

# How AI Paired with Customer Data is Shaping the Digital Future of Financial Services



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# Introduction

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The financial services and technology (popularly known as *FinServ*) landscape is undergoing a profound transformation, reshaping the way we manage, invest, and transact. Propelled by rapid technological evolution and global trends, a new era of digital-first services is emerging, driving a remarkable revolution within the sector.

In this increasingly digital environment, financial service firms face a pressing need to reimagine the customer experience, infusing it with personalization, convenience, and a sense of trust. Customers want to feel confident that financial institutions are not just service providers, but allies looking out for their best interests. This necessitates a shift from traditional business models to a personalized, end-to-end approach that echoes the evolving needs and preferences of consumers.

Artificial intelligence (AI), machine learning (ML), and the Customer Data Platform (CDP) are leading this digital charge, offering comprehensive automation, standardization, and data activation capabilities. Yet, navigating compliance is essential to success in this dynamic environment.

Companies in this industry must balance the rigorous regulatory landscape with agile solutions that blend the potential of technology with the stringent standards of finance. A CDP like [Twilio Segment](#) offers robust [data privacy controls](#) that strike the perfect balance between customer engagement and regulatory requirements.





Digital transformation should not only be about changing tools and platforms – it must also translate into a tangible shift in customer experiences. The quality of an experience with a brand can result in customers willing to pay up to 16% more for similar products/services or go with a competitor based on a negative experience.

As a result, developing a customer-first digital strategy is essential for powering higher quality personalization and capturing the associated economic potential.

As we move forward, financial services companies must understand that consumers will continue to demand *more* as personalization in other sectors evolves. This calls for an unprecedented transformation in the way relationships are built and maintained, especially as digitization becomes a more significant source of growth.



# Embracing the digital future

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By understanding customer needs, preferences, and behaviors at a granular level, businesses in the financial sector can offer tailored products and services, enhancing the customer experience and deepening customer relationships.

Consider an AI-driven recommendation engine, which can suggest relevant products and services based on an individual's financial history and current needs. For instance, when a customer opens a savings account for a child, the recommendation engine might suggest a college savings plan, a life insurance policy, or a house mortgage, depending on the specifics of the customer's situation.

Machine Learning can also be utilized to continually improve these recommendations. As the system gathers more data over time, it learns and adjusts its recommendations to be more accurate and relevant. This iterative process leads to more refined personalization, strengthening customer relationships and increasing customer satisfaction.

Additionally, AI and ML can help identify life events that might require a customer to change or acquire financial products. For instance, ML algorithms can analyze data such as spending patterns or large transactions to anticipate when a customer might be preparing for a significant life event, like getting married or purchasing a home. In such cases, a banking platform could proactively offer relevant financial products, further personalizing the customer's experience and demonstrating an understanding of their unique needs.

In short, AI and ML have enormous potential in transforming how financial services and technology businesses interact with their customers.

However, AI is only as good as the data you share with it. And it is *high quality data* that bridges the gap between sending personalized content and ensuring that said personalization is indeed accurate.



# Financial services companies don't trust their data

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Companies in the industry don't trust their data because discrepancies happen frequently, virtual pipelines sometimes leak, and a lack of standards hinders attribution. These issues prevent banks or financial platforms from understanding the customer journey and setting actionable business metrics.

Different teams within your organization rely on a different source of truth for their data. The marketing team could use a customer relationship management (CRM) system, analysts a data warehouse, and customer service might file all relevant customer information in support tickets.

With data in disparate systems, it becomes incredibly difficult to see a single view of the customer. Not only is this time consuming to try and resolve, but it becomes harder to derive meaningful insights and make reliable decisions.

This often results in engineering teammates pulling lists manually to share with marketing teams. This information gets stale quickly, and creates a lag between insight and action. Having data in multiple forms can:

- Result in poor quality data because it introduces inconsistencies, redundancies, and inaccuracies.
- Become challenging to ensure data integrity and uniformity as inconsistencies in data formatting, naming conventions, or data types can lead to confusion and errors during analysis.
- Be redundant, creating duplication, making it difficult to identify the true and up-to-date information.

Ultimately, bad data can lead to poor customer experiences, loss of loyalty, and a loss of revenue.





