



INSTITUTE
Building Extraordinary IP Assets

Episode 06: Data Monetization in
Financial Services

Data Monetization Webinar Series

6–Episode Webinar Series



Episode 01 – Introduction: Why Data is so Valuable and how Data Monetization has Become Big Business
Thursday, October 8, 2020 at 12:00 PM CT

Episode 02 – Data Monetization in Medical Device, Healthcare and Insurance
Thursday, October 22, 2020 at 12:00 PM CT

Episode 03 – Data Monetization in Manufacturing, Industrial & B2B Markets
Thursday, November 5, 2020 at 12:00 PM CT

Episode 04 – Data Monetization in Retail and Consumer
Thursday, November 19, 2020 at 12:00 PM CT

Episode 05 – Data Monetization in Autonomous Vehicles, Security & Surveillance
Thursday, December 3, 2020 at 12:00 PM CT

Episode 06 – Data Monetization in Financial Services
Thursday, December 17, 2020 at 12:00 PM CT

Before We Get Started...



Recording

A link to the recording and slides will be emailed to all registrants.



Questions

Type in the question box and we will answer in real time or during the Q&A.



Social

Follow us on LinkedIn or go to slwip.com to see upcoming and on demand webinars.

Today's Presenters...



Steve Lundberg

Principal & Chief Innovation Officer
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Schwegman Lundberg & Woessner
Former Senior Engineer at Cardiac
Pacemakers (Guidant Corp.)



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Artificial Intelligence, Professor,
University of St. Thomas
Graduate Programs in Software
Engineering, Data Science



Chris Hohman

VP Product Management, Bank of
the West
Lead product innovator at Amazon,
Cisco, Adobe
Founder of Connect 6

Digital Transformation in Financial Services

- The financial services market is changing. A recent PwC survey revealed that 71% of U.S. banking executives consider non-traditional new market entrants to be a threat, indicating that competition from FinTech and companies like Amazon and Apple is putting pressure on legacy financial brands.
- For financial services companies, the key to staying competitive in a changing marketplace is to meet consumer demands for greater personalization while boosting growth.
- It is critical to leverage consumer data for developing a customer-centric experience across the entirety of the user journey.

Four types of Consumer Data

1. Zero-party data

- Data that is shared directly and proactively by consumers about their preferences, interests, and/or intent. (e.g., surveys, preference centers, polls)



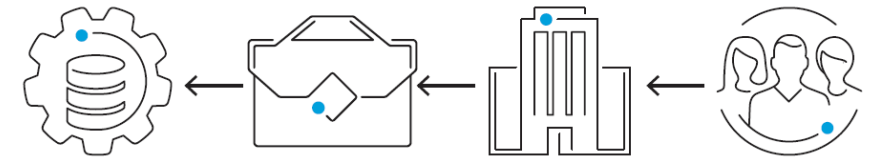
2. First-party data

- Data collected by marketers about their audience and customers. (e.g., account history, email activity, web behavior)



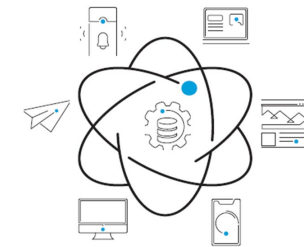
3. Second-party data

- Data that is collected, owned, and managed by a partner company (their first-party data). It is shared through a partnership agreement and with the consumer's permission (e.g., data from co-branded campaigns, ad data from Google)

