



# HOW CLOUD-BASED DATA STRATEGIES ARE TRANSFORMING THE BANKING AND PAYMENTS INDUSTRIES



BANKING DIVE



PAYMENTS DIVE

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# INTRODUCTION

The past several years have brought seismic changes to the banking and payments industries. COVID-19 forced organizations to transact with customers in a different way and amplified the importance of data in delivering more immediate and personalized services to customers. Digital services have transformed how consumers engage with businesses—and in turn, required those businesses to invest in hyper-personalized digital experiences to attract, retain, and grow those customers.

At the same time, changing demographics are playing an outsized role in the banking space. According to research and consulting firm Cerulli Associates, [\\$84.4 trillion of assets will transfer](#) from baby boomers and older Americans to a younger, more diverse demographic through 2045. That means the accounts holding those assets are no longer guaranteed, creating opportunities (and risks) for banks serving a younger, more diverse, and digitally savvy audience.

As financial institutions increasingly embark on digital transformation journeys, they're looking to maintain a competitive edge during tough economic times and comply with highly fragmented global regulatory standards. In order to adapt to these seismic changes, banks and payment companies have looked to modernize technology and do away with data silos by turning to cloud services.

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**THE DISTRIBUTED CAPABILITIES OF THE CLOUD  
OFFER THESE COMPANIES THE ABILITY TO EXPAND AND  
ACCELERATE THEIR DATA STRATEGY IN AN ENVIRONMENT  
THAT PROVIDES SCALE, SECURITY AND AGILITY.**

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A cloud data platform, such as Snowflake, provides a foundation on which companies can build a data infrastructure that provides unique insights that enable agility and growth.

In this playbook, we'll detail the ways banks and payment companies are modernizing technology in order to leverage a multi-cloud-based data strategy. We'll look at how this affects and improves customer acquisition, onboarding, retention and growth. We'll also delve into how multi-cloud offerings can play a role in fraud prevention and help financial services companies stay ahead of ever-changing regulations and compliance issues. And finally, we'll discuss how banking and payment companies should leverage a solution that allows different teams and line of businesses within an organization to work in concert with each other to ensure all decisions are made from a single source of truth.



# A BETTER UNDERSTANDING OF CUSTOMERS

Financial services firms and payment companies have been under intense pressure to scale their digital capabilities and innovate against emerging fintech competitors, all while navigating an increasingly complex data landscape. The challenges of the past few years as a result of the COVID-19 pandemic and the acceleration of digital transformation only amplified these pressures.





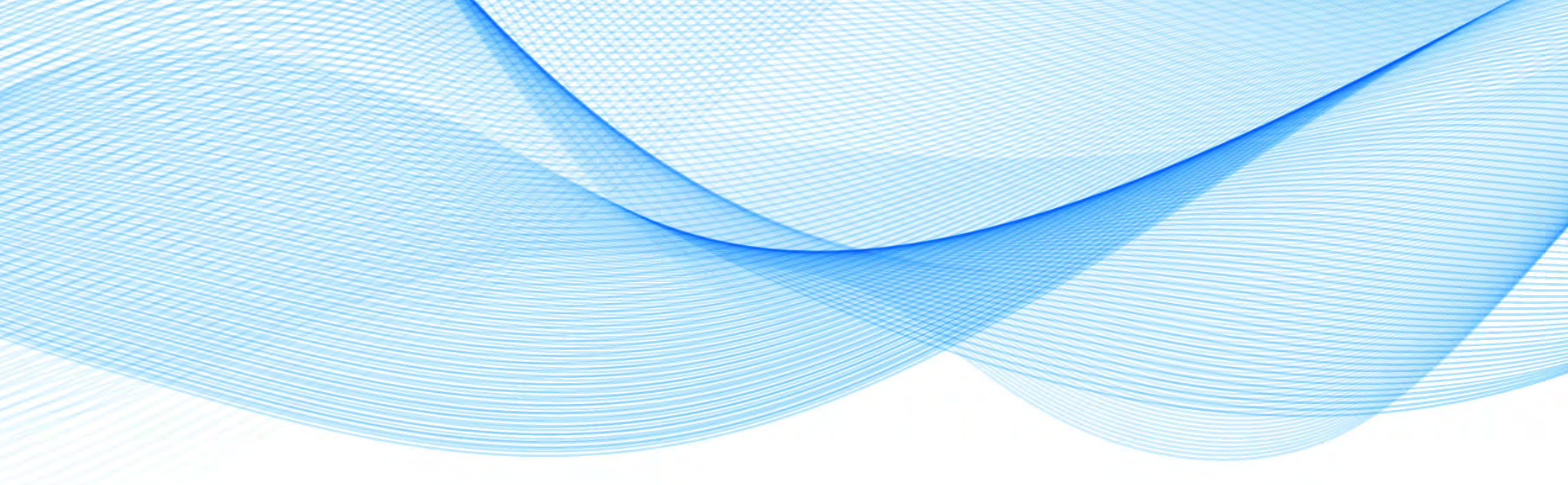
During these times of change, banks and payment companies need to double down on data to inform key business decisions that drive revenue growth. In other words, the need for data is greater than ever.

