

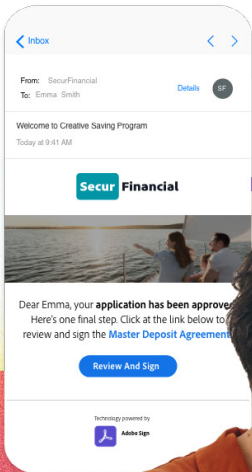


RESEARCH PARTNER

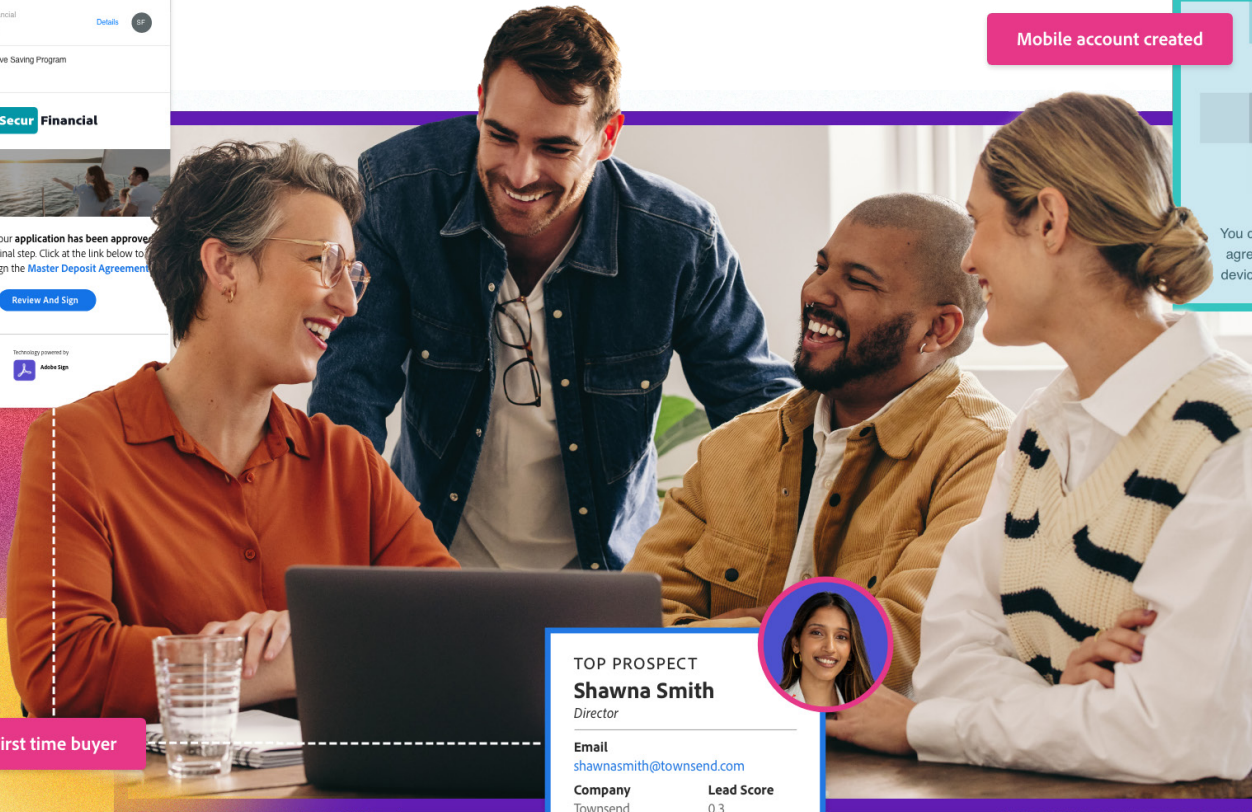
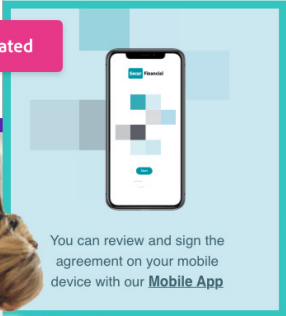


INDUSTRY PERSPECTIVES

# How to achieve personalization at scale in financial services.



Mobile account created



First time buyer

TOP PROSPECT  
**Shawna Smith**  
 Director

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Email  
 shawnasmith@townsend.com

Company      Lead Score  
 Townsend      0.3





# Is this report for me?

Adobe commissioned **Incisiv** to assess the state of personalization in the financial services industry. The study was designed to understand how firms:



Start their personalization journey.



Assess their current level of maturity.



Uncover their desired ideal state.



Synthesize capabilities needed to scale personalization.

**Incisiv** conducted an extensive survey and executive interviews to gather critical insights and also built a framework to represent how brands scale personalization.

