

braze X  TEALIUM

The Future of FSI:

Embracing personalisation and data agility in a cookieless world

APAC Report



DIGITALISE OR DISAPPEAR

FSIs must come to terms with data in order to give customers the experiences they expect

As the world continues to look for ways to adjust to the impact of COVID-19, the financial services industry (FSI) must also weigh its options carefully. Unlike the disruption of business and society caused by the 2000 Dot-Com Bubble Burst or the 2008 Financial Crisis, the pandemic hasn't simply changed the course of history; it has accelerated forces already in motion.

Digital transformation and the adoption of digital tools such as e-payments have been underway for years but are now top-of-mind across Asia. Even regions such as [Hong Kong](#) and [Tokyo](#) that have traditionally favoured cash payments are now slowly changing their habits. This shift in behaviour is matched by a desire for more responsive and relevant experiences as consumers become more empowered and connected.

With more customers heading online in the wake of the pandemic and developing higher expectations when engaging with brands, we're seeing more businesses rethinking their strategies in order to create customer-first experiences. In the process, they have realised they have more customer data to work with than ever before. As they race to use this data in novel, impactful ways, customer data platforms (CDPs) and customer engagement platforms (CEPs) are playing a key role in helping financial services brands compete effectively by orchestrating customer data across departments and delivering better brand experiences to consumers. That has led to a renewed focus on effective communication strategies to stay relevant and develop deeper, more meaningful relationships.

Digital transformation and the adoption of digital tools such as e-payments have been underway for years but are now top-of-mind across Asia.

The State of Play — APAC Financial Services Industry



In a number of markets across Asia-Pacific, where access to traditional forms of banking and credit is still relatively low, customers are open to experimenting with innovative cashless ecosystems for digital transactions. Growth in the adoption of digital payments in this region that was projected to take place over several years has happened in just a few months.

Singapore



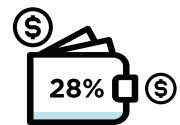
Singapore is one of the only markets globally to cross [90% penetration](#) for contactless payments.

Australia



The number of Australians using “buy now, pay later” (BNPL) products has more than [doubled between 2019 and 2020](#), with nearly one in 10 Australians now using such a platform.

Thailand



Digital wallets are used in nearly a quarter of ecommerce transactions and are expected to [claim a 28% share](#) of the overall payments market this year.

Indonesia



In June 2020 alone, a top Indonesian insurtech startup claimed to have served more than [four million new customers](#).

India



HDFC, India’s largest private sector bank, set up an online facility to help open savings accounts instantly. By early June 2020, HDFC had [added 250,000 new customers](#), just over a month after starting the service.

Hong Kong

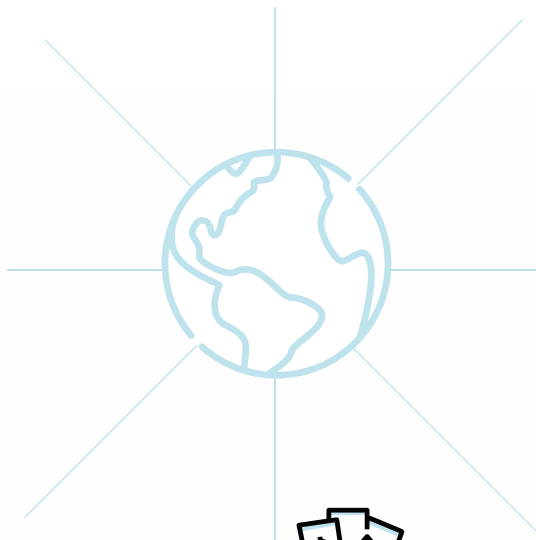


PayMe, HSBC’s e-wallet, hit a landmark [2 million users in May 2020](#), representing a 25% jump from 2019.

