

DATA, DIGITALISATION, and the return to PRE-PANDEMIC GROWTH



B U S I N E S S A N D C O N S U M E R R E P O R T

A FORRESTER CONSULTING RESEARCH CONDUCTED ON BEHALF OF EXPERIAN

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WELCOME TO EXPERIAN'S BUSINESS AND CONSUMER REPORT



Data, digitalisation, and the return to pre-pandemic growth

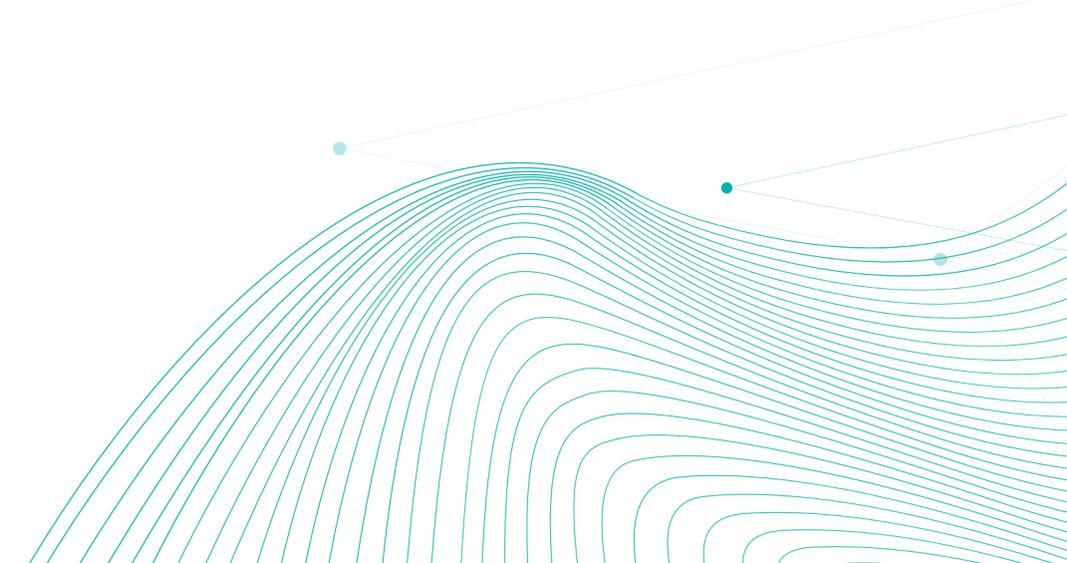


To find out the key business priorities for the next 12 months, **Forrester Consulting** conducted a survey on behalf of Experian. This survey uncovered how businesses are performing regarding customer experience and investigated the value of data in better understanding and serving customers.

598 businesses within the Financial Services and Telecoms sectors spanning across 6 EMEA countries (including the Netherlands), along with more than **3,000 consumers**, have been questioned to understand their attitudes and preferences to customer experience.

From this global survey, we have derived a report containing the highlights for the Dutch market.

The key questions answered by this report, are:

- What are the key budget priorities for Dutch organisations over the next 12 months?
 - How do consumers rate the current customer experience when applying for financial services in the Netherlands?
 - What do consumers think about sharing their data, and what do they expect from businesses in return?
- 



TOP PRIORITIES IN THE DUTCH MARKET



THINKING ABOUT THE DATA AND INSIGHTS YOUR COMPANY USES TO SUPPORT OPERATIONAL PERFORMANCE, HOW MUCH TO YOU AGREE WITH THE FOLLOWING STATEMENTS?

We want to make better use of their data to improve operational performance



We are exploring different types of data sets to improve accuracy of our analytics



We need more data to fuel our analytics needs



We need more analytical support from external partners/suppliers to help us improve our performances



We need more customer insight data to make better credit risk and affordability decisions



Businesses within the financial services and telecoms sector are **embracing digitalisation** to better understand and **serve their customers**.

This increasingly interconnected ecosystem relies on data to drive decisions, improve analytics accuracy, and, ultimately, enable better and more responsible lending.