You will find this report especially valuable if you are focused on one or more of the following:

- Understanding how your firm stacks up against the industry
- Shaping your organization's personalization strategy and agenda
- Understanding the right operating model to scale personalization
- Building a business case to scale personalization

Let's dive in. → → →



# About this report.

Incisiv surveyed senior financial services industry executives to understand their personalization maturity, capability, challenges, and ideal state.

x **523** 

Total respondents

**63%**

from companies with over  
**\$10 billion** in annual revenue

**59%**

VP level or above

## Multi-industry

**41%**

Banking

**24%**

Insurance

**20%**

Wealth and  
asset management

**14%**

Payments

## Global

**51%**

US

**26%**

Europe


**12%**

APAC

**11%**

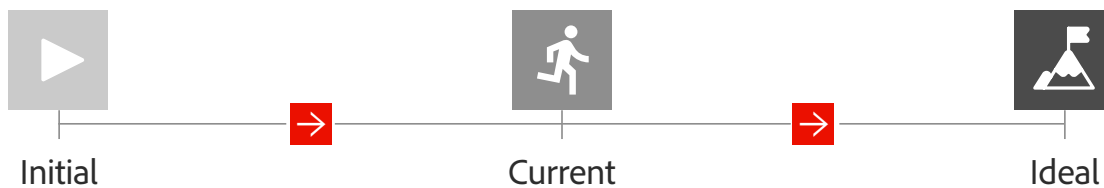
LATAM

# About the research.

 x **523**  
Quantitative survey

 x **12**  
Quantitative interview

We asked executives about their personalization journey, covering **three core phases** — how they started, where they are, and their ideal state.



We focused on uncovering the following for each phase of their journey:

- Maturity
- Satisfaction
- Strategy
- Funding
- Leadership
- Challenges
- Execution model
- Governance
- Capabilities
- Channels
- KPIs
- Impact





## EXECUTIVE PERSPECTIVE



Historically, personalization initiatives were sporadic, focused on individual use cases, and often spearheaded by individual departments or IT teams, leading to fragmented and disconnected experiences.

Today, financial service firms predominantly use basic or segment-level personalization techniques to tailor customer experiences. However, to meet growing customer expectations, they are ideally aiming at 1:1 or microsegment-based strategies that allow for nuanced, targeted interactions.

This transition is neither easy nor quick.

In this survey and in partnership with Incisiv research, we wanted to explore how large financial services enterprises are accelerating their personalization initiatives. This requires building and supporting a seamless personalization strategy that surpasses departmental boundaries and firms must prioritize investments in technology, data integration, and talent development while establishing clear leadership roles.

Achieving a balance between centralized control and departmental autonomy can offer the much-needed flexibility to implement personalization in a regulated environment.



### **Chris Young**

**Senior Director**

Industry Strategy &  
Marketing Financial Services



CHAPTER 1

# State of the industry: personalization in financial service.







### EXECUTIVE QUOTE

Just look at the tech they use in their lives. Our customers demand more from us, we can't get away with a poor app experience any longer.

SVP, Digital (US Bank)



#### INSIGHT 1

## Only about a third of the industry delivers on deep personalization.

Personalization is crucial in today's customer-centric landscape, where customers demand seamless, tailored experiences across all industries, including regulated sectors like financial services.

A significant portion (73%) of the industry has adopted some degree of personalization, demonstrating a broad understanding of its importance.

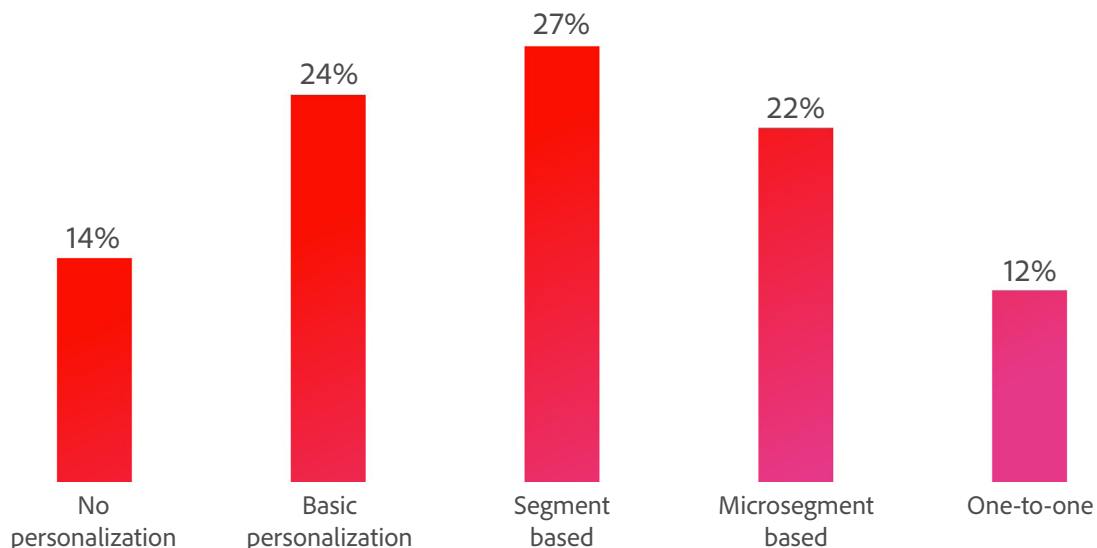
Slightly less than a third (27%) deliver

personalization at a segment level, indicating that many have progressed beyond basic personalization.

