

Acquia

EXPERIENCE DIGITAL FREEDOM

FinServ Today

CATCHING UP WITH TRANSFORMING CUSTOMER EXPECTATIONS



INTRODUCTION

Nearly every aspect of financial services is undergoing an unprecedented shift.

Disruptive start-ups, evolving customer demands, burgeoning data availability, and other factors are combining to upend the long-standing status quo. To add to the turmoil, the barriers to switching providers have never been lower.

The impact of technology—on the industry, and on customers—provides both the biggest challenges and the greatest opportunities. Today’s consumers expect the information and services they want, whenever they want them, on the platforms of their choosing. It’s a huge demand. **The ability to offer what customers and prospects expect will be key to survival.**

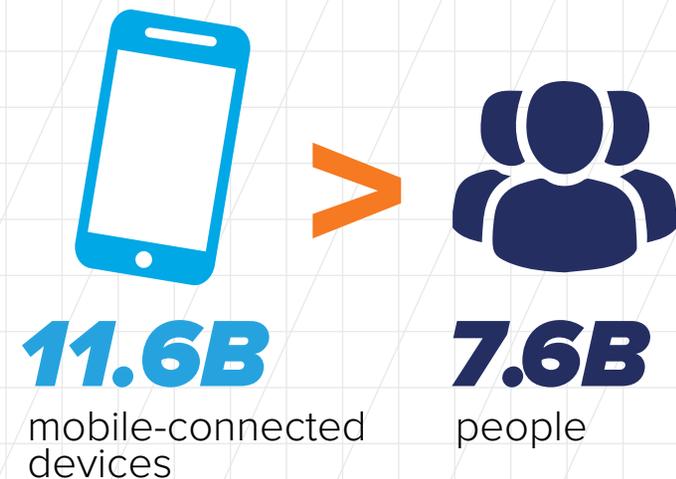
FINSERV INDUSTRY TRENDS

Advances in technology and changes in consumer expectations have upsides for both consumers and insurers going forward. But along the way, they'll also surface plenty of hefty specific challenges.

TREND 1

Consumers Are Expecting More

As consumers receive comprehensive digital servicing from more and more industries, their expectations have risen accordingly. Today's consumer values digital experiences over face-to-face or call center interactions. Younger customers expect to be able to use their mobile devices for everything—opening accounts, getting quotes, and completing transactions. As millennials begin to buy cars and homes, financial services providers, including banks and insurance companies, must provide the digital experiences they expect if they are to remain relevant.



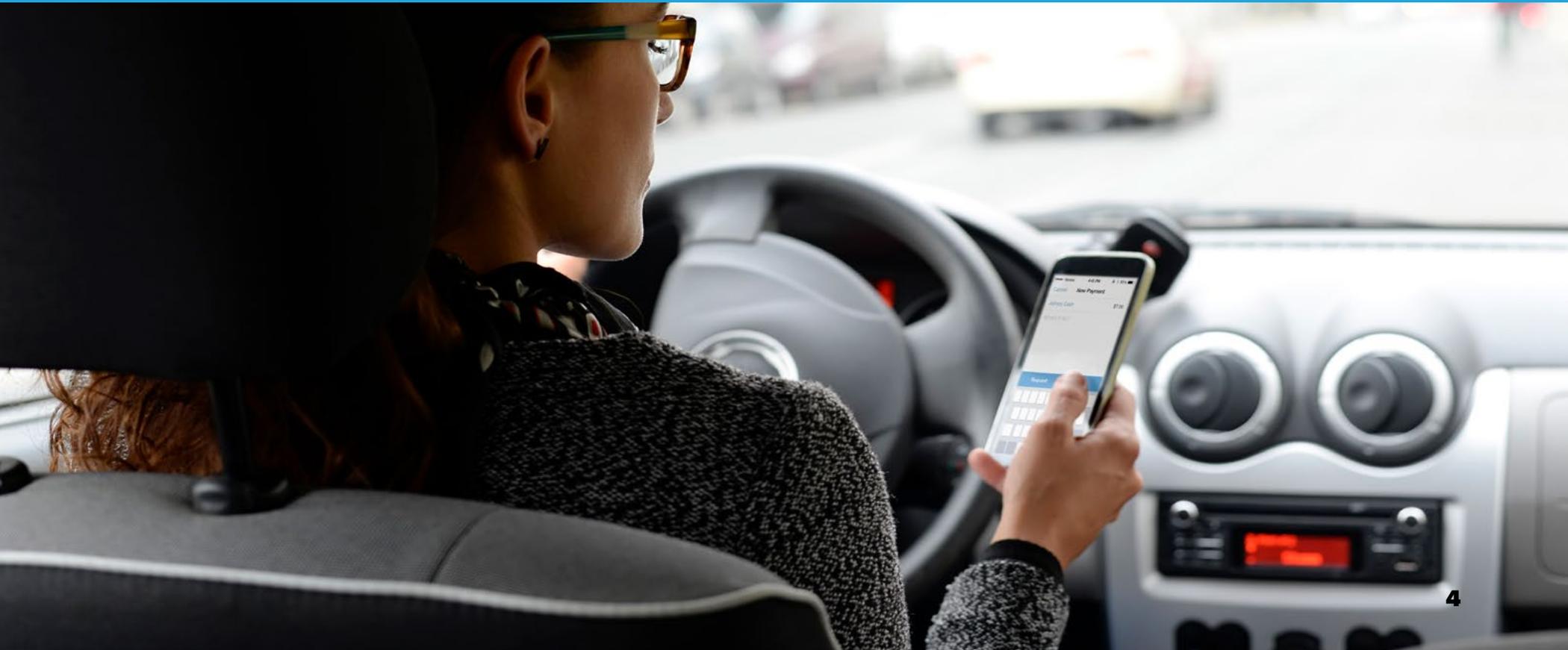
By 2020, there will be 11.6 billion mobile-connected devices, dramatically exceeding the world's projected 7.8 billion population that year.

