

If they grow with data enrichment, **Why not your bank?**

*“ The best kept secret of tech giants
and its application to the financial sector.*

    

If I have learned anything in these seven years at the helm of Coinscrap Finance, it's that one must stay alert at all times. Change lurks around the corner; if you work in the world of banking and insurance you probably know what I'm talking about. Technology permeates everything, especially regarding the new entity-customer relationships.

Our organization works every day to anticipate them and we have thought that it could be useful to compile in a document the most relevant success stories at a global level. Whether you are concerned about your entity being more aligned with the needs of customers or improving your turnover, you need to reevaluate the user experience at your digital platforms.

There is ample room for improvement for traditional banking and insurance systems due to data enrichment. Let's not forget that Mastercard has already issued a mandate requiring all card issuers in its network to have an enrichment solution by October 2023.

Visa is working on a similar measure.

In the following pages I'm going to tell you how some of the world's leading technology companies are applying it and what is the way forward for financial institutions.



David Conde Sayáns

Key terms

Data enrichment

Series of processes involving **artificial intelligence engines, natural language processing and machine learning**. Through different internal and external sources, large amounts of data are obtained that will be enriched in order to achieve a comprehensive vision of a topic. Due to enrichment, both entities and users can make well-informed decisions that lead to greater benefits.

User experience

This is the entire process that occurs when the user interacts with a **digital interface**. It includes the feelings, motivations and needs while browsing. A whole mix of emotions towards the website or App that makes the user want to come back again and again. If the user experiences positive feelings, the conversion and participation rate is more likely to improve.

Behavioral Design

The discipline combines design and psychology, being used above all in **improving the efficiency of digital products**. It takes into account all those factors that can influence the decision making of users. Many times these go beyond reason. Behavioral Design discovers their motivations in the interaction with online platforms to offer a UX that makes their lives easier.

// Both entities and users can make well-informed decisions that lead to greater benefits.

The new era of data analysis

According to various surveys¹, all age groups have increased the use of mobile banking applications in recent years. Almost 95% of GenZ use them regularly, millennials exceed 90% and generation X and boomers remain at 85%. What does this mean? That practically all customers use their bank's App to check their balances, make transfers and pay bills on a regular basis.

Millions of transactions carried out daily from your App that contain the answer to all your questions: how do I avoid my customers going to my competitors? How can I improve the UX? Is it possible to personalize my communications to increase my sales? How can I improve my onboarding and attract more users? Thanks to the enrichment of the banking transactional data, you will get the solutions.

Let's see how **Amazon, Google, Meta, IBM** or **Microsoft** have taken advantage of their extensive customer knowledge to offer a better user experience and increase business volume.



Amazon is the world's largest online marketplace and uses data enrichment and behavioral design to improve the customer experience on its website. Thanks to that, manages to increase its sales and retain the user.

Main applications of data enrichment carried out by Amazon

Audience segmentation: They create several typologies of customers. The audience segments are based on user profiles and take into account the behavior during the visit to the web. This allows them to offer products that are of interest to the user.

Personalized recommendations: Through data enrichment techniques, they suggest different products adapted to users. To do so, Amazon takes into account the customer's purchase and browsing history. It also serves to include information about complementary or similar products.

Search Results Optimization: Amazon uses this technology to improve the search engine of its website. In this way, it is able to identify synonyms, make spelling corrections and suggest terms related to the user's search.

Analysis of customer opinions: Due to the analysis and enrichment of the data, Amazon carries out a study of the opinions expressed on its platform. This includes pattern identification and sentiment analysis. It is vital to know the reaction to a new product or service.

Suppose a user has been shopping for baby products on Amazon, such as diapers, wipes, and bottles. Using data enrichment techniques, they can analyze the user's purchase history and enrich it with additional information, such as the baby's age, gender, and the user's geographic location. Then, using machine learning and behavioral design models, it will recommend products that are relevant and specific to the user's baby, such as educational toys, baby books, or clothing.

Additionally, Amazon may use this technology to provide recommendations for similar products. For example, if the user has purchased a baby bottle, the marketplace can recommend other baby food products, such as pacifiers, special bottles for newborns, and breastfeeding products.

Amazon takes advantage of data enrichment to add additional information to the customer's purchase history and recommend products relevant to their needs. This undoubtedly improves the user experience and increases sales on the platform.



*Following Amazon's example, banks and insurers could begin to segment their users using behavior patterns. **Knowing consumer habits can help predict future interests.***

Analyzing what they buy, when and where helps your company to improve the offer of products and services, while increasing satisfaction with your platforms.

Meta

The company created by Mark Zuckerberg has in its portfolio well-known applications such as Facebook, Messenger, Instagram or WhatsApp.

Let's see how Meta applies data enrichment

Track user activity and evaluate interests to recommend personalized content. If a user is interested in a particular product, you can suggest related articles, product reviews, or tutorials.