Advanced personalization techniques, such as microsegment-based and one-to-one approaches, are less common, with 22% and 12% adoption rates, respectively.

Firms must prioritize the adoption of advanced personalization techniques to improve customer relevance.

### Current Personalization Maturity





### EXECUTIVE QUOTE

1:1 is the holy grail. We want that for our entire customer journey. But we are pragmatic and recognize that microsegments are good enough for our current use cases.

VP, Marketing (US Bank)



#### INSIGHT 2

## Firms want to deliver a micro-segment or higher level of personalization.

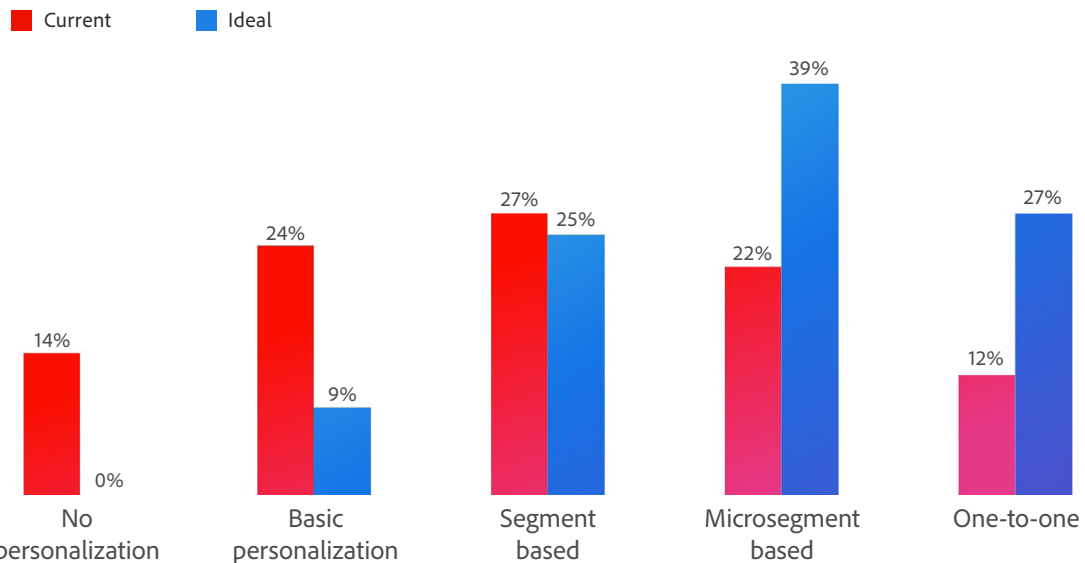
There is a significant gap between the current and ideal personalization maturity.

Most firms (91%) want to personalize their experience at the customer segment level or higher, with micro-segment being the highest ideal level (39%) of personalization.

While one-to-one personalization is the utopian vision of personalization, it may not be the ideal level for every financial services firm due to factors like resource constraints, diminishing returns, and data privacy.

For many firms, achieving microsegment-based personalization may strike the right balance between customization and resource allocation. As firms move from microsegment-based to one-to-one personalization, the incremental benefits may only sometimes justify the additional costs and efforts to move from no personalization to basic personalization to segment-based to microsegment-based and one-to-one efforts.

### Current vs Ideal Personalization Maturity







### EXECUTIVE QUOTE

We are a large company, and we are not aligned. We must depend on people going the extra distance to support our efforts.

SVP, Marketing (US Insurance Provider)



#### INSIGHT 3

## Most firms don't have the talent and processes needed to meet their goals.

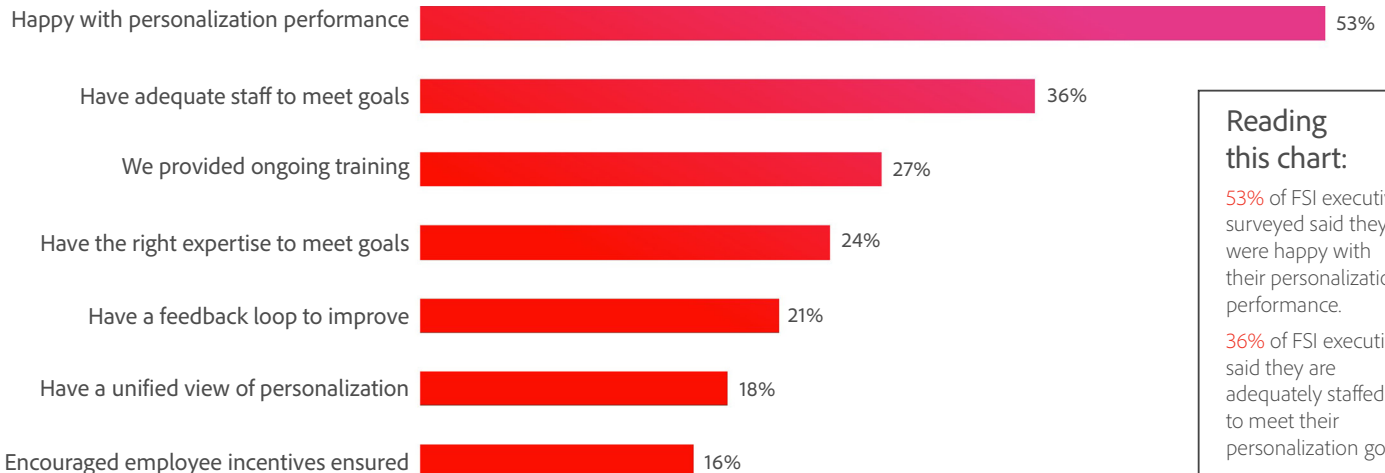
While around half of financial services firms express satisfaction with their personalization performance, the data highlights lower satisfaction levels concerning talent, processes, and data governance.