In the Netherlands

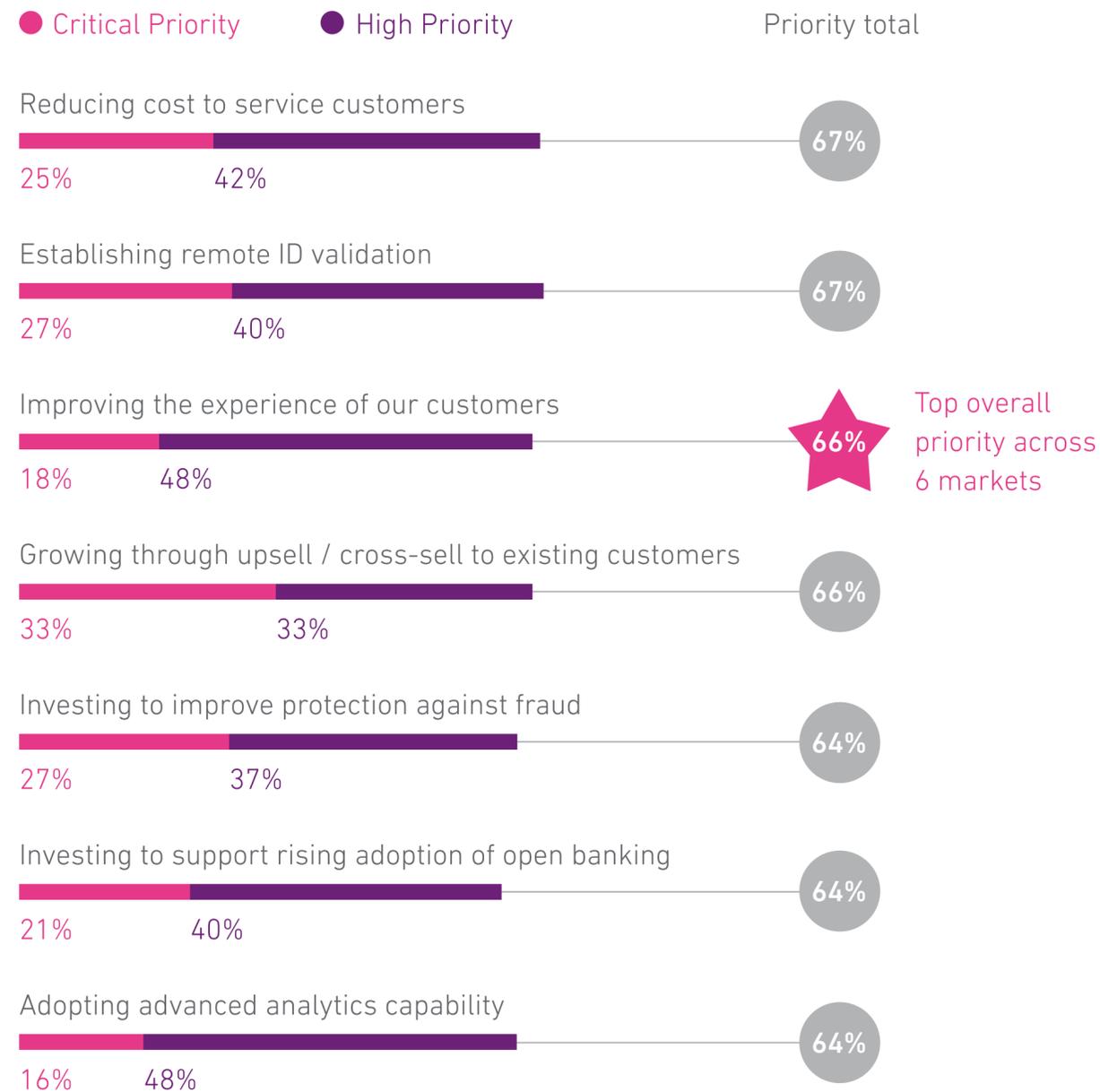
72% of businesses feel they need to make better use of their data to improve operational performance

63% is looking for different types of data sets to improve their data analytics accuracy and 58% believe they need more data to fuel their analytics needs.

57% of the senior decision-makers surveyed in the Netherlands requires analytical support from external partners in order to take the performance of their organisation to the next level.