Adapt the content to the user's location. If a person is browsing from the UK, Meta will show them content relevant in their area, such as local news, events and businesses.

Anticipates possible problems or needs. This helps the company to proactively address customer issues and provide better customer service, which translates to higher satisfaction.

It offers personalized ads to users based on their interests. In the event that a user frequently visits a particular website, Meta may suggest products related to the products she has viewed.

It detects patterns in the behavior of Internet users, which allows them to offer more personalized and attractive experiences. By tracking user activity across all platforms they can suggest relevant content.

With data enrichment, Meta can identify user preferences and provide more relevant content.

Meta can use data enrichment to analyze users' browsing habits and interests. In this way, it manages to offer more relevant messages. It is also capable of determining their interests and preferences to enrich the information with additional data, such as location, age, and lifestyle, allowing it to better understand the user and target them with behavioral design.

By analyzing the browsing history, it can find the most visited keywords and topics. Something very useful to launch alerts that are relevant, such as related posts.

In addition, by detecting how often a user visits a website, how long they stay on the page, and what products or services they view, Meta can show ads that match their needs.



*The Meta success case demonstrates that enrichment can help entities to **understand the real interests of users**. Banks and insurers already use machine learning algorithms to analyze the activity of their customers on a daily basis.*

Due to data enrichment, they can offer personalized alerts and generate greater engagement.



Google is the most used search engine in the world, with more than 92% market share. The company uses data enrichment to improve the accuracy of its search results, add user profile and location information to deliver relevant local search results.

How Google applies data enrichment

Instant responses: Using data enrichment techniques, it offers immediate responses to queries from Internet users. This includes displaying results directly on their page, such as unit of measurement conversion, weather information, or currency exchange.

Google is the most used search engine in the world, with more than 92% market share.

Semantic search: Use technology to understand the meaning of queries and offer more curated search results. This is the case of the identification of synonyms, the analysis of the context of queries and the detection of relationships between concepts.

Search suggestions: It is based on user history and global search trends to offer suggestions due to data enrichment. This is a great help for users, as they find more relevant results and save time.

Targeted advertising: Google uses large amounts of data to show ads to users based on their interests, behaviors, and demographics. This data is collected through multiple sources such as activity, geographic location, profile, etc.

The browser engine may also collect information about user activity across multiple devices, such as mobile phones, desktop computers, and tablets. Through data enrichment and behavioral design, Google is able to combine this information to create more complete and accurate user typologies, thus enabling hyper-personalized and relevant ads to be delivered.

For example, if a user searches their mobile for information about a trip to New York, and then browses hotel and tourism websites, Google can use the cross-browsing information to display ads related to travel to New York on the user's computer. In this way, they can display more relevant ads and increase the effectiveness of advertising.

Gathering information about customer age, geographic location, and preferences is fundamental to create more detailed profiles. This allows them to improve the user experience and be less intrusive.



We have seen how the enrichment helps to immediately solve user's doubts.

*Entities can take advantage of data enrichment to find out **the best time to issue their messages**, either because an insurance expiration date is approaching or because some new circumstance occurs, such as extra income that could be derived from an investment product, for example*



IBM is a leading technology company that provides data analytics solutions and uses enrichment to help businesses better understand the vast amounts of information that is generated by companies' daily activity.

How IBM use data enrichment

Personalization: Due to data enrichment techniques, they can collect additional information about users that will be used to personalize the UX, offering custom-made content and recommendations.

Data quality improvement: Eliminate errors and duplicates, and also add missing information. This ensures that users have access to accurate and complete information in order to make better decisions.

Sentiment analysis: Users dump a lot of information on social networks and other platforms. This allows IBM to identify trends and opinions about its products and services. They can make adjustments and improvements with all the information.

Semantic enrichment: The company uses machine learning techniques to add meaning to the data, which favors its understanding and analysis. This improves the accuracy of search results, content classification and pattern detection

Technology can improve the quality of data and add valuable additional information for business decision-making.

Semantic enrichment is a natural language processing technique that adds meaning to data by identifying concepts and relationships between them. Specifically, IBM applies it to their work with the financial services company Banorte, to improve the quality of its data and, consequently, increase the efficiency of its processes.

Banorte had multiple data systems that were not integrated, which generated duplication of information, incomplete data, and errors. To solve this problem, IBM centralized the data with its Master Data Management (MDM) solution. In addition, it used data enrichment technology to add layers to customer information due to data such as: demographic profile, social media information and credit history.

The data enrichment made Banorte have a more complete and detailed vision of its users, being able to offer a better service and make more informed decisions. In addition, by having more accurate and updated information, errors were reduced and the efficiency of business processes was improved.



IBM is able to identify trends that help them anticipate potential problems and ensure the best solutions are chosen.