TREND 2

Disruptive Start-Ups are Innovating and Growing

New competitors are entering the FinServ market on a seemingly daily basis, bringing disruption, as well as real competition. According to research from PwC, 30% of consumers plan to increase their usage of non-traditional financial service providers, with only 39% planning to remain with traditional organizations. Insurance innovators are focusing on the growing

demands for customized products. For example, millennials' disinclination to drive is making new low-cost, pay-per-mile car insurance increasingly popular. In banking, the adoption of peer-to-peer payment systems, such as Venmo is accelerating to the point that they are becoming a serious alternative to cash and credit cards.

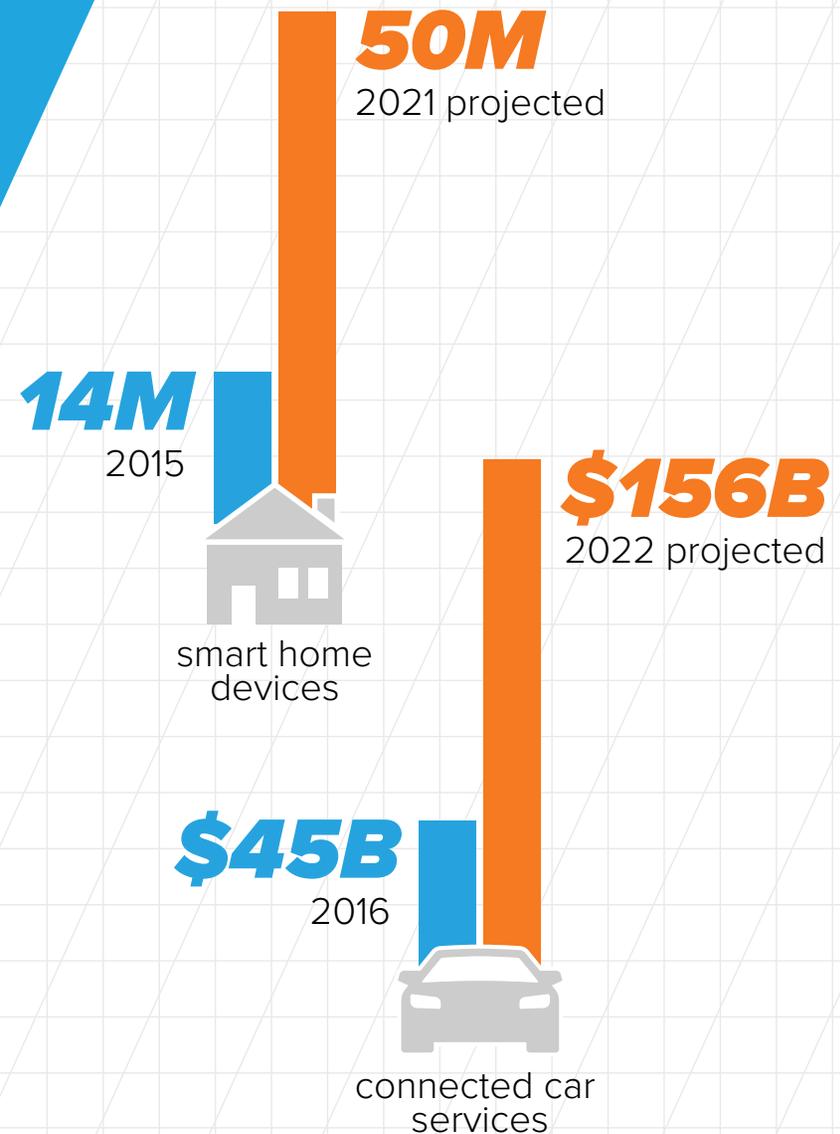


TREND 3

Data is Proliferating

Advanced analytics and automation are producing ever-increasing troves of customer data which, when correctly analyzed and used, can put the right offer in front of the customer at the right time. The expanding field of telematics, which deals with the long-distance transmission of computerized information, promises to significantly increase the amount and types of information available. The Internet of Things, which includes smart home devices, gives FinServ firms a new opportunity to learn from customers in order to serve them better.