To complicate the issue, many financial companies work with metrics and goals based on high-level indicators, such as net profit, earnings per share, and return on invested capital. While those numbers are relevant and usually accurate, they rarely update in real-time. This makes such indicators ill-suited to provide teams with actionable insights that help them meet customer needs and solve operational challenges.

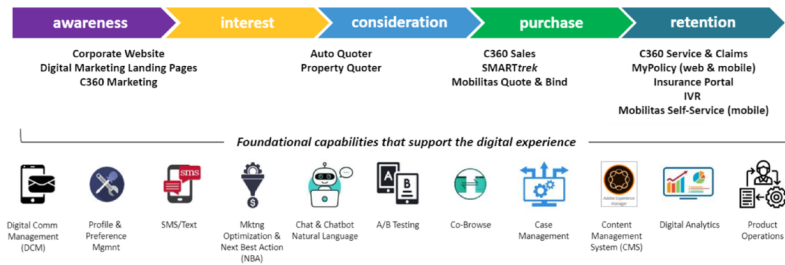
To do that, financial services businesses need to understand crucial moments in the customer journey, like conversion points and how customers travel across touchpoints on multiple platforms.

In a world where we rely on AI to improve customer experiences and drive growth, we must strive for high-quality data as the cornerstone of accurate predictions, personalized interactions, and informed decision-making. Without it, businesses risk compromising the effectiveness of their AI initiatives.

# Teams need to gather reliable data quickly

## A complex digital landscape can slow speed to market and defect resolution

CDP  
WEEK



An overview of the elements that support the online customer journey at CSAA Insurance Group, a Segment customer.

Reliable data helps deliver personalized customer experiences and new product offerings, both crucial for engaging existing customers and acquiring new ones.

Take an innovative product like usage-based car insurance policies. Their cost depends on how far you drive, where you've driven, and even how you've driven. Forecasts show demand for such insurance will increase by 4X by 2028. Based on current trends, it's likely customers will forego traditional channels to buy such a product online through digital self-service.

To develop such innovative new products, teams need an adaptable technology stack that lets them quickly connect previously unconnected systems to unlock the data they need. With recent advances, they can even integrate AI or ML solutions that offer advantages in cost or speed through automation.

Without such adaptability, digital transformation can only continue at a snail's pace compared to digitally-native competitors. Engineers need to build everything in-house, data keeps leaking, and teams are stuck with siloed data.

The result? Unmet customer needs that agile startups will address to capture more market share.



# Innovation requires a cultural transformation, too

Regulation is the largest obstacle for SaaS in Europe but the smallest in North America

	Europe	North America
≥60%	Regulation, available in-house	Available in-house skills
≥30%	No acceptable banking-specific offer	Differentiation, no acceptable banking-specific offers
≥20%	Security, integration, differentiation	Integration
≥20%	Privacy, technology maturity, risk	Security, technology, maturity, risk
≥10%	No obstacles	Privacy, regulation, no obstacles

The risk-averse culture of the finance industry tends to resist new ideas and technologies, the essential ingredients for digital transformation and innovation.

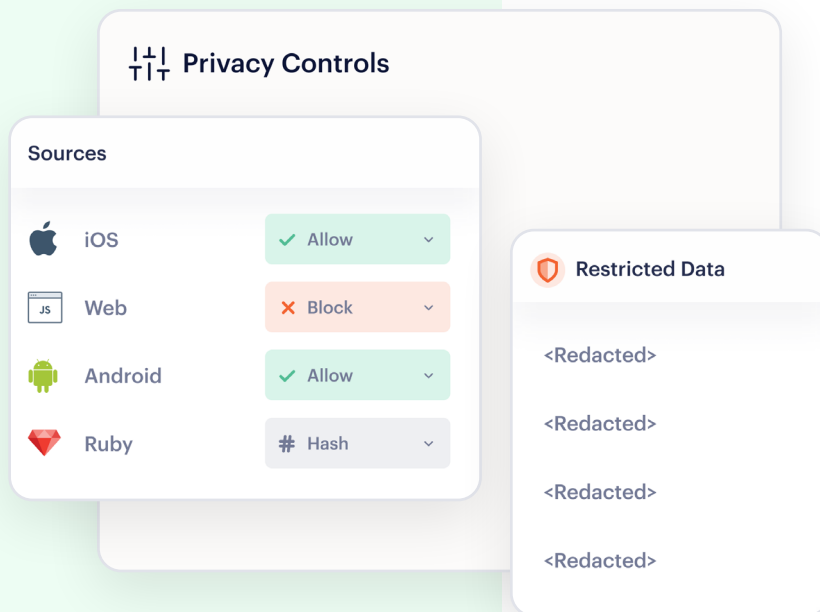
“It’s not like you can just solve this by moving everything to the cloud or just using bots. A lot of this needs to be a real conversation and a real understanding,” one financial director said to E&Y.