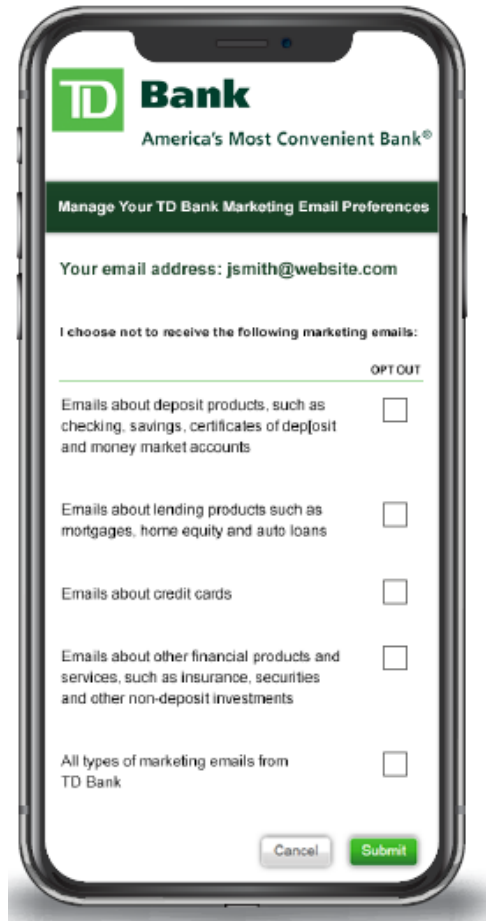


4. Third-party data

- Data collected by third-party data providers, that do not have a direct relationship with the consumer. The data is gathered from various platforms, apps, and websites. (e.g., consumer contact, demographic, psychographic, or business data purchased from a data provider).



How do financial institutions capture zero-party data?



TD Bank
America's Most Convenient Bank®

Manage Your TD Bank Marketing Email Preferences

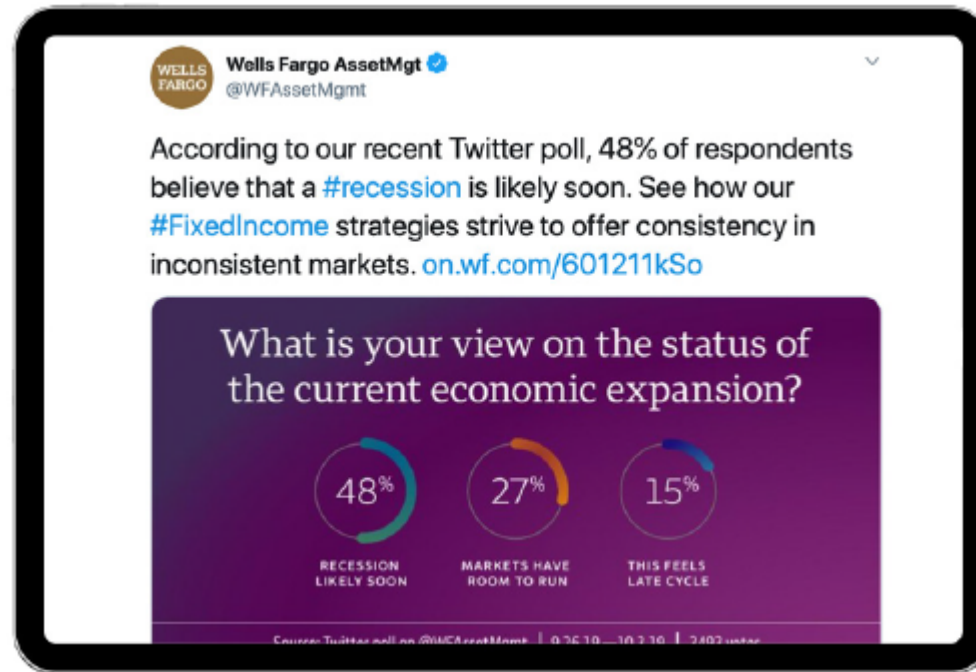
Your email address: jsmith@website.com

I choose not to receive the following marketing emails:

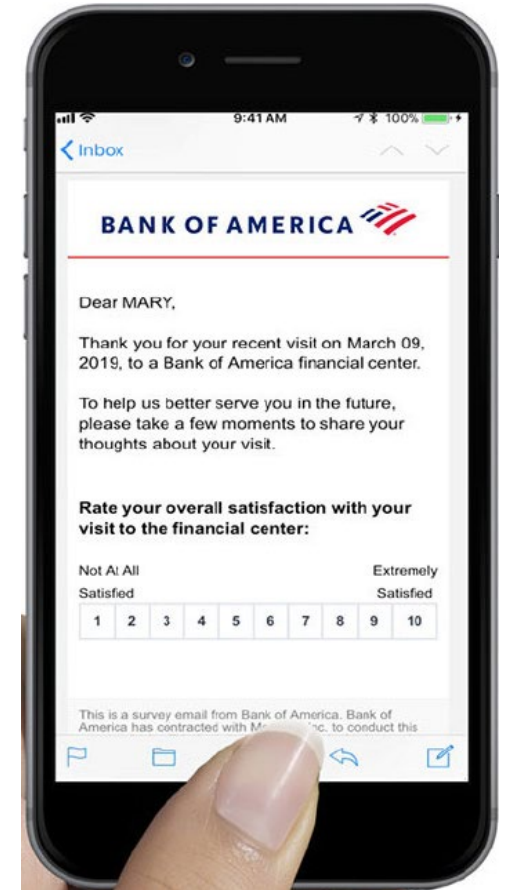
OPT OUT

- ☐ Emails about deposit products, such as checking, savings, certificates of deposit and money market accounts
- ☐ Emails about lending products such as mortgages, home equity and auto loans
- ☐ Emails about credit cards
- ☐ Emails about other financial products and services, such as insurance, securities and other non-deposit investments
- ☐ All types of marketing emails from TD Bank

Preference Centers



Social Polls



BANK OF AMERICA

Dear MARY,

Thank you for your recent visit on March 09, 2019, to a Bank of America financial center.

To help us better serve you in the future, please take a few moments to share your thoughts about your visit.

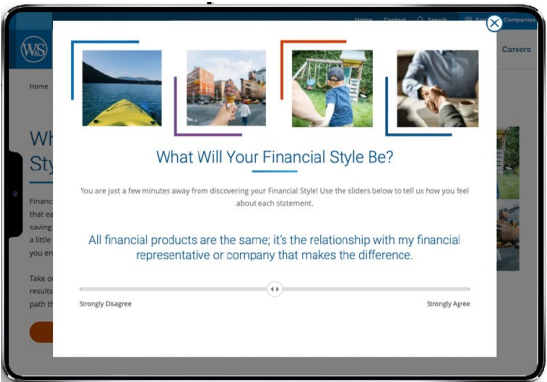
Rate your overall satisfaction with your visit to the financial center:

Not At All Satisfied					Extremely Satisfied				
1	2	3	4	5	6	7	8	9	10

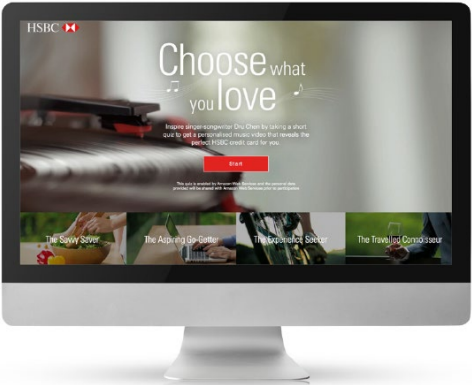
This is a survey email from Bank of America. Bank of America has contracted with M... to conduct this

Feedback Surveys

What can financial institutions do with zero-party data?



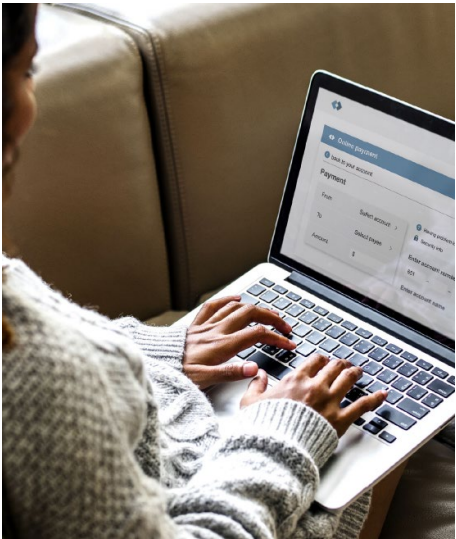
Expanding their knowledge of prospects and customers
e.g. Western & Southern Financial Group