Vietnam



The number of financial technology (fintech) brands in Vietnam [almost tripled from 44 to 124 startups between 2017 and 2019](#), with the most noticeable increase in peer-to-peer (P2P) lending startups, which grew from three to 23 startups.



One factor behind this steep rise is the higher trust that consumers across Asia-Pacific place in brands [compared to the West](#). As consumers become more willing to share financial data with third parties to receive tailored offers, FSI have an opportunity to reinforce their role as trusted institutions by calibrating what a best-in-class experience could look like for today's consumers while ensuring privacy remains at the core of their approach.



Reaping the benefits of higher trust levels across the region, FSI brands in Asia-Pacific are making strides towards digital transformation. In fact, [75% of tier 1 banks in the region](#) say they plan to deploy intelligent automation solutions at scale by 2022, indicating that digitalisation is now a top priority for banks across the region.

In fact, 75% of tier 1 banks in the region say they plan to deploy intelligent automation solutions at scale by 2022, indicating that digitalisation is now a top priority for banks across the region.



Personalisation Takes Centre Stage

Do You Really *Know* Your Customer?

As the pandemic took hold and customers migrated online, some businesses realised the importance of investing in technology tools. Others pulled back and went into survival mode, with marketing taking a backseat.

While there have been mixed responses across Asia-Pacific, COVID-19 inadvertently raised the bar for customer engagement and experiences.

The region has seen the preference for digital, contactless consumption increase fast, opening new possibilities for financial services companies to foster brand loyalty.

According to Forrester's [Singapore 2020 Customer Experience Index](#), the overall quality of customer experience improved by three percentage points amid the pandemic, with six out of eight returning FSI brands showing improved scores.



The promise that technology carries is now shaping consumer expectations. The [Global System for Mobile Communications Association's](#) latest 2020 report notes that 64% of Asia-Pacific residents are already smartphone users and forecasts an increase to 80% by 2025.



The continued rise of mobile means brands will be able to speak directly to more customers. In turn, the personalised nature of mobile communications means those customers now expect brands to know more about them and interpret what they want, how they prefer to be messaged, and when. Companies that fail to do this well risk losing these consumers to competitors.

While crafting a personalised customer journey is not easy, technology tools are making it easier for brands to use data from a wide range of touchpoints to understand how each individual customer is engaging with them and provide a better brand experience.

Leading players in Asia-Pacific are already using their technology stacks to form virtuous cycles, combining individual customers' self-declared data and platform behaviour data to offer a personalised user experience, from location-based offers to dynamic messaging.

Edward Kilian Suwignyo, chief marketing officer of Linkaja, an Indonesia-based financial services application, stresses the importance of building a holistic picture by combining information from all relevant channels. In this way can a company expect to improve its service.

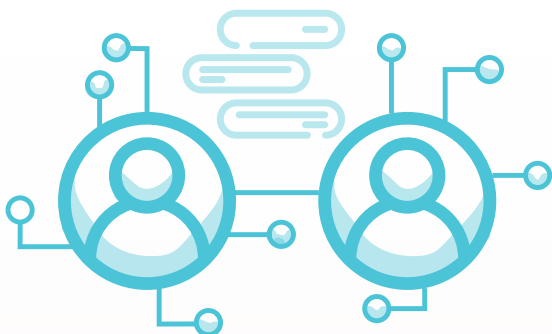
“ **Through our holistic payment ecosystem, we are able to understand our customers and merchants, providing access to the products and services they need, to make progress in life and business,**” he says.

In practical terms, consolidated data will allow us to send highly relevant, non-intrusive message to customers, such as insurance offer for a user with frequent transportation payment. As cashless payments increase in our holistic ecosystem, our ability to understand users interests and priorities becomes better.

“The pandemic has given us a huge opportunity to reach out to the Thai population that is now more aware about cashless payments,” says Thi Thom Pham, Head of Marketing at AscendMoney, the operator of TrueMoney, a Thailand-based e-payment service provider.