At every level of the organization, people first need to see the urgent need for digital transformation. Despite clear trends pointing in the digital direction, such a shift in mindset can be difficult because of internal anxieties about regulation and working with outside (SaaS) solutions or emerging AI/ML tools.

For example, 64% of North American managers believe they have the skills available in-house for these initiatives, while 47% of their European counterparts are more concerned about adopting new [SaaS] technology because of privacy regulation.

A complete digital transformation that unlocks innovation with reliable, accessible data can only start once a cultural shift has happened. A small trial project with one business unit that generates positive results can be a great way to ignite such change.

# CDPs organize and standardize data automatically



A Customer Data Platform (CDP) like Twilio Segment enforces data standards and automates many data-related tasks, like classifying Personal Identifiable Information (PII).

Don't want your team collecting passwords or credit card numbers?

Segment makes it easy to proactively enforce your company's data privacy policies and comply with regulation by allowing you to set rules that automatically block restricted personal data from being collected.

This approach is especially important for regulated sectors like healthcare or financial services.

Segment Protocols also lets you create a global, standardized Tracking Plan for your organization, ensuring you collect data across channels, platforms, and tools in a consistent format. Such standardization is an essential requirement to quickly deliver trusted data to all business units, like marketing, sales, success, analytics, and product.

With standardization and compliance addressed, Engage unlocks solutions to other challenges, like a unified view of the customer journey and connecting new tools without engineers. Such improvements enable innovation because they allow your teams to move faster based on reliable data.

Having all your data in Twilio Segment also makes it easier to generate and share relevant metrics across the organization, such as monthly active users (MAUs), conversion rates at activation points, ROI on marketing spend, and the time it takes to answer critical business questions.



# 4 case studies across the financial services and technology sector:

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To illustrate the impact a CDP can have on FinServ businesses, let's look at four Twilio Segment customer success stories.

# Case Study 1

## INDUSTRY

Financial Services and Insurance

## HEADQUARTERS

San Francisco, CA

## PRODUCTS

Connections



## Automated marketing programs at scale with better attribution

With traditional business models under pressure, banks need to explore innovative marketing programs to find new customers.

Digital affiliate programs are a great example of such a model. Earnest, a leading online provider of personal and student loans, used Twilio Segment to turn affiliate marketing into their largest revenue channel.

Before using Segment, neither affiliates nor Earnest could see which campaigns were working. By putting Segment at the center of all their marketing tools and customer data, they got such insights.

These efforts allowed Earnest to launch affiliate programs without engineers and to move their affiliate partners from Cost-Per-Click (CPC) and Cost-Per-Action (CPA) attribution to a more effective cost per signed loan model.

**These improvements helped grow Earnest's loan volume more than 10x and saved its borrowers well over \$100 million to date.**



*“It was important to have no engineering dependencies when launching a new partner program. Marketing could create custom landing pages for affiliates with a link that tells Segment who this partner is and exactly what happens with them.”*

Goutham Valeti  
Head of Analytics, Earnest



# Case Study 2

## INDUSTRY

Financial Services and Insurance

## HEADQUARTERS

Berlin, Germany

## PRODUCTS

Connections  
Protocols



## Save costs by not building your CDP in-house

A FinServ's data platform needs to meet a long list of requirements. From internal teams, but also external parties, like business partners, vendors, or financial regulators.