New data sources can improve regulatory compliance and deliver effective ongoing monitoring. Open Banking can unlock the ability to assess affordability and creditworthiness over time and better forecast the future. Transactional data can provide greater depth of insight and visibility of financial health, and can pave the way for regular monitoring of financial information to improve the service provided to customers.

IDENTIFYING THE TOP BUSINESS PRIORITIES OVER THE NEXT 12 MONTHS

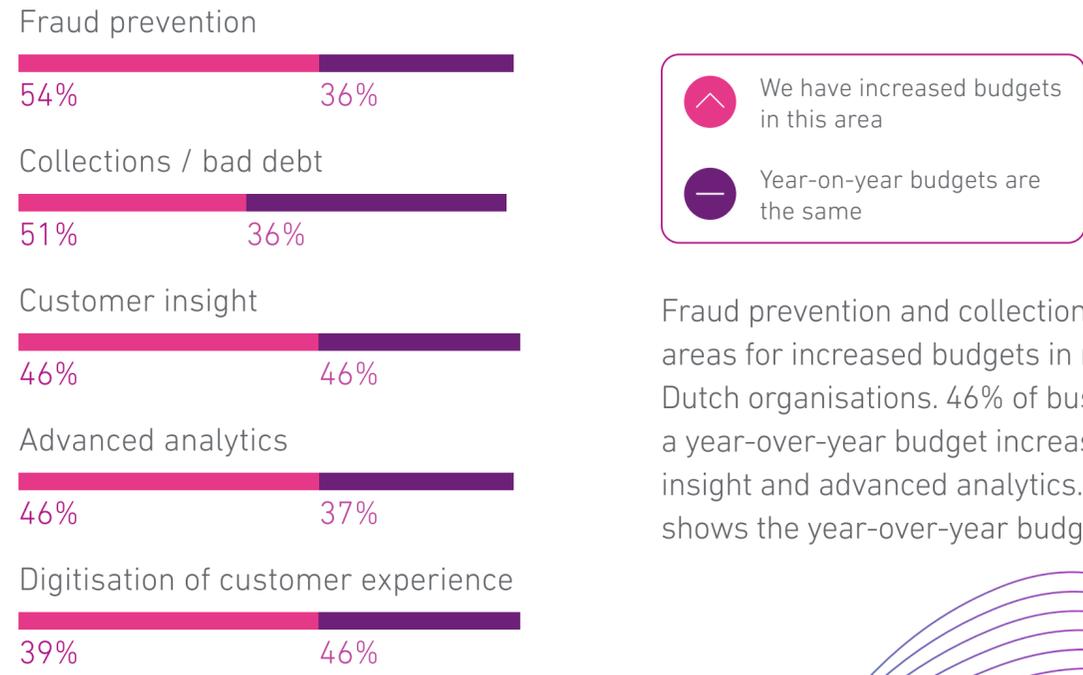


Base: 598 senior decision-makers in financial services and telecommunications firms globally.
 Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