“While we saw a big increase in downloads but a drop in conversion, data played a big role in converting these users. We changed our onboarding journey and welcomed these new users with more educational content and step-by-step messages.”



However, collecting and managing data from multiple sources to support true data agility remains difficult. Ms Pham adds: “It’s challenging to manage all the data from different sources in a single unit. We currently need to tap into four to five databases to get a complete view of one customer’s data.”

“But having data on every stage of the customer journey is akin to gold in our hands,” Ms. Pham says. “Working with martech partners has helped us gain visibility and create personalised campaigns for specific segments. Targeted campaigns have helped boost conversion and saved us advertising costs without annoying customers with offers that won’t suit them.”

She adds that customer segmentation has been the single most important factor for delivering successful customer engagement campaigns. “The needs and behaviours of different groups such as high school students and entrepreneurs is very different. That is why it’s important to have a clear strategy for each segment. Once we’re able to engage each group, we look at cross-service strategy based on historical data to understand the user journey of each group.”

Working in harmony: Technology stacks, CDPs, and CEPs



As digital touchpoints increase, CDPs have become crucial to managing the resulting influx of data. Today's customers hand over data with the expectation that FSIs provide personalisation throughout their customer journey.

To do this, FSIs need to learn their customers' needs and dynamically shift outreach based in part on how a given customer responds to a particular message.

The right technology stack is critical. Brands' technology stacks have evolved in recent years to become more complex but also more efficient. At its best, a marketing technology stack is a hybrid made up of various best-in-class components that can be added to or removed as needed for each company's unique efforts; it is an interconnected ecosystem that makes it possible to use the data that is collected seamlessly and effectively across your organisation.

Financial services companies in Asia-Pacific must factor in their own specific requirements when building a technology stack. In the fiercely competitive mobile payments space, for example, players are under pressure to find ways to attract customers organically as opposed to racing to buy them. This means creating acquisition loops and building retention into their strategy from the beginning. They need technology solutions that enable them to be present alongside customers and identify moments in daily life where their products are relevant.

This is where CDPs and CEPs can work together. By using these tools in unison to manage and act on data, FSIs can create messaging that is relevant, contextual, and valuable, and ensure they send the right recommendations at the right time.

Technologies like CDPs, when used in conjunction with a thoughtfully built stack, have enormous potential to help brands unify customer data across multiple sources, acting as a single trusted clearing house for essential information. But data in itself isn't enough. Adding CEPs to the stack allows that data to power contextual messaging based on factors like location, life events, or spending patterns.

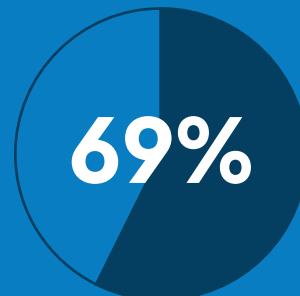
Of course, building out a technology ecosystem requires due diligence. For a CDP and CEP to operate together to their full potential, they must both be built with data agility and connectivity in mind, with the premise that customer data is only valuable if companies are able to act on it and learn from it in a timely manner while respecting data privacy and security.

Why privacy-by-design should guide everything customer and data-related

There is a general tendency for APAC consumers to be more open to exchanging their data for personalisation compared to consumers in North America, South America and Europe. According to a recent survey, 69% of APAC respondents are willing to trade personal data privacy for some form of improved user experience.

The important thing to note is these customers are willing to share their data not because they want more targeted ads, but because they prize better quality of service—notably, more convenience and security. While personalisation and a better experience

remains the end goal, data security and privacy at each step can ensure consumers continue to feel comfortable sharing their personal data with a given brand.



APAC respondents are willing to trade personal data privacy for some form of improved user experience.



The case of users boycotting WhatsApp in early 2021 due to a change in their data privacy policy is an indicator that it's very important for people to be reassured they are not being spied on," says Laurent Bertrand, CEO and co-founder of BetterTradeOff (BTO), a Singapore-based financial planning platform.

