Big Data for marketing within the financial services industry

The term "big data" regularly appears on the front pages of major publications, from Harvard Business Review to Popular Science. For many, big data has become a confusing buzzword, making it seem overwhelming to know where to start and what benefits may be realized through investments in big data technologies.

Big data usually refers to the storage and management of large quantities of data. Technologies such as Hive, Aster Data, and Hadoop are commonly referenced as tools and resources to help manage and analyze what can exceed petabytes of data stored across multiple databases, as well as CRM and other systems.

As a result of the volume of data, analytics requests can often take time and a series of SQL or other programming queries to process. Some questions take longer than two weeks to get a response, which may result in missed marketing opportunities. Fortunately, there are tools to help marketers distill big data and act quickly, before opportunities pass.

Through marketing that harnesses big data, organizations can identify the data that matters and put it into the hands of those who can act on it. Big data tools for marketing are not designed to replace large data environments and solutions, but to supplement them. Through big data tools, marketers can cull insights from vast and disparate data sources and identify signals to transform customer engagements, offering more optimized experiences that drive investment returns.

Banks and insurance agencies have access to more data than ever before and they must determine how to use this data to deepen the customer relationship1.

Although the industry recognizes the importance of big data, the adoption of big data technologies in the financial services and insurance space is behind other major industries2.

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1 World Retail Banking Report, 2013, Capgemini and Efma
Addressing privacy in financial services

To date, many companies in the financial industry have remained cautious about delving into big data due to the industry’s strict privacy and compliance regulations. For the companies in this industry, privacy is paramount. If even a small amount of personal information escaped a “data vault,” it could be detrimental to a customer and the institution’s overall brand, including a loss in revenue from decreased business or from regulatory fines.

Since privacy is critical, government agencies heavily regulate the use of personal information for financial services and insurance companies. In addition, many institutions have their own policies in place to further protect and dictate the use of data; those policies can be even stricter than established government regulations. Additionally, institutions in this industry need to put forth the effort to convince regulatory groups that data is used appropriately and to reassure customers that their personal information is secure.

Obtaining value from big data

In light of privacy expectations, regulations, and the sheer volume of data, Adobe Marketing Cloud offers integrated capabilities and approaches that allow financial services and insurance companies to obtain marketing insights and take action from their big data stores. To capture the most value out of big data, Adobe recommends the following five-step process:

1. **INGEST** - Connect, store, and manage data
2. **DISTILL** - Refine data through algorithms and analysis to uncover insights
3. **CURATE** - Assemble insights into consumable packages
4. **SYNDICATE** - Deliver insights to stakeholders to improve work
5. **OPTIMIZE** - Use insights to inform, test, and enhance marketing experiences

This process enables marketers to identify the data that matters and deliver it to people who can act on it. To support big data and the needs of financial institutions, Adobe Marketing Cloud includes the following support and capabilities:

- No personal information is collected.
- Strict privacy and data-use policies are enforced, including the fact that the client owns the data, not Adobe.
- Data from online and offline sources can easily be combined and quickly analyzed to gain insights that help shape more optimized experiences across digital channels, all in ways that respect privacy.
- Data distribution is streamlined through dashboards and reports, enabling more people to make data-driven decisions.
- Targeted segment offers and tailored experiences across multiple devices can be delivered with ease through seamless integration with targeting and web content management systems.

For financial institutions and insurance companies, the opportunities and benefits associated with taking advantage of big data are tremendous because customers give them information and data points on a regular basis. As a result of this information transfer, customers often expect a personalized touch when interacting with their institution. With Adobe Marketing Cloud, these organizations have an integrated set of solutions that enable marketers to access and maximize the rewards of big data, while minimizing the risks.

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According to a recent survey conducted by eMarketer, 90% of banking and insurance executives feel skilful use of big data will define future winners in financial services.

For more information

www.adobe.com/solutions/financial-services.html

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1 eMarketer, March 2013