Nowhere can that be seen more clearly than in the customer journey. The ability to leverage and accelerate data access when it comes to acquiring, onboarding, retaining and growing a customer base is the lifeblood of any banking or payment enterprise.

Snowflake enables businesses to create personalized customer experiences by breaking down internal data and technology silos across departments so that banks can act on that data in a more secure and comprehensive way.

These customer 360 insights enable banks and payment platforms to address the entire customer journey, including acquisition, onboarding, retention and growth. Since these different aspects of the customer experience are typically owned by individual departments within an organization, the ability to run all these functions concurrently, with one source of data, drives efficiency and accuracy.





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For instance, customer acquisition most often falls to the marketing staff. They focus on customer segmentation and customer targeting. When it comes to customer onboarding, it's most often risk and compliance operations that have to run background and anti-money laundering screens. Moving further into the customer journey might mean digital teams are at work, trying to figure out personalization and what that customer might need down the road.

A full customer view is fundamental for a successful personalization strategy because it enables banking organizations to pinpoint high-value customers and ensure they have a good experience at every touchpoint. Without real-time visibility into customer interactions, that isn't possible.





# A GOLDEN SOURCE OF TRUTH

Allowing disparate functions within the bank to operate from the same data—a golden source of truth—is what Snowflake does. It enables banks and payment companies to house all their various types of data in one secure place so that organizations can gain a 360-degree view of customer behaviors and preferences from multiple inputs.



That was the need of a global financial services company with more than 250 million customers. The company's data architecture consisted of multiple on-premises data warehouses. Operating this way made it difficult to gain a comprehensive view of each customer. Further, performing maintenance across a wide variety of systems was time-consuming, operationally burdensome and pulled attention away from all-important customer analytics.

And as data volumes increased, so too did data engineering challenges. For instance, when large amounts of data were copied numerous times because of different ingestion processes, data differences were created, leading to questions about mismatched data sets. The company realized it needed to migrate data to the cloud and consolidate systems.



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**BY CONSOLIDATING MORE THAN 30 DATA STORES  
AND REDUCING DATA WAREHOUSING COSTS BY 50%,  
SNOWFLAKE WAS ABLE TO HELP THIS FINANCIAL  
SERVICES COMPANY LEVERAGE INSIGHTS TO DRIVE  
FASTER DECISION MAKING, SAVE MONEY AND ENABLE  
NEW SERVICES TO IMPROVE THE CUSTOMER EXPERIENCE.**

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Similarly, an insurance and investment giant found that having its data spread across multiple on-premises databases was hindering its ability to use data science models to drive the business. Ingesting and analyzing large amounts of proprietary and third-party data is how it supports data-driven decision-making across sales, marketing and operations.

Snowflake was able to build a scalable data pipeline that enables revenue-generating teams to better collaborate. The firm's sales managers were able to access timely and reliable insights so that their efforts to acquire, retain and cross-sell customers was more effective and robust.