“Users of technology platforms today want to know if their data is being used correctly.”

Mr Bertrand adds:

“More transparency and alignment with customers will become necessary in the future. Customers are still open to data sharing if they know how and how much of their data is being used.”

Privacy has to be at the forefront for financial services because government bodies across APAC are intensifying their scrutiny of the sector. Data privacy and security regulators are becoming more stringent and cracking down on businesses with poor data protection policies, and the sector can expect to face stiffer penalties for non-compliance going forward.

The Hong Kong Monetary Authority (HKMA) has been working with banking associations and the HKSAR Privacy Commissioner for Personal Data (PCPD) to [give more guidance](#) on proper use of data in online environments. The PCPD has released specific guidance on big data, AI, and FinTech and is formally reviewing amendments to HK's data privacy

legislations to align with global standards. In Australia, the government made strides in this area by announcing the introduction of a [consumer data right](#) (CDR). The CDR will give consumers access to and the ability to safely transfer their banking data to trusted parties via an online system where consumers can choose to share data with accredited providers of their choice.

In Singapore, the Monetary Authority (MAS) has also [awarded digital banking licenses](#) to the Grab-Singtel consortium, technology giant Sea, and Ant Group. The state body required all companies to meet strict criteria before granting the licenses, which will enable them to begin operating in 2022.



In this environment, a privacy-by-design approach becomes essential for FSIs as a means of mitigating reputational risk and ensuring their customers stay.

What does privacy-by-design mean in practical terms? To begin with, it means building privacy into the design, operation, and management of a given system or process. In the context of financial services, it implies that customers' personal data is automatically protected when they onboard without the need for opting in or add-ons, ensuring privacy and security at every phase of the data lifecycle.

FSIs must also ensure that the technologies they use in their tech stacks are built on this principle too. They must be clear that the technologies in question see data privacy and security as a priority and put equal emphasis on this as on agility. The technology must be fully compliant with the EU's General Data Protection Regulation (GDPR) and other equivalent data privacy codes. The companies behind these technologies should also be working to deepen their commitment to security and view this as an ongoing duty.

While FSIs are encouraged to adopt this approach when developing their services, it is equally important to communicate and educate customers on data privacy and reassure them you're taking the necessary steps to safeguard their data. This can be done by sending the right messages to prove data is being collected as a 'value-add' to the customer. The messaging and ways in which we ask for data during the onboarding process makes a big difference to the customer experience and perception of value they believe a brand is giving them.



Changes Abound but for Marketers it's Business as Usual



Change is everywhere,

but the fundamentals of marketing remain as relevant as ever. Financial services companies are well advised to overcome their fear of a third-party cookieless world.



After all, marketing and advertising existed long before the advent of advanced cookie tracking. To navigate this transition, companies must be open to using new channels to pursue customer acquisition. The data collection aspect aside, a coordinated cross-channel strategy raises the chances of delivering true personalised engagement and a seamless experience.

The implications of the removal of cookies have likely been overstated.

“Cookies may not be the most efficient way to collect data as it lacks context”

says Mr. Bertrand. In other words, **“you just get generalisations”**.

Third party cookies are [time-bound and domain specific](#), so it is difficult to synchronise them for effective tracking. Most ad servers are simply counting the number of cookies for impressions and clicks. Furthermore, cookies are constantly deleted and cannot be accounted for across devices. As a result, impressions are typically overestimated and conversions undercounted.

What was perceived as a big disruption for the marketing landscape could turn out to be a trigger for innovation. Without third-party cookies, marketers need to look for novel ways to pursue digital advertising. It is a case of seeing the situation as an opportunity rather than a challenge.