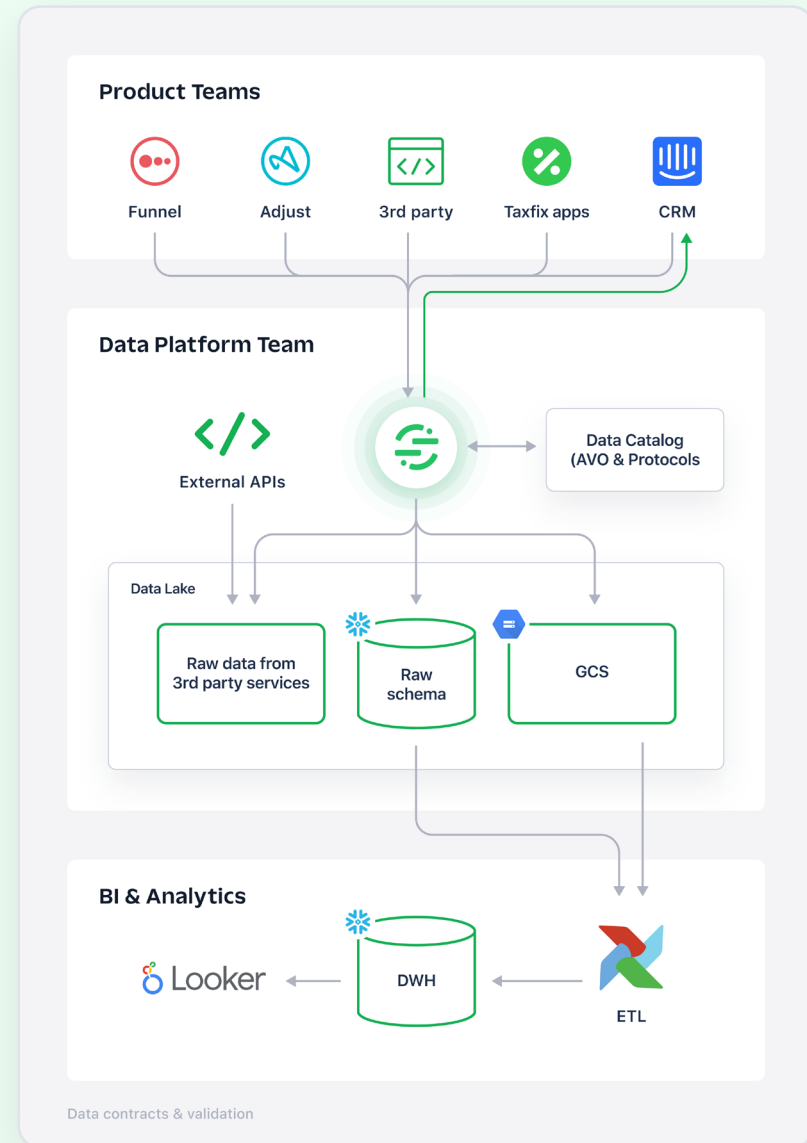
Companies often assume building a customized platform in-house is the only feasible and safe solution.

Taxfix, an app that simplifies tax filing, faced precisely such a situation. They needed a single source of truth for their customer data to quickly integrate with their existing systems.

After careful consideration, Taxfix chose Segment over developing their own solution. Their decision came down to ROI and time to value. They figured their engineers could better spend time developing and improving the product than building infrastructure.

The decision paid off. Instead of spending years building an in-house ingestion pipeline, Taxfix implemented Segment in just one month.

**As a result of improved customer data infrastructure, the business saw revenue growth double in Q1 of last year.**



Taxfix Segment setup



# Case Study 3

## INDUSTRY

Financial Services and Insurance

## HEADQUARTERS

London, England

## PRODUCTS

Connections

## ClearScore®

### Using a data platform to scale internationally

Data management complexities grow exponentially when you expand internationally. For example, country managers might want to connect specific tools to analyze local data, and privacy compliance requirements vary for each market.

Clearscore, a service that helps people assess their credit score, solved such challenges by implementing Twilio Segment for their international expansion. It allowed them to quickly set up separate workspaces and then flexibly integrate with marketing and analytics tools.

By offering a consistent method of collecting data across back-end systems, websites, and mobile apps, getting data into Clearscore's analytics platform is much simpler than before.

**Since implementing Segment, the organization has seen 3x cost savings and company-wide insights delivered in real-time.**

# Case Study 4

## INDUSTRY

Financial Services and Insurance

## HEADQUARTERS

California

## PRODUCTS

Connections  
Functions  
Protocols  
Twilio Engage



## Build a digital-first brand with connected data

In an era where consumers are seeking greater control and flexibility, the insurance industry must adapt and innovate swiftly to meet these evolving demands. Moving beyond traditional norms to accommodate personalized experiences is no longer an option but a necessity.

The quest for relevance hinges on the industry's ability to align its offerings with shifting consumer expectations, blending modernity and personalization to create an unprecedented level of customer satisfaction.