Just over a third of firms (36%) believe they have adequate staff to achieve personalization goals, and less than a quarter (24%) feel they have the necessary expertise, pointing to a skills and staffing gap.

Only 21% of firms have a feedback loop in place, which may impede the optimization of personalization strategies. A mere 18% feel they comprehensively understand their personalization efforts, signaling potential data management and coordination issues.

Most critically, a small percentage (16%) report that employee incentives are aligned with personalization goals, which impacts motivation and effectiveness in large firms.

### Percentage of executives that agree with the statement



#### Reading this chart:

53% of FSI executives surveyed said they were happy with their personalization performance.

36% of FSI executives said they are adequately staffed to meet their personalization goals.



## EXECUTIVE QUOTE

It took us almost a year to do something. It was difficult because we had to convince many stakeholders that this is the future of our business.

VP, Marketing (European Bank)



### INSIGHT 4

## Firms struggle to get buy-in and budget when they first embark on their journey.

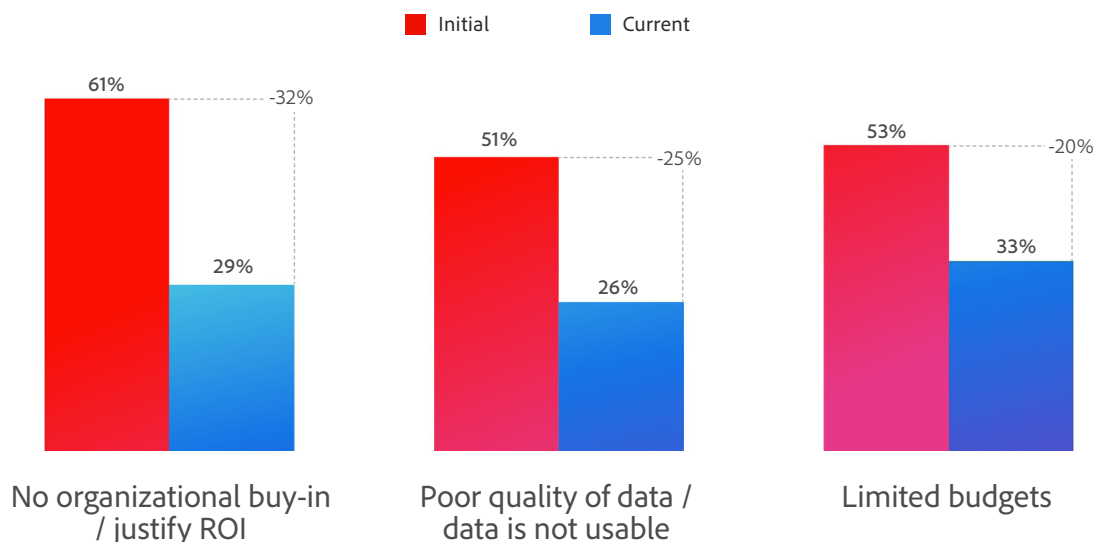
As financial firms progress on their personalization journey, there is a significant evolution in the priorities and obstacles firms face. Initially, **61%** grappled with securing organizational buy-in and justifying ROI. Today, that number has dropped to **29%**, reflecting increased awareness and acceptance of the benefits of a personalized approach to financial services.

Poor data quality hindered **51%** of firms at the outset—however, only **26%** report this issue now, signaling improved data quality

and management practices.

Firms should keep refining their data processes to ensure accuracy and usability to scale personalization efforts.

Lastly, limited budgets were an initial concern for **53%** of firms, which has since decreased to **33%**. Companies must prioritize personalization in budget allocation and explore additional funding sources—including corporate support—to foster growth.







### EXECUTIVE QUOTE

Data, data, data—that's our top priority. We are investing in building our core data infrastructure. Without it, we can't really get to the next level.

VP, IT (US Insurance Provider)



#### INSIGHT 5

## Overcoming data and talent challenges increase when scaling personalization.

As they progress in their personalization journey, financial firms face evolving challenges.

