

A study conducted by BSI and IFZ shows that banks in the DACH region are still at square one in the development of digital customer management

- For over 50% of banks surveyed, the management of customer data is not a strategic topic (yet);
- Internal resources for state-of-the-art data management merit expansion;
- Banks in the DACH region are just now beginning to specifically collect their customers' data, convert it into customer knowledge and use it proactively for targeted campaigns.

Baden, January 11, 2022 – Banks in the DACH region do not systematically and sufficiently collect and update customer data yet and use the data for personalized customer relationships. This was the result of a study* conducted by the CRM company BSI in partnership with the Institute for Financial Services Zug (IFZ; Institut für Finanzdienstleistungen Zug), Dun & Bradstreet, Finnova and msg GillardonBSM. The study is based on a 2021 survey of banks in Germany, Austria and Switzerland and reveals the degree of their preparedness for current technological developments and challenges in customer management.

While a slim majority of the banks (approx. 51%) have not yet given strategic consideration to the management of customer data, around one third of them plan to do so in the future. In addition, almost a third of the respondents stated that they have not been collecting customer data systematically but solely as part of their day-to-day business. Customer data management at financial institutions is subject to general regulatory guidelines, which all banks must observe. However, it is interesting that these legal framework conditions are the greatest motivator (97%) for most banks to take on the customer data topic at all. Other reasons for banks to collect data include planning specific sales activities (72%), getting to know customers better (67%) and planning specific marketing activities (69%).

Absence of a 360° customer view – online behavior as a blind spot

In addition, banks are not yet able to display and evaluate their customers' behavior comprehensively based on data. Instead, it appears that they continue to view the number of transactions made as one of the most important pieces of information. The study results also indicate a different prioritization of digital and physical contact points: Many banks record their customers' (payment) behavior in writing or systematically, yet do not supplement it with their customers' online behavior.

Infrequent measurement of customer data quality

Although the majority of the surveyed banks have three to six employees dedicated exclusively to customer data management, most banks do not check the currency of their data regularly. Only 8% of respondents check the data automatically and in real time when a change occurs. In addition, many financial institutions have no way of determining for all their customers whether customer information such as relationship status or the number of children changes. Yet, it is precisely these changes in a customer's life cycle that offer the best opportunities to sell financial products.

Internal resources merit expansion

Overall, internal data management resources at the banks participating in the study appear to merit expansion in terms of the number of staff available and the technologies used. Most banks (69%) use a classic core banking system to store customer data; more than half (56%) maintain a CRM system that facilitates the storing of customer data, especially with regard to customer history. Yet, local solutions such as Excel spreadsheets (10%) remain popular with bank advisors and impede sustainable learning strategies for customer relationships. Technologically more sophisticated solutions such as customer data platforms used for customer data evaluation and editing in addition to storage and documentation are used only sporadically (13%).

"It is no longer sufficient in the digital age to limit your data collection to your customers' channel usage and their transactions. Rather, this data should be enriched with a digital customer profile and made available to sales, customer advisors and marketing. Having an understanding of which campaigns reach your customers helps to significantly increase the effectiveness of future campaigns and optimize the use of resources," explains Marco Bernasconi, Community Manager Banking at BSI.

Prof. Dr. Nils Hafner, director of the study at IFZ, adds: "It is astounding that banks in the DACH region place so little value on systematic and strategically anchored data quantity and data quality management. This shortsightedness is surprising, particularly given the increasing competition in the digital space and the design of ecosystems. This stance will lead to a decrease in margins in the long run."

** The survey was conducted between May 20 and September 27, 2021 through guideline-based interviews with 39 banking executives in customer data management and customer service.*

BSI Media contact

Contact

Charlotte Malz, +41 (0)417668633
charlotte.malz@bsi-software.com
BSI Business Systems Integration AG
Täfernweg 1, CH-5405 Baden
www.bsi-software.com

Press contact

Katharina Söltenfuß, +49 89 62 81 75 03
ksoeltenfuss@we-worldwide.com
WE Communications

About BSI

BSI, a Swiss software company, offers a comprehensive platform for the digital transformation of customer relationships through its BSI Customer Suite. Based on many years of industry expertise, the company develops and sells powerful, specially designed solutions for retail, banking and insurance industries. It was founded in Baden in 1996, has seven additional offices in Germany and Switzerland and employs approximately 400 employees. BSI's customers include market-leading companies in Europe. www.bsi-software.com