Craft customized campaigns
e.g. HSBC



Boost remarketing and acquisition efforts
e.g. Bank of Tennessee



Enhance customer experience
e.g. Payments Company



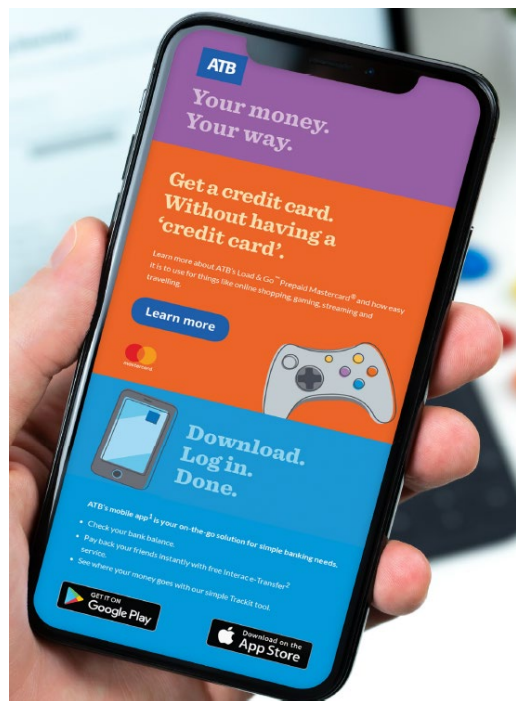
Improve Engagement

How do financial institutions capture first-party data?

- First-party data is also known as Customer data or CRM data.
- It can be data observed through spending behaviors, or it can come from cookies on financial service provider's site.
- First-party data includes:
 - Form-submissions
 - Transactions
 - Marketing campaign activity



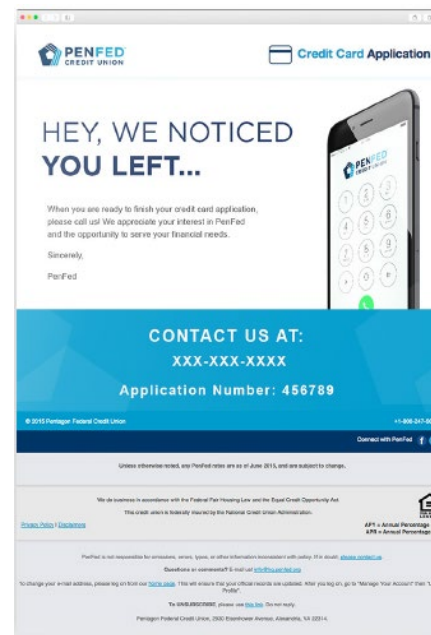
What can you do with first-party data?



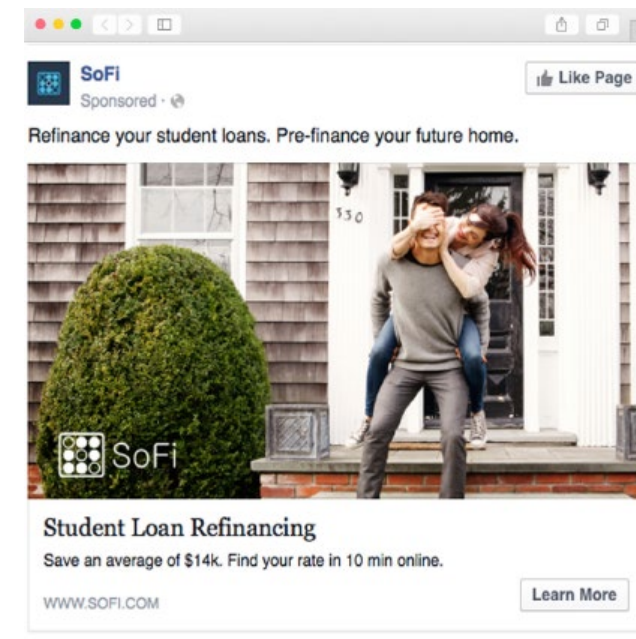
Data-driven cross-selling
e.g. ATB Financial