Leveraging both technical innovation and entrepreneurship, Toggle, a Farmers Company, strives to offer best-in-class insurance products to its customers.

To create more direct relationships with its increasingly digital audience, the company saw an opportunity to tap into today's modern consumer market with a new product.

Toggle was created to support the growing renters marketplace. Using Twilio Segment, Toggle launched with a best-in-class technology stack to enable faster time-to-value and new consumer insights to drive more personalization.

As a result, Toggle is able to:

- Create new revenue streams and ship new products at impressive speed
- Hit critical marketing KPIs more efficiently across channels
- Build more direct relationships with its end users
- Innovate faster to better serve the teams' goals

Head of New Ventures, Farmers Insurance® and President, Toggle

**Toggle**  
A Farmers' Company

## Let's get personal. Customize your coverage.

You have a unique collection of stuff that just screams you. Adjust the sliders to get the exact coverage you want. Or, if it looks good, just [skip to Add Ons](#).

### Technology >

Protect your technology: coverage includes computer, drone, tablet, phone, gaming system, TV and more.

Covered up to

**\$2,000**

A horizontal slider bar with a green track and a grey track. The green track is labeled from \$0 to \$2k in increments of \$200. The grey track is labeled from \$4k to \$10k in increments of \$2k. A green circle is positioned at the \$2k mark on the green track.

### Furniture + Appliances >

Includes household staples like beds, chairs, sofas, tables, desks, cookware, owned appliances and more.

Covered up to

**\$4,000**

A horizontal slider bar with a green track and a grey track. The green track is labeled from \$0 to \$4k in increments of \$400. The grey track is labeled from \$8k to \$20k in increments of \$2k. A green circle is positioned at the \$4k mark on the green track.

### Fashion + Jewelry >

Cover the things in your closet like handbags, rings, watches, clothes, shoes, make up and more.

Covered up to

**\$2,000**

A horizontal slider bar with a green track and a grey track. The green track is labeled from \$0 to \$2k in increments of \$200. The grey track is labeled from \$4k to \$10k in increments of \$2k. A green circle is positioned at the \$2k mark on the green track.

### Custom Plan

**\$22.50**  
/month

Your coverage	Up to
Technology	\$2,000
Furniture + Appliances	\$4,000
Fashion + Jewelry	\$2,000
Active	\$2,000
Deductible	\$500
Liability	\$100k
Temporary Living Costs	\$50
Pet Parent™	On
Side Hustle®	On
Identity Protector	On

### Included with your subscription ⓘ

- \$1,000 blanket coverage
- Always On Portability
- Medical payments to others

**Next: Add Ons**



# CDP: A competitive must-have in the digital era

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In this digital age, financial institutions are evolving to meet changing customer expectations. They are striving to balance digital convenience with personalized human touch, which is crucial in building consumer trust and loyalty.

Key to this transformation is the customer data platform. Whether it's your product team, marketing, or engineering, every part of your business relies on accurate, actionable data.

To recap, a CDP helps you do this by:

- Providing consistent, complete, and trustworthy data across the organization
- Removing the guesswork when it comes to meeting data compliance standards
- Preserving engineering resources for higher value initiatives
- Connecting trustworthy data to power AI or machine learning technologies

A CDP like Segment reliably synthesizes all customer data for your FinServ business. It makes that information accessible and actionable for your entire organization in real-time.

The road ahead may be demanding, but with a steadfast commitment to customer-centricity and digital transformation, financial services and technology businesses can successfully navigate this journey.



# About Twilio Segment

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Twilio Segment is the leading CDP with more than 450 pre-built integrations to different data sources and destinations. It provides a complete solution that eliminates the need for manual data cleansing, complex data engineering processes, and analytics reporting functions.

By automating all of the backend customer data operations, Twilio Segment puts companies in a position to get the most out of their first-party data and retain customers at a higher rate. As consumer sentiment, industry trends, and regulatory enforcement push companies away from depending on third-party data, the need for an alternative source of customer data cannot be understated. First-party data is the solution, bringing a competitive advantage as it fills the gaps where third-party data falls short: accuracy, relevance, and building customer trust.

**Schedule a demo to learn how to get the most out of your customer data with Twilio Segment.**



## Thanks for reading



If you would like to learn more about what Twilio can do for your business,  
please [contact the Segment sales team](#).