Top business priorities over the next 12 months in the Netherlands

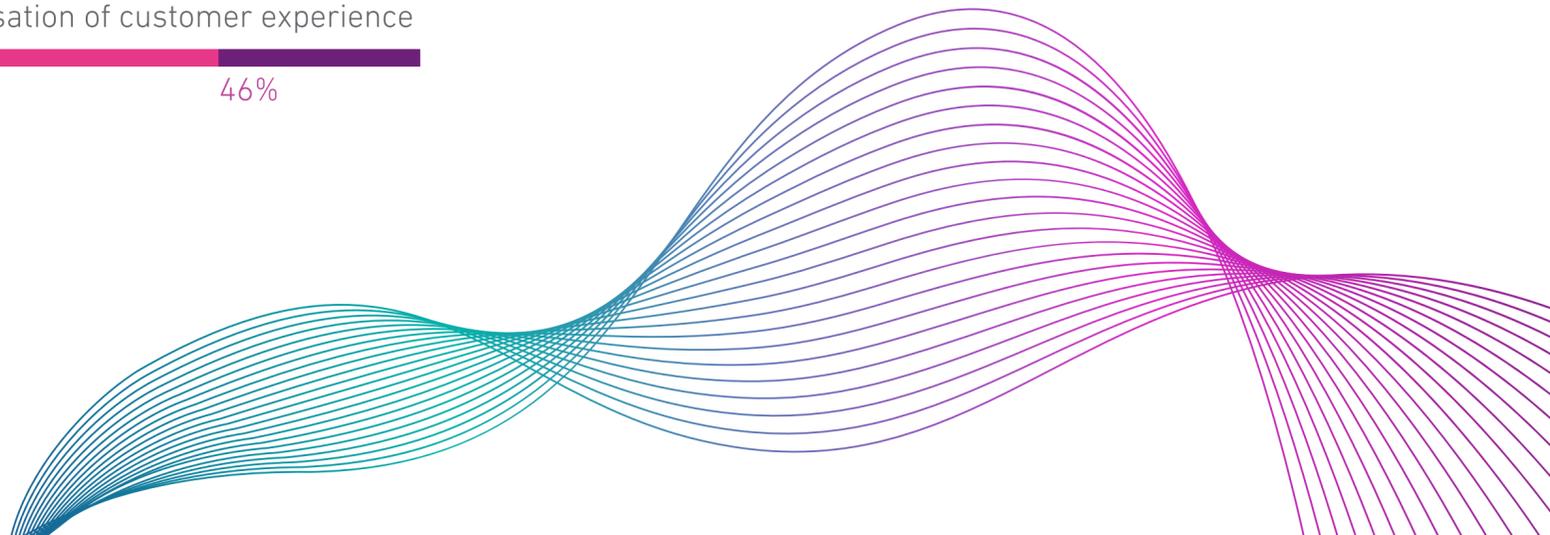
Across the different European markets, **improving the customer** experience is the top priority. In the Netherlands this is the third most important priority for businesses, after **reducing the cost to service customers**, and **establishing remote ID validation**.

PLEASE ESTIMATE YOUR ORGANISATION'S YEAR-OVER-YEAR BUDGET INCREASE OR DECREASE FOR THE FOLLOWING AREAS IN 2021



We have increased budgets in this area
 Year-on-year budgets are the same

Fraud prevention and collections/bad debt, are key areas for increased budgets in more than half of Dutch organisations. 46% of businesses also estimate a year-over-year budget increase for customer insight and advanced analytics. The graph below shows the year-over-year budget changes.



WHICH OF THE FOLLOWING CUSTOMER-ONBOARDING INITIATIVES IS YOUR COMPANY PRIORITISING OVER THE NEXT 12 MONTHS?

Using AI/machine learning to improve operational effectiveness



Reducing the friction associated with verifying the identity of our customers



Improving acquisition channels with additional data sources to enhance targeting



Investing in new data sources to better understand risk and affordability



Reducing underwriting time/resources required to assess applications



Implementing a fully digital customer experience



Improving time-to-decision for the customer



Leveraging automation to improve efficiency within the application journey



Top customer-onboarding initiatives over the next 12 months in the Netherlands

The Forrester survey showed that companies seem to be satisfied with their current customer onboarding, with 70% of businesses in the Netherlands rating their onboarding customer experience as good or excellent. The graph below shows which customer-onboarding initiatives Dutch companies are prioritising over the next 12 months.