Dynamic and automated messaging
e.g. Simple Finance



Trigger Communications
e.g. PenFed

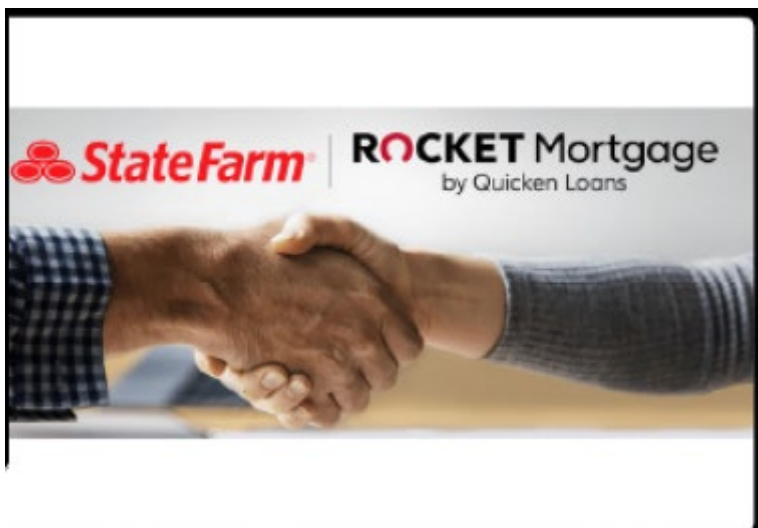


Build stronger acquisition campaigns
with look-a-likes
e.g. SoFi

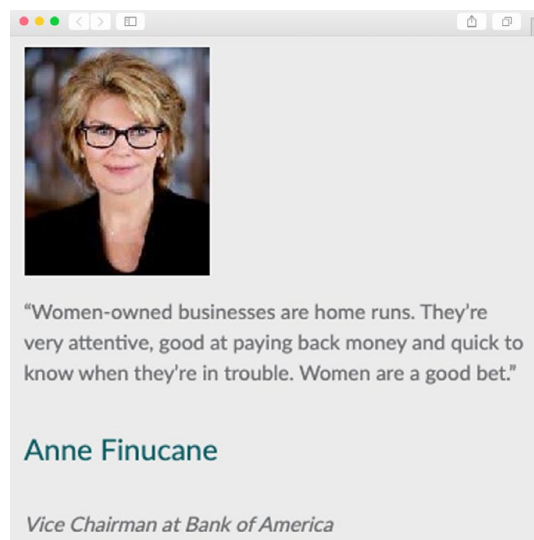
How do financial institutions capture second- party data?

- Second-party data (aka, partner data) is information retailers acquire through a partnership with another company that provides access to their first-party data.
- Second-party data is collected directly by your partner, so the origins are completely transparent. You know where the data came from, when it was collected, and how/if it was verified.
- First-party data on its own may not be enough to power all of your marketing programs. In a recent Forrester survey, 27% of participants said they use second-party data due to a lack of scalability of their own first-party data.

What can you do with second-party data?



Increase your audience
e.g. Rocket Mortgage



Reach niche audience
e.g. Bank of America



Identify opportunities for co-branded campaigns and events
e.g. Ally Bank

How do financial institutions obtain third-party data?

- Third-party data can be purchased or licensed from a data provider. It can be integrated with a data management platform (DMP) or consumer data platform (CDP), which enables companies to easily append third-party data to their zero-, first-, and second-party data to build more comprehensive audience profiles and better targeting.
- Third-party data is collected by external data providers that do not have any direct relationship with the consumers whose data is being collected. The data is collected from various platforms, apps, and websites, then aggregated and “packaged up” in various data sets.
- Data providers can create packaged data solutions by:
 - Industry or use case (e.g., small business, B2B, insurance, non-profit, etc.)
 - Consumer categories (e.g., frequent travelers, new movers, sports fans, etc.)
 - The specific needs of the individual brand

What can you do with third-party data?



Achieve a complete view of your customers
e.g. Finance Common interest



Connect with new customers via personalized campaigns
e.g. Major Life event like moving or college graduation



The diagram features a dark blue background. In the center, the title 'EVOLUTION OF TRUST' is written in large, white, sans-serif capital letters. Below it, a subtitle in smaller white text reads 'The trust model for banking and financial industries and rapid change'. Above the title, four yellow coins with dollar signs are arranged in a slight arc, connected by a dotted line. On the left, a hand in a grey suit sleeve holds a smartphone with a dark screen. The screen shows the word 'BANK' in yellow at the top, a white icon of a classical building with columns in the center, and a yellow rectangular button at the bottom. A finger is pointing at this button. On the right, another hand in a dark blue suit sleeve holds a similar smartphone. The screen shows the word 'CUSTOMER' in yellow at the top, the same white building icon in the center, and three horizontal blue bars at the bottom. A curved dotted line with an arrow at its end connects the 'BANK' phone to the 'CUSTOMER' phone, passing through the central text area.

