mexico	42%	25%	27%	5%
Chile	30%	33%	31%	6%	Peru	46%	20%	31%	3%

Acknowledgements:

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Piercarlo has more than 28 years of experience in Accenture. He serves retail banking, private banking, corporate banking and insurance clients in developed and high-growth countries. He supports organizations in their customer-driven digital transformations, restructuring the core business and launching a portfolio of new businesses to drive revenue growth, higher customer engagement and lower cost-to-serve. He has deep experience in omnichannel distribution transformation, marketing transformation, analytics, big data and CRM.

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