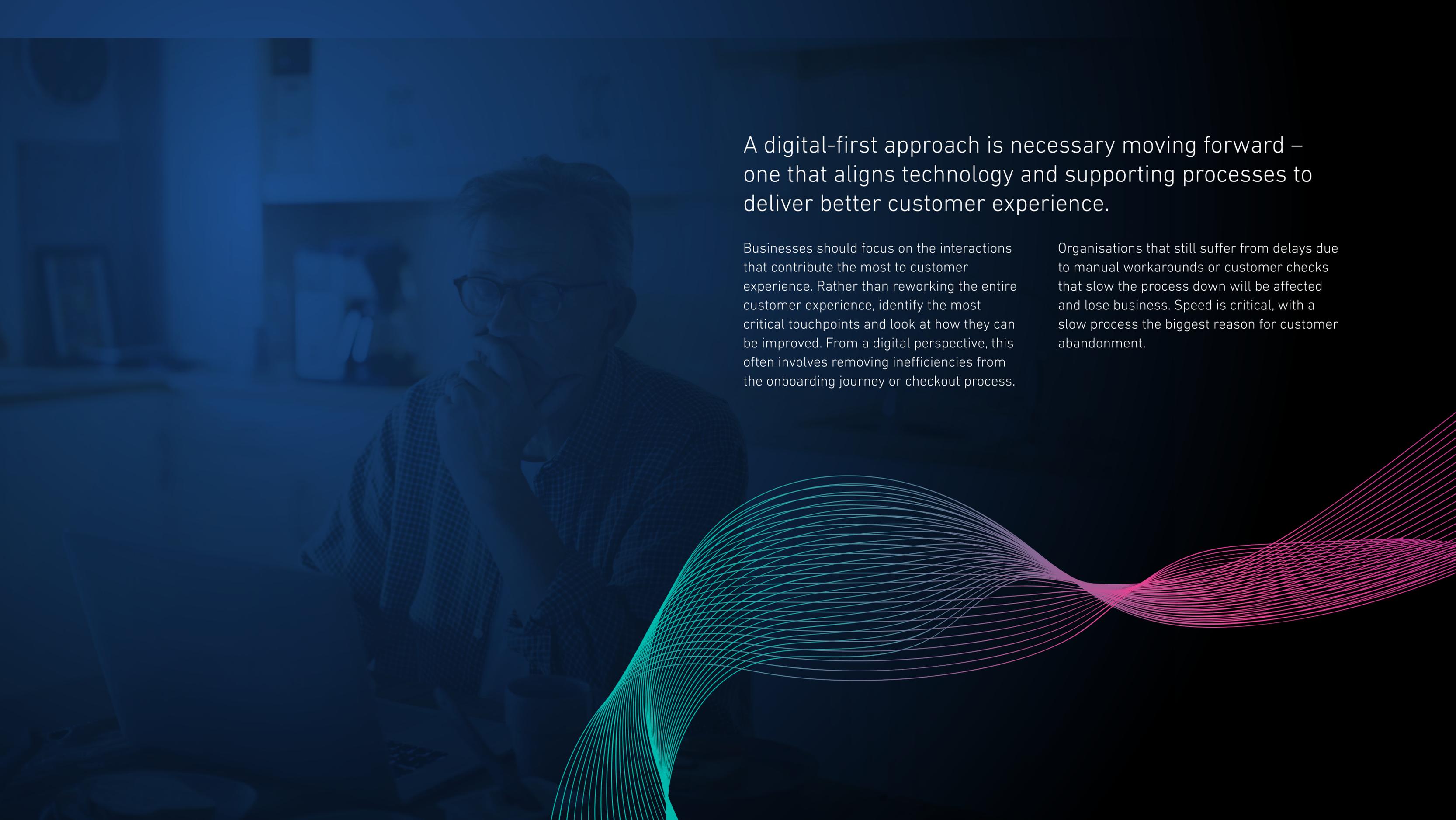
The biggest customer-onboarding initiative across all businesses involves **using artificial intelligence and machine learning to improve operational effectiveness**. For organisations in the Netherlands, the main barrier to adopting machine learning models is its explainability. This was indicated as such by 35% of organisations within the financial services sectors and by 43% of organisations in the telecoms sectors.

The second priority is to **reduce the friction associated with verifying the identity of customers**. 46% of Dutch businesses believe that verifying their customers' identities online takes too long, and 55% of Dutch senior decision-makers believe that improving their organisation's fraud prevention strategy will be the determining factor to reduce friction in customers' interaction. To deliver the optimal customer experience, there needs to be a balance between ensuring protection against fraud and speed. From a digital perspective, speeding up the process often involves removing inefficiencies from the onboarding journey or checkout process. This is especially important as Dutch businesses have seen an increase of 58% in credit applications from new customers in 2021 and almost 62% of Dutch consumers have abandoned an online application for credit in the last year.

The third initiative is to **improve acquisition channels with additional data sources to enhance targeting**. Improved channels with a bigger variety of data improves not only the service of the organisation, but also their offering to all their consumers. It enables organisations to build and provide the personalised products and services that their customers require, rather than a general mould for the masses.