EVOLUTION OF TRUST

The trust model for banking and
financial industries and rapid
change

Trust has been a pillar of financial services

Typical Reader of Hearst Magazines in China:

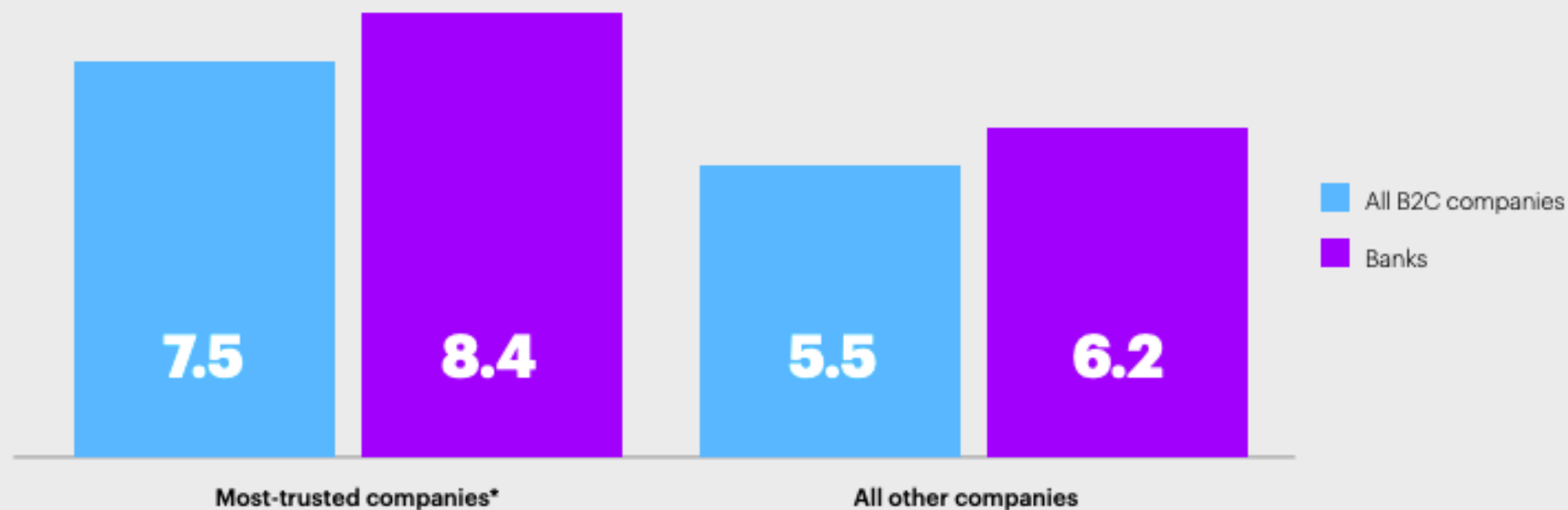


- Banks have long been seen as the community adviser
- In the 1947 film *It's a Wonderful Life*, George Bailey, took care of his customers financial interest in tough times
- Digital transformation met with skepticism
- Data has been at the heart of the issue.

The value of trust in Banking

Figure 5. Trusted companies achieve higher revenue growth

Annual revenue growth rates (% , 2018 v 2017)