*With data enrichment, banks and insurers **can also detect risky or fraudulent behavior**, thus obtaining savings in premiums and compensation.*



Microsoft uses data enrichment in its Dynamics 365 business platform to improve the accuracy of its data analysis tools.

This platform offers a variety of integrated business applications such as sales management, marketing, finance, customer service, and operations management.

some examples of how Microsoft applies enrichment

Extract key information: Identifying and adding meaning to data in Dynamics 365 allows them to establish patterns and extract key information. This allows users to better understand the context behind the data and make informed decisions.

Data integration: Microsoft Dynamics 365 integrates the information and enriches it to offer a complete picture. They can integrate data from sales, finance, and operations.

Predictive Analytics: Employs data mining techniques to identify trends and predict future behavior. This allows users to take preventive measures to mitigate risks and take advantage of opportunities.

Machine learning Dynamics 365 uses it to identify customer service failures and suggest solutions automatically. This reduces the workload of customer service staff and improves user satisfaction.

The Dynamics 365 Customer Service module uses enrichment techniques to identify the context behind a user request and provide the best solution. If a customer calls this department with a product issue, Dynamics 365 can use natural language processing techniques to analyze the expressions used and extract key information such as product type, location, and the specific problem.

Next, they will use data enrichment techniques to add meaning to the information and provide a personalized solution to the customer. To identify and add that meaning, Dynamics 365 uses artificial intelligence, natural language processing and machine learning. Their tools need to understand the meaning of words and phrases in the context they are used.

As we have seen, many large corporations use data enrichment on their digital platforms to improve the accuracy of their data analysis tools and offer personalized user experiences.



Due to enrichment, the banking and insurance customers can have all the information related to their financial health available in real time, in order to make better economic decisions.

*It has been shown that this means **a longer time of use of the App** and an increase in satisfaction with the service.*



Offering a good user experience is essential for digital banks

If all financial institutions offer the same products and services, what can you do to differentiate yourself from the competition? You need to offer an exceptional user experience and take advantage of financial data enrichment to hyper personalize your offer.

Take a look at the reasons that motivate investment in UX

Build trust and retain customers: When it comes to money, most of us take it very seriously. Feeling safe with our bank is essential, and we would never use an application that provided a bad user experience. It gives the impression of insecurity and seriously damages the image of the bank.

Shortens the sales funnel: The more steps a customer has to take to complete an action, the more likely they are to abandon the process. By improving your user experience, you reduce the number of steps required in the sales funnel and raise the number of customers.

Increases usage time and engagement: By having a simple, intuitive, and orderly design, a greater number of interactions are generated and engagement increases. This leads to more sales opportunities for the bank.

5# Takeaways

Simplicity:

Users demand agile solutions.

Transparency:

Create trust in the product from minute 1.

Personalization:

Meeting the unique needs of each customer.

Support:

Offer differential value and help users.

Security:

Protect sensitive customer information.

How data enrichment can improve UX in the banking industry

Now is the time for banks to start using enrichment solutions to add layers of information to their customers' financial data. With these tools they can clearly identify and show their users their consumption patterns so that they can make data-driven decisions.

Transactional

Marjorie Ball	-352.91	Dec 23, 2022	00:00:00
Sandra Daugherty	-352.91	Nov 21, 2022	22:28:59
Lenny Andrade	919.02	Oct 20, 2022	21:57:48
Daniellius McFadden	-359.28	Sep 19, 2022	20:56:57
Veronica Baklan	-0.52	Aug 18, 2022	19:25:56
Kiah Mullins	-628.16	Jul 17, 2022	18:54:55
Megan Markham	874.62	Jun 16, 2022	17:53:54
Wesley	-180.03	May 15, 2022	16:52:53
Wesley	-288.45	Apr 14, 2022	15:51:52
Wesley	-851.12	Mar 13, 2022	14:50:51
Wesley	-794.31	Feb 12, 2022	13:49:50
Wesley	-140.45	Jan 11, 2022	12:48:49
Wesley	-51.11	Dec 10, 2021	11:47:48
Wesley	-10.00	Nov 09, 2021	10:46:47



Analysis



Categorization



Enrichment



Starbucks

7,80€

1500 Broadway, New York

09/03/2023

Some of the **benefits** of improving the UX with **data enrichment**

- Complete vision of the customer's financial behavior.
- Replaces manual processing with automation.
- Shows brand logos, merchant location, category and carbon footprint associated with user's spending.
- Launches alerts in case of end of subscriptions, overdraft risk, etc.
- Allows you to create hyper-personalized offers and communicate them at the right time.

Those entities that improve user experience will have loyal customers who recommend their brand to family and friends. In the end, it's about building trust and removing any barriers that might delay a purchase.

An unstoppable change is taking place in the financial industry. With online customer experiences evolving rapidly, it is more important than ever for banks to offer a rich and personalized experience.



Harness the power
of transactional data

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