Base: 598 senior decision-makers in financial services and telecommunications firms globally.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

A man in a checkered shirt and glasses is shown in a thoughtful pose, resting his chin on his hand. The background is a blurred office setting. At the bottom of the page, there is a decorative graphic consisting of multiple thin, overlapping lines that form a wavy, ribbon-like shape, transitioning from a light blue color on the left to a light pink color on the right.

A digital-first approach is necessary moving forward – one that aligns technology and supporting processes to deliver better customer experience.

Businesses should focus on the interactions that contribute the most to customer experience. Rather than reworking the entire customer experience, identify the most critical touchpoints and look at how they can be improved. From a digital perspective, this often involves removing inefficiencies from the onboarding journey or checkout process.

Organisations that still suffer from delays due to manual workarounds or customer checks that slow the process down will be affected and lose business. Speed is critical, with a slow process the biggest reason for customer abandonment.



USING COMMUNICATION TO UNLOCK NEW OPPORTUNITIES





Obtaining data – and unlocking the opportunities it brings – is only possible with a communications strategy that effectively explains the *what, why* and *how* to customers. The Forrester survey found that businesses must show the benefits of data sharing to earn the customer consent they crave.

Businesses cannot assume that their customer base will willingly participate in data-led solutions, such as automated decision-making and Open Banking, without any context. It is important to think about the communication strategy as part of the implementation of a new process or journey for the customer. The value of new processes and customer journeys might be clear within your business, but that does not mean it is obvious to a customer approaching these solutions with limited prior knowledge and a degree of scepticism.

The public is increasingly knowledgeable about data but remains cautious about how their personal information is being used by institutions and organisations. And there is currently a disconnect in the Netherlands between businesses' belief that customers trust them to use their data (72%) and what percentage actually do (55%). It is vital that organisations do not overestimate how much consumers trust them with their data at a time when access to valuable data sets is a key goal for most financial services organisations.

Communication done right is the key to achieving consent conversion. Stating the value upfront might be enough to encourage participation, for example by allowing access to their financial information customers can experience a faster application. The survey showed that 42% of Dutch consumers are willing to share their data, but 35% more are willing to do so if it meant they got a faster application process.

Businesses in the Netherlands know they need more data, with many looking to Open Banking to improve analytics performance. And businesses that can communicate and show the value of sharing data to their customers put themselves in a strong position to grow and provide better support and services in a digital world.

OPEN BANKING: CONSUMERS WILLING TO SHARE DATA BUT MANY MORE WILLING TO DO SO FOR THE RIGHT VALUE EXCHANGE. BUSINESSES KNOW THEY NEED MORE DATA WITH MANY LOOKING TO OPEN BANKING TO IMPROVE ANALYTICS PERFORMANCE



42%

of consumers would allow access to their financial information (e.g., from their banking app) to help with checks for online applications

23%

would be unwilling to do this

BUT

35%

would reconsider if it meant they got a faster application process



63%

of businesses are exploring different types of data sets to improve accuracy of our analytics (e.g., use of non-traditional data sources such as open banking)

42%

of businesses have invested in Open Banking and 49% plan to do so in the future (Experian Open Banking Survey May 2021)

64%

of businesses state investment to support rising adoption of open banking as a high/critical priority in next 12 months

Better communication could significantly increase the number of consumers willing to allow access to their financial information

Communication matters. Better communication and clarity around the value could significantly increase the number of consumers willing to allow access to their financial information. Do not underestimate the importance of providing reassurance to help nudge the customer in the right direction. For example, stating upfront that by allowing access to their financial information, they can receive a faster application (stating the average time saved is even better) might be enough to encourage participation. It is important to think about the communication strategy as part of the implementation of a new process or journey for the customer.

Base: 598 senior decision-makers in financial services and telecommunications firms globally.

Base: 1,990 consumers in Europe and South Africa.

Source: a commissioned study conducted by Forrester Consulting on behalf of Experian, August 2021.

ABOUT EXPERIAN

Experian is the world's leading global information services company. During life's big moments — from buying a home or a car to sending a child to college to growing a business by connecting with new customers — we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime.

We have 17,800 people operating across 45 countries, and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group.



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