Consumer Trust is Falling

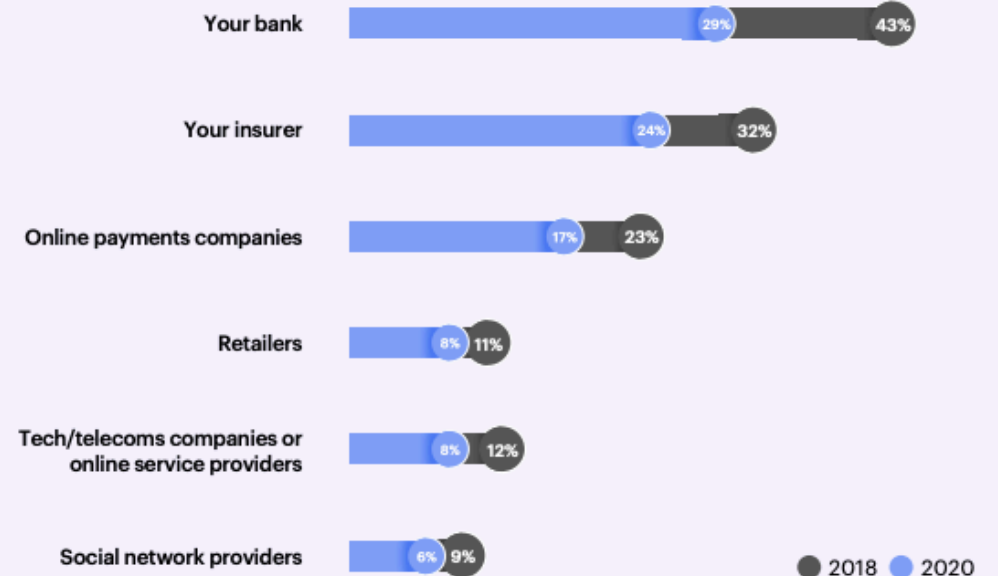
29%

of respondents trust their banks to look after their long-term financial wellbeing, compared with 43% two years ago.

- Digital transformation is accelerating but at what costs?
- 2020 Accenture study shows decay in trust
- Two reasons
 - Loss of humanity
 - Value of money

Figure 10. Consumers' trust in businesses to look after their long-term financial wellbeing has dropped.

Q. To what extent do you trust the following providers to look after your long-term financial wellbeing?
A. A lot



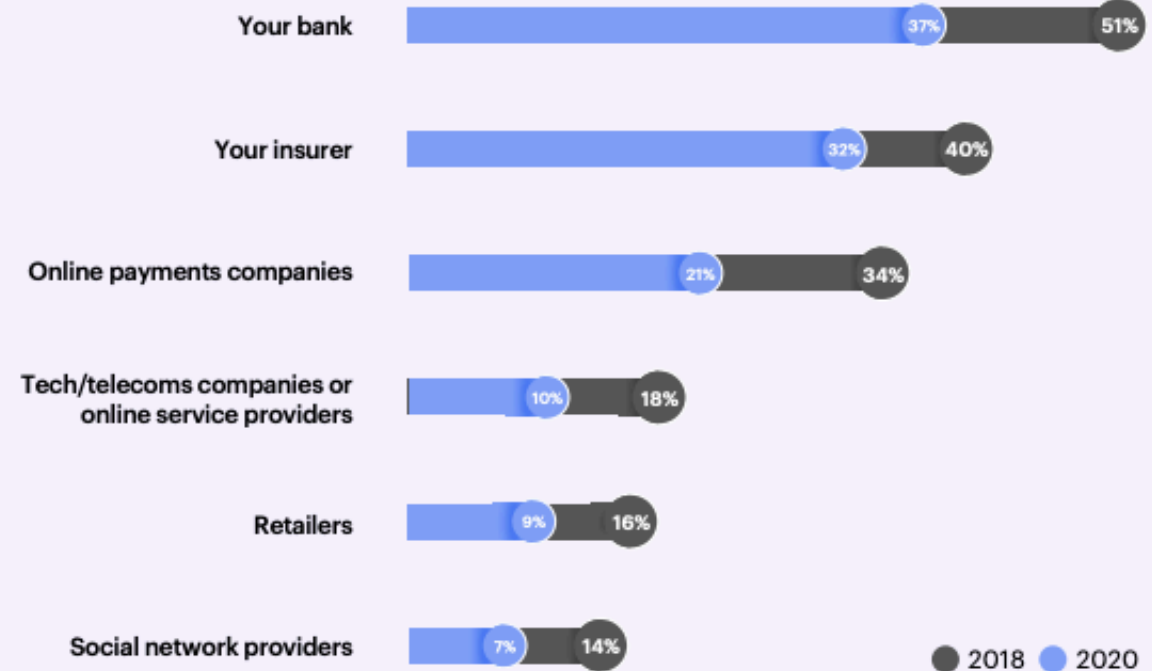
Trust in Data Protection is falling

- Banks still rank higher than other service providers
- Most legacy banks have fallen prey to short term thinking
 - “Bad Revenue”
 - Push cross-sell and up-sell features
 - Personalization has used to market products

Figure 11. Consumers’ trust in businesses to look after their data has also fallen.