If FinServ companies are able to harness these new sources of information, they can streamline their operations while improving customer experiences and lowering costs. But comprehensive data availability brings new security threats, meaning firms must dedicate resources to minimizing risk and reassuring customers.



CHALLENGES FACING THE FINSERV INDUSTRY

Although advances in technology and changes in consumer behavior undoubtedly present significant opportunities to insurers, those opportunities aren't without their unique challenges.

Intuitive, Customer-Centric Solutions are Crucial across Touchpoints

The FinServ industry as a whole has been slow to respond to the technological transformation, and traditional firms aren't keeping pace with consumers. According to Forrester, one-third of customers feel "all banks are basically the same," a statement that highlights the importance of creating differentiated customer experiences. FinServ firms had in-person interactions with less than half of their customers in 2018. Instead, those customers turned to digital self-service experiences first, making the quality of those interactions crucial.

Fragmented Legacy Processes Obstruct Progress

Out-of-date technology, often implemented on fragmented systems without thought to future integration, leads to disrupted customer experiences, challenges to security and scalability, and an inability to use data spread across the business. In addition, transparent fee structures/pricing and online quote and application capabilities have levelled the playing field. To thrive, FinServ firms must implement digital strategies that keep them connected to customers as their needs evolve.

Integrating Innovative Thinking into Established Processes is Difficult

When compared with other industries, FinServ is digitally immature, leashed to outdated processes, and in need of accelerated digital business transformation. For example, a survey by Gartner, Inc. and LOMA revealed 49% of North American life insurers surveyed had no digital strategy in place, and many also lacked an understanding of how digitalization can help transform their business models.

Size, organizational structure, and even outmoded leadership styles slow the delivery of the solutions customers are already receiving from other industries. The gamut of services offered touches every area of customers' lives, and is ripe for reimagining new business models and new technologies that improve customer engagement and build better relationships.

“Financial institutions that effectively leverage data and advanced analytics across the enterprise will be in a position to capitalize on newer technologies such as machine learning and automation. Those firms who fall behind will need to quickly overcome barriers that are preventing them from enjoying the benefits of advanced analytics or they will find themselves too far behind to catch up.”

David Gerbino, Principal, DMG Consulting



TO GROW AND THRIVE, FINSERV FIRMS MUST PRIORITIZE:

1 / Speed to Market of Applications and Functionality

Implementing faster development cycles will enable FinServ firms to catch up to consumer preferences, respond quickly to market changes and competitors' actions, and boost their own competitive edge.

2 / Data Security

The constant stream of corporate data breach events has left consumers increasingly wary. The Equifax breach in 2017 put the private information of more than 143 million Americans at risk—roughly half the U.S. population. The high level of personal and financial data involved in the FinServ markets potentially creates increased vulnerability, requiring greater diligence.

3 / Continuous Improvement

From mobile technology to artificial intelligence, FinServ firms must utilize technological advances as they arise, with an eye toward providing consumers with even simpler processes and more efficient service.

4 / Cost Control

IT costs related to development, deployment, and maintenance can be minimized by taking advantage of cloud computing technologies.

FINDING THE WAY: HOW ACQUIA CAN HELP

Savvy FinServ professionals aren't asking whether or not they need to transform their customer experience. They're figuring out what level of investment they need to put into digital marketing platforms, personalization tools, and better methods of engaging with customers.

Moving ahead, FinServ firms must offer customers a more intuitive, personalized digital experience, while gaining better control of their

brand's digital assets, and effectively using analytics and insight to drive the most efficient journey for both prospects and customers. Digging for data and insights to understand the true effectiveness of each effort is key. Knowing what's working, what's not, and where the gaps lie are all vitally important.

Acquia is the pioneering partner that can help build those experiences and relationships—on your own terms.

“Our research demonstrates that companies that do not aggressively establish an enterprise-wide digital program will fall behind, leaving them vulnerable to traditional and nontraditional competitors.”

James Huffman, senior vice president, management solutions, LOMA

Our web content management and customer journey orchestration have empowered leading brands to create the world's greatest digital experiences. We'll help you establish the more intuitive, personalized digital experiences today's consumers expect—all using open-source technology, all with the required security.

Gain control of your digital assets, deliver the right content at the right time, and tap into the data and insights you need to understand what works, what doesn't, and why. Meet your prospective and converted customers with what they need at every step of the journey.

For more information about how we're transforming the digital experience in Financial Services, visit www.acquia.com/solutions/financial-services

CONTACT ACQUIA

To learn about how Acquia can help you deliver a customer-first experience, please contact us at sales@acquia.com.

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