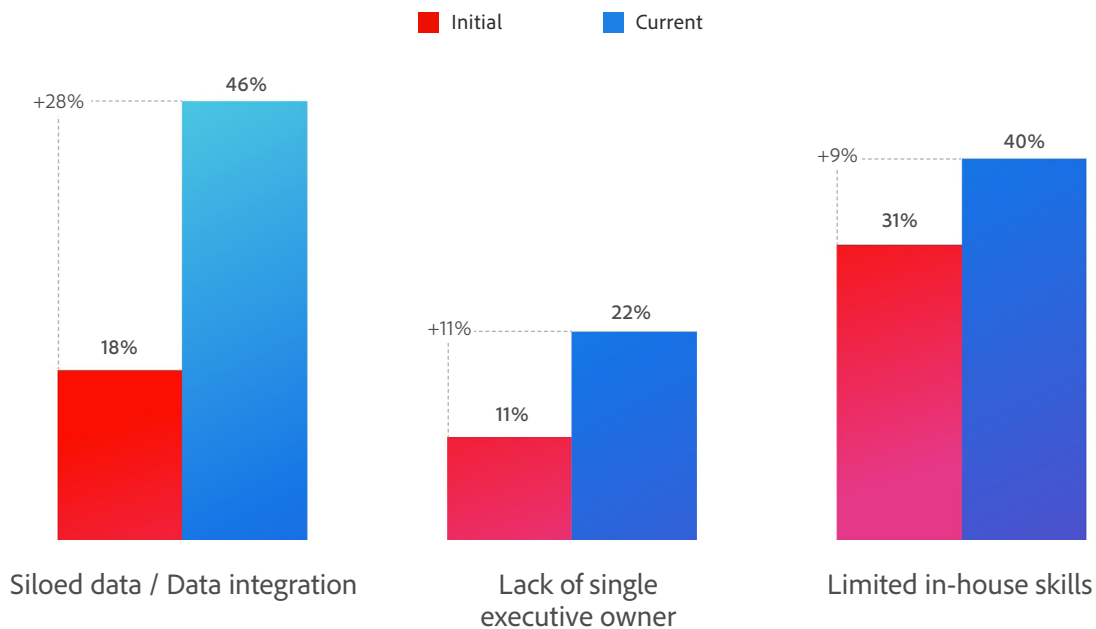
One of the significant shifts lies in data management.

Initially, the problem was primarily about the quality of data. However, today, the primary concern has pivoted to dealing with siloed data (46%), indicating the need to unify data from multiple channels and business sectors.

Similarly, the importance of dedicated leadership has gained recognition, increasing from 11% initially to 22%.

This underlines the need for decisive guidance to drive and scale personalization initiatives across the organization. Another rising issue is the skills gap. Today, 40% of firms acknowledge this as a problem, up from 31% initially.

Firms must establish clear leadership and prioritize investment in data management and training to improve their overall maturity.





## EXECUTIVE QUOTE

Things changed overnight when the CEO decided to hire a CDO from the industry to affect the entire customer journey.

VP, Business (US Wealth & Asset Management)



### INSIGHT 6

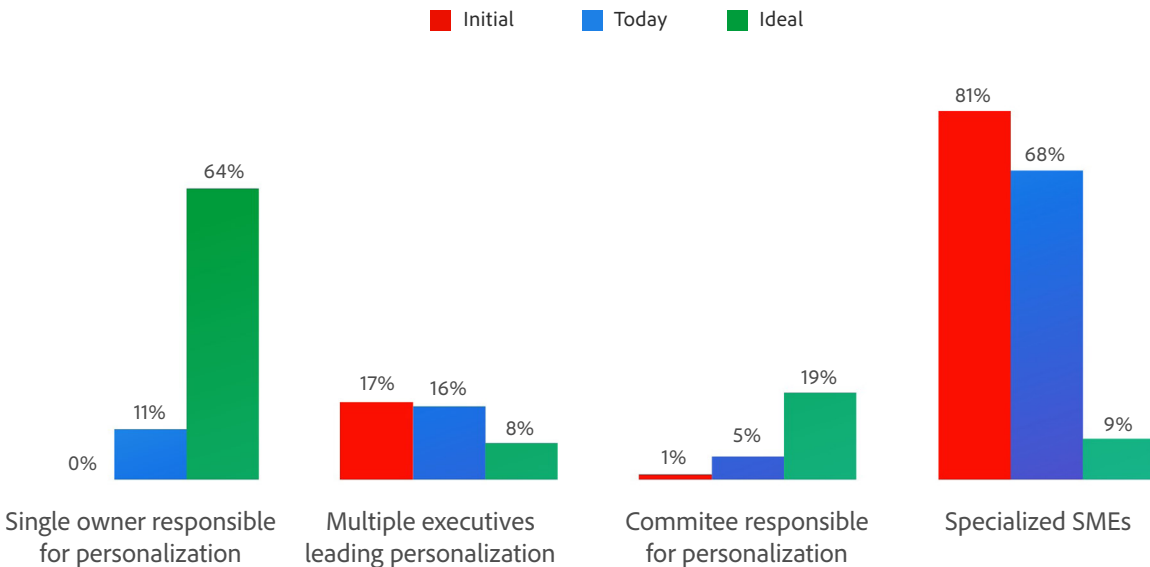
# Without ownership there is little progress.