# MITIGATING FRAUD AND RISK

All the personalized services in the world are meaningless if a bank or payment platform can't keep customers' data secure. A cloud data platform can securely store the data and gives ample permission to those who can access it, thereby helping to prevent security breaches. Security teams need immediate access to petabytes of security logs for breach investigations, proactive threat hunting, and advanced detection and response. With automatic near-infinite scalability and low log storage costs, Snowflake enables financial institutions to affordably store and query large amounts of security data with contextual and business data for fast analytics. On top of having low storage costs, high scalability and fast analytics, the Snowflake Data Cloud enables security leaders to have enhanced visibility across their environments with dynamic and interactive data visualizations.





The end result: higher data security, cost-effective investigations and earlier detection. These benefits translate to higher consumer confidence and loyalty, and they lower costs for fraud and instances of cybersecurity breaches.

A global technology company that helps merchants start, run and grow their businesses needed a way to enable its customers to do this safely and effectively. Handling massive amounts of semi-structured data volumes had historically led to system outages and time-consuming maintenance. Something had to change.

Snowflake's ability to provide this company with a single and seamless experience across multiple public clouds was in line with its multi-cloud strategy. It also ensures that while the company helps its merchants run and grow their businesses, they're protected from fraud. Snowflake increased the company's ability to identify bad actors, and detect fraudulent charges based on geolocation and purchase trends.

And since analysts have access to semi-structured data, they're empowered to build additional models that protect merchants.





# COMPLEX AND EVOLVING COMPLIANCE LANDSCAPE

The ability of financial institutions to stay ahead of—and in compliance with—ever-changing financial regulations across multiple countries and jurisdictions is a key ingredient of success. Doing so in a timely, cost-effective, and efficient way is not always easy. Just consider that in 2020, compliance spending topped \$213 billion worldwide.



The experience of a large online trading and investment firm illustrates the challenge. Its existing on-premises database was unable to scale as needed, creating potential limitations for future growth. Further, staying up to date with constantly evolving banking regulations and security compliance demands was proving to be less than ideal. Its larger competitors have more employees to keep up with changing rules, but adding layers of personnel to meet the demands of the industry was not what this particular fintech wanted to do.

The company needed a new data platform that would scale with its quickly growing data volumes while allowing it to stay in compliance with the regulatory landscape.

Partnering with Snowflake has enabled the firm to grow in customers and value, while simultaneously freeing the organization from a corresponding expansion in personnel to meet the compliance demands placed on it through the regulatory frameworks of the markets in which it competes. This is not only a win for the company's bottom line, but for its ability to gain greater speed and agility, thereby opening up the possibility of real-time risk monitoring.



# SUMMARY

The rapid pace of change and the ongoing digital transformation that's taking place in the banking and payments industries is only going to accelerate in the years ahead. Managing this change and the volumes of data that financial institutions deal with every day takes a multi-cloud approach that offers flexibility, transparency and efficiency.

And just as the COVID-19 pandemic forced banking organizations to interact with customers in a different way, so too will changing demographics and the massive transfer of wealth that's moving

from baby boomers and older owners of capital to a younger, more diverse population. The banking needs and wants of these customers are rooted in more personalization of products and services, and meeting these demands means making sense of data in new and innovative ways.

A multi-cloud-based strategy enables banking and payment companies to glean more actionable insights from the data they have, and do so in a way that's faster, safer, less expensive and flexible.





Snowflake delivers the Data Cloud—a global network where thousands of organizations mobilize data with near-unlimited scale, concurrency, and performance. Inside the Data Cloud, organizations unite their siloed data, easily discover and securely share governed data, and execute diverse analytic workloads. Wherever data or users live, Snowflake delivers a single and seamless experience across multiple public clouds. Snowflake's platform is the engine that powers and provides access to the Data Cloud, creating a solution for data warehousing, data lakes, data engineering, data science, data application development, and data sharing. Join Snowflake customers, partners, and data providers already taking their businesses to new frontiers in the Data Cloud.

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