Indeed, CDPs and CEPs have never depended on cookies. There is plenty that can be done with first-party data, including gaining a better understanding of your customers and using customer modelling to support your targeting. Users actively share first-party data with the brands they patronise, while third-party data is collected without a direct link to the customer. Where the former provides real-time information directly from customers, the latter can provide a broad—not personalised—understanding of an audience, but can also be unreliable. Even without the disappearance of cookies, the shift in focus to first-party data would have been a natural progression as FSIs look for the means to power drive personalised experiences, stronger engagement, and long-term customer retention.

Using first-party data does mean that companies will need to invest more decisively in tools to help them gain actionable data. In other words, teams will need to put resources into powerful data management and data export solutions to unify data.

David Raab, founder of the CDP Institute, highlights how data unification should be a top priority for FSIs.

“FSIs are better than most in handling customer data. But they have multiple operational systems and a strong IT focus which can make it difficult for marketers to get what they want.”

Mr. Suwignyo also reiterates the importance of data consolidation in developing a 360-degree view of the consumer. **“Without it, businesses cannot extract maximum value from data. If certain parties have one aspect of the data and your business has another aspect, both parties can’t extract all the value from the data.”**

Effective data consolidation can also benefit your whole company, enabling various departments to leverage this information to drive customer engagement. Ms. Pham highlights how “at TrueMoney, marketing and commercial teams use data and prediction to run campaigns and target the right customer on the right channels. The product team also uses in-app data to study customer journeys and improve our app.”

This kind of coordination can help to support cohesive, impactful customer experiences, allowing brands to put a better face forward and meet consumers’ needs.

By consolidating data via CDPs, brands can then target customers with personalised and dynamic messaging sent and optimised using CEPs. The right messaging can further increase engagement and consequently the richness of data, creating a positive feedback loop that results in stronger results across the board.

We understand that streamlining data is easier said than done. Yet it is imperative that financial services players take the initiative and get started. With the transition to a cookieless world, companies will need to double down on collecting first-party data to create a reserve of intelligence that can be used to understand each customer and speak to them effectively as individuals. Tealium (a CDP) and Braze (a CEP) are technologies that marketers can combine as part of a best-in-class technology stack. Applied together, they can empower brands to not only deeply understand their customers but also act on this information to speak to them in a way that is truly meaningful.

Setting up Your FSI for the Future of Customer Service



The FSI

sector shows a strong appetite for innovation across all areas of its business, and especially when it comes to customer engagement. The cashless ecosystem is still in its early stages and by embracing personalisation, marketers have a great opportunity to build new and long-lasting relationships. Technology is already helping facilitate virtuous cycles, but to really advance, marketers in this space will need to give special attention to unifying their data—and acting on it. The ability to use data effectively will ultimately determine the trajectory of tomorrow's financial services companies. With that in mind, here are some actions that companies can take immediately to position themselves for success.

- The transformation currently underway at a societal level is a chance for FSIs to reinforce their positioning as trusted institutions. A good place to start is to reconsider what best-in-class experience looks like for customers in this environment and realign strategy accordingly.
- Ensure your technology stack is fit for purpose, and place the same level of importance on privacy and security as on data agility.
- Prepare for the shift to first-party data. For some this will require a change in mindset; for most, it means being willing to invest in new data management and export tools.
- If you are not doing so already, think carefully about the kind of information you need to deliver a meaningful personalised experience and focus on acquiring that. An overload of data can be counterproductive, reducing the ability to act decisively.
- Look at ways to streamline data, and move to unify it. Consolidating data via a CDP sets you up for effective personalised targeting using a CEP. This is an essential move in order to ensure your data is actionable.



ABOUT BRAZE

Braze is a comprehensive customer engagement platform that powers relevant and memorable experiences between consumers and the brands they love. Context underpins every Braze interaction, helping brands foster more human connections with consumers.

www.braze.com

ABOUT TEALIUM

Spanning web, mobile, offline and IoT devices, Tealium connects customer data to help brands connect with their customers. Tealium's turnkey integration ecosystem supports over 1,300 client-side and server-side vendors and technologies, empowering brands to create a unified customer data infrastructure in real time.

www.tealium.com