## Move from no or multiple owners to single owner

Initially, most organizations had no one responsible for personalization (81%), while some had multiple executives leading personalization (17%). In the ideal scenario, there is a clear shift toward a single owner taking responsibility (64%). This change in attitude reflects an understanding of the need for a centralized point of accountability and decision-making authority, enabling a more streamlined and effective personalization approach.

## Committees for collaboration and consensus

There is a notable increase in the preference for committees responsible for personalization, from 1% initially to 19% in the ideal scenario. This shift indicates that organizations recognize the benefits of cross-functional collaboration and building consensus among diverse stakeholders. Committees can facilitate sharing of best practices, insights, and expertise, helping to drive more impactful personalization strategies across the organization.





### EXECUTIVE QUOTE

Moving to a center of excellence model finally allowed us focus on the big picture, and hire external talent in design and digital.

VP, Digital (US Payments)



#### INSIGHT 7

## There is no silver bullet operating model, but firms recognize the need for greater collaboration and specialization.

### Move from department-driven

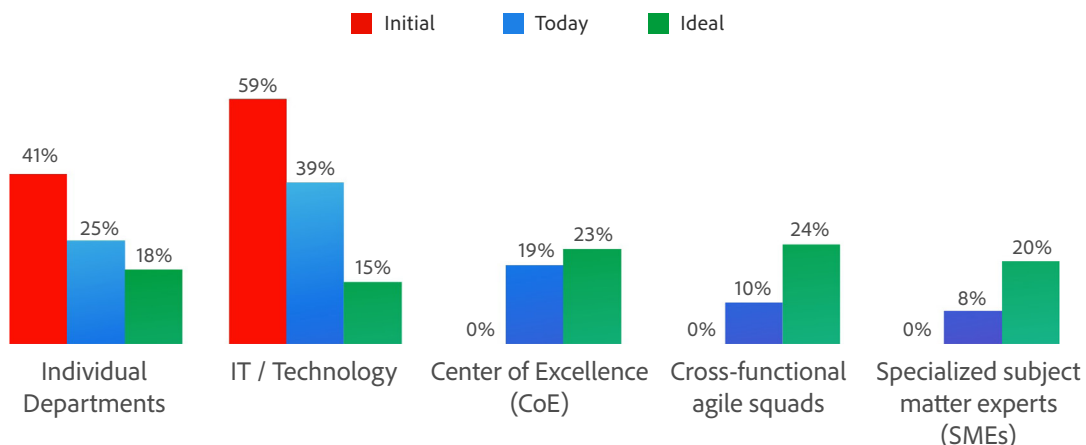
Initially, individual departments (41%) and IT / Technology (59%) were the primary drivers of personalization efforts. However, both the current and ideal scenarios show a decreased reliance on these functions, indicating a shift toward a more collaborative and cross-functional approach.

### Embrace specialization

As organizations mature, they increasingly acknowledge the value of specialized expertise and collaboration in driving personalization. The current and ideal scenarios demonstrate growing importance of CoEs, cross-functional agile squads, and SMEs highlighting a desire for more specialized skills.

### One size doesn't fit all

There is no single operating model that is universally ideal. Organizations favor a balanced, adaptable approach to personalization, distributing responsibility across various roles to suit unique needs and customer demands, instead of a one-size-fits-all operating model.







### EXECUTIVE QUOTE

We need to ace the mobile app. It's our most important and intimate channel.

VP, Customer Experience (US Bank)