Q. To what extent do you trust the following providers to look after your data?

A. A lot



Loss of Humanity



- Digital banking is table stakes
- Branch based banking has been deeply impacted by Covid-19
- Consumers and small businesses have adopted “out of sight, out of mind mentality”
- Anonymity has its drawbacks – Less personal; attractive to fraudsters

Value of Money

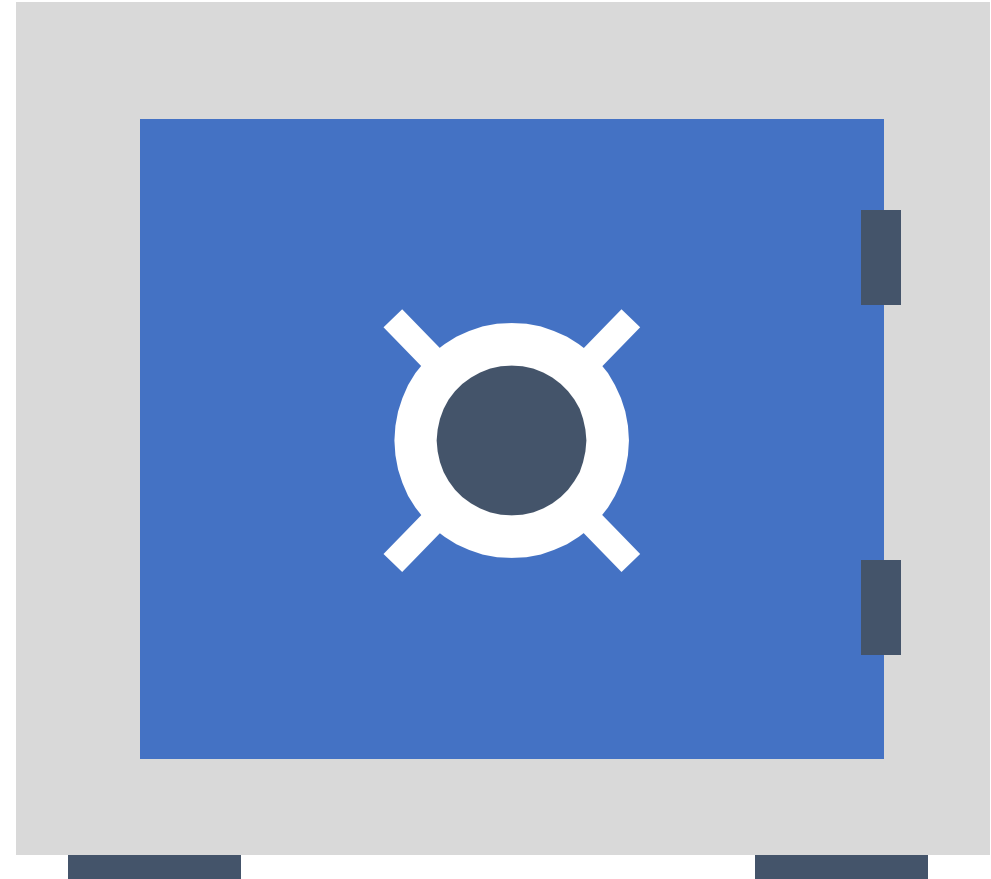
- Services for the long term financial well being; Customer "LTV" is not a four-letter word
- Personalization means more than a sales pitch
- Money is where the consumer goes ; Consumers shun banks for point solutions – "Apple Pay"



"Your margin is my opportunity" - Jeff Bezos, Amazon

Re-Write the value of trust

- Legacy institutions trust will no longer be based on years in the market
- Trust will be built on transparency, accessibility, customer experience and control
- Conventional banking experiences will need to evolve to keep up



What is next?



Open Banking
An Open API economy.



FinTech Disruptors
Klarna, Robinhood,
Neobanks



Tech Giant Innovation
Amazon, Google, Apple

amazon
pay

G Pay

Apple Pay



Blockchain
Identity Portability and
Bitcoin



The Schwegman Analytics Advantage



SLW has been helping its clients find and improve high value patents for over 20 years and has invested heavily in its Analytics processes and tools for the last decade and is now expert at helping.

- Highly efficient work
- Short timelines
- High-quality and key strategies
- IP Operations
- Fixed Fees/AFAs
- Tracking metrics
- Non-traditional providers

**Thank You For Your Interest
Questions?**

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