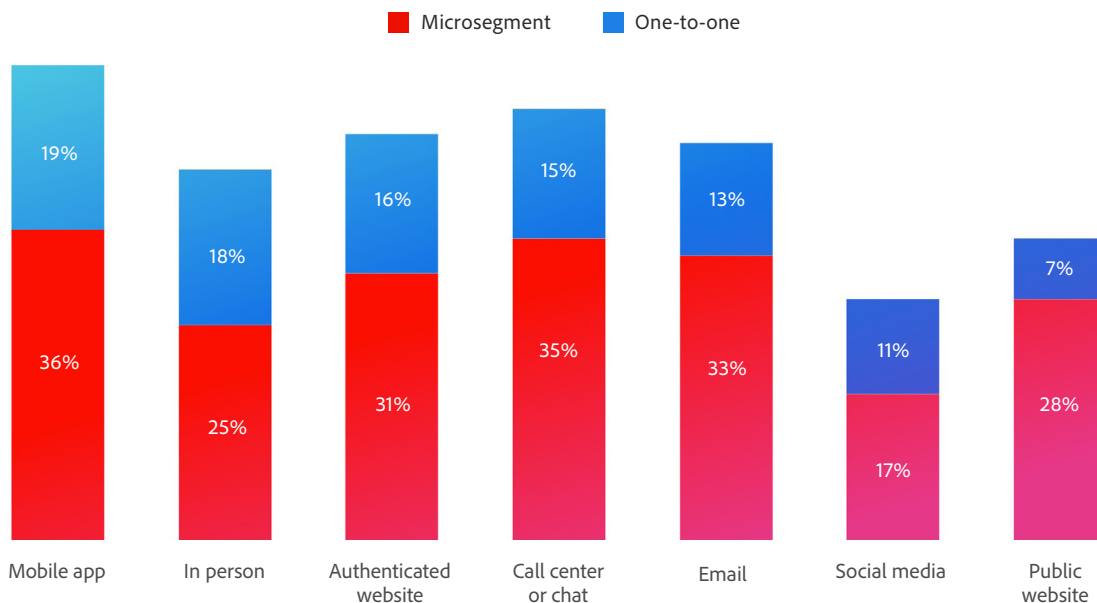
#### INSIGHT 8

## The ideal level of personalization varies by channel.

### High customer frequency leads to greater desired personalization

Different channels have different potentials for personalization, and a one-size-fits-all approach may not yield the desired results. This is part of the broader evolution in personalization maturity we've been discussing, where firms are moving toward more specialized, strategic, and pragmatic approaches to meet customer expectations for personalization.

Channels with high customer frequency, like mobile apps and call centers, are pivotal in shaping customer experiences. As such, these channels exhibit a greater desire for advanced personalization strategies, including both one-to-one and microsegment approaches. The high dependency of customers on these platforms means any failure in executing personalized experiences could significantly impact customer satisfaction and loyalty.





### EXECUTIVE QUOTE

We saw significant improvement with our click-throughs when we turned on our new segmentation model.

VP, Marketing (US Bank)



#### INSIGHT 9

## Moving up the maturity curve delivers exponential impact.

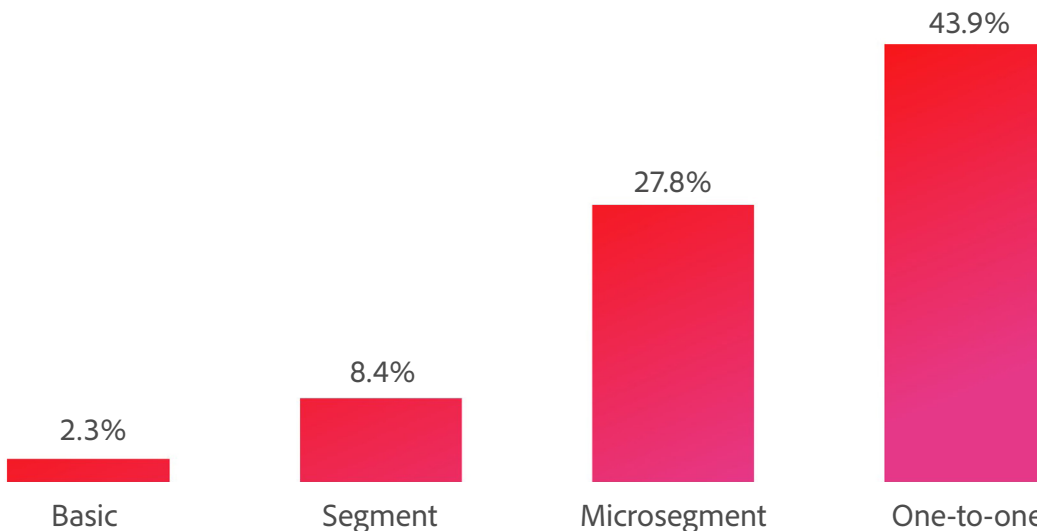
As companies fine-tune their personalization strategies, their conversion rates see a remarkable lift.

Basic personalization delivers a modest 2.3% boost in conversions. However, by transitioning to segment-level personalization, this increase multiplies over three times to 8.4%. The true transformation occurs during the microsegmentation stage, seeing an exceptional jump to 27.8% (3.3x).

However, the journey doesn't end there. Taking the leap to one-to-one personalization can push conversions to an astonishing 43.9%, highlighting the immense potential of personalized customer engagement within the financial services industry.

Firms that aspire to lead in the customer-centric era cannot afford to ignore the power of advanced personalization.

### Estimated impact on conversion



#### Reading this chart:

This chart shows the impact when firms move across personalization levels (e.g., when a firm achieves one-to-one personalization across the customer journey, they expect to see a 43.9% increase in conversion).

CHAPTER 2

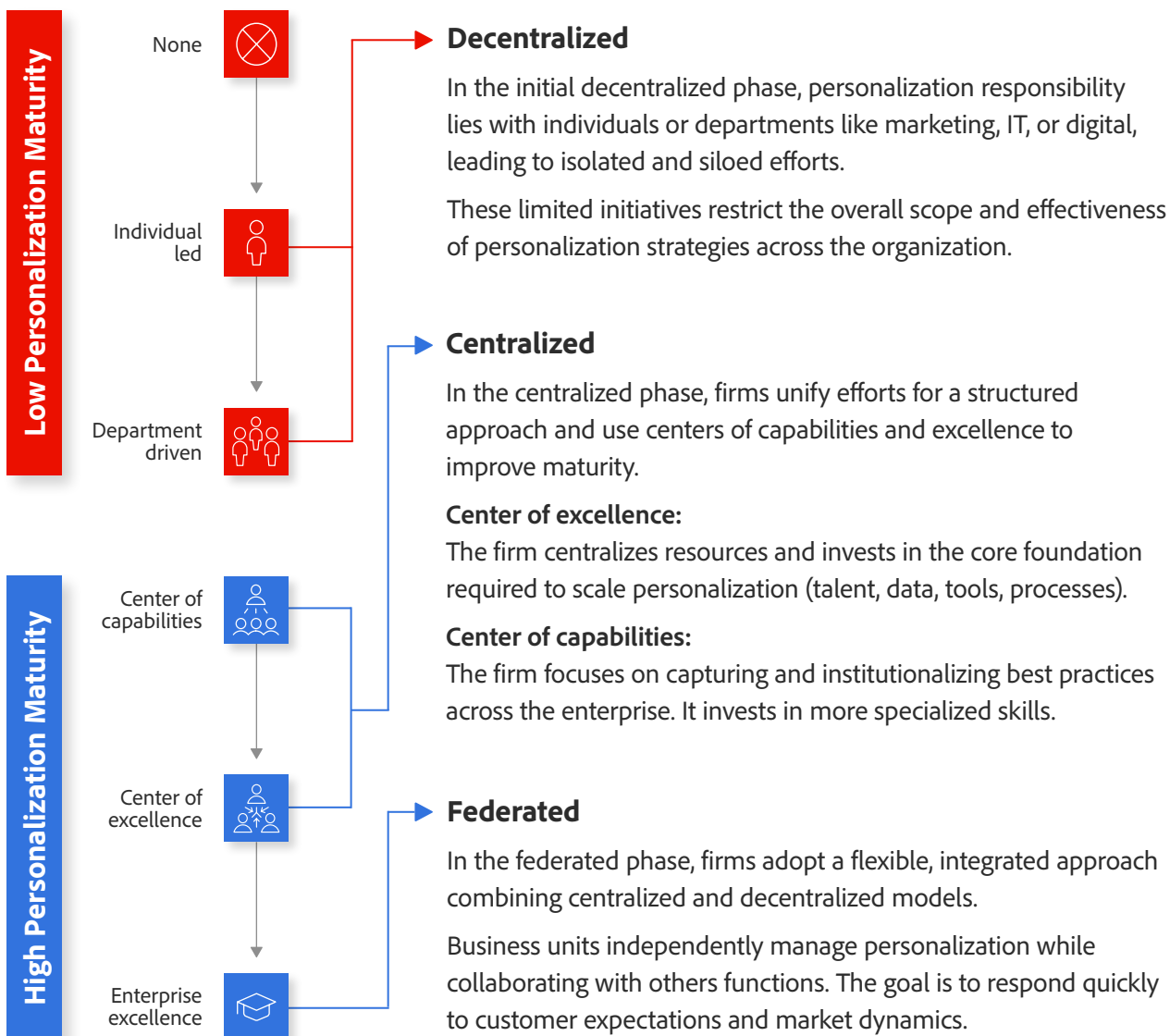
# Personalization playbook: Evolution of the operating model.





# The operating model to support personalization evolves with maturity.

This framework shows the evolution of the personalization operating model. It provides a roadmap for firms as they navigate the journey of personalization from a fragmented, siloed approach to a cohesive, integrated model. It uncovers the distinct phases—decentralized, centralized, and federated—each representing a significant shift in how personalization strategies are designed and implemented. Understanding these phases is critical for firms as they strive to improve their personalization maturity and deliver enhanced customer experiences.





# Key recommendations.



## Establish clear leadership.

Firms must define clear personalization leadership roles within their organization. Having clear ownership and accountability will accelerate the pace of personalization maturity.



## Align incentives.

For personalization to thrive, firms must ensure their internal incentives are in sync with their personalization goals. Without alignment, teams tend to concentrate on optimizing their specific domains, often neglecting the overarching objective. Alignment also fosters a culture of a common purpose and joint success.



## Invest in talent.

As personalization efforts scale, the need for specialized skills becomes more pronounced. Firms should prioritize investment in training and talent development, ensuring they have the in-house expertise to drive their personalization initiatives and adapt to evolving customer expectations.



## Build a strong data foundation.

Financial services firms must invest in creating a robust data infrastructure that effectively integrates siloed data from multiple touchpoints. This unified customer view is a vital prerequisite for implementing successful personalization strategies. Moreover, proper data governance and stringent quality measures are equally important.



## Adapt the operating model

The right model balances the need for unified strategy and governance with the flexibility to respond to dynamic market conditions. Firms must be ready to adapt their operational *modus operandi*—be it centralized, decentralized, or federated—to ensure they maintain this balance effectively.



Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

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Our comprehensive portfolio of customer experience products and services helps businesses put every customer interaction in context, understand what each customer needs right now, and then quickly design and deliver digital experiences that build customer loyalty and drive business success.

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## PERSONALIZATION AT SCALE

Want to learn how your business can achieve personalization at scale?  
Discover the tools you need to succeed at every step of the customer journey:

### **Data Insights & Audiences**

<https://business.adobe.com/solutions/data-insights-audiences.html>

### **Content Management**

<https://business.adobe.com/solutions/content-management.html>

### **Customer Journeys**

<https://business.adobe.com/solutions/customer-journeys.html>





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