Fintech Data Mistakes

and How to Avoid Them

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3 Ways Fintechs Can Use Data to Drive Innovation and Engagement

Data is the new currency, making it essential for continued growth and success across every industry.

Luckily, the financial industry is in a unique position to already possess heaps and mounds of data that they can utilize to power technologies, market more effectively, and create relevant products and offers. But not all data is created equally. Many fintechs still struggle to turn their data into profit. One of the biggest hurdles facing fintechs is extracting their raw data from disparate locations and refining it in a way that makes it more usable, accessable, and actionable.

Fintechs that know how to use their data stand to gain the most as the financial landscape continues to evolve. These fintechs will be able to outperform traditional banks and credit unions by using their data to deliver on better customer experiences more quickly. They can also partner with other financial institutions to offer better technological solutions such as AI-driven tools from chatbots to virtual assistants and much more, all powered on clean data. But with stiff competition from big tech giants and the top banks that have already made great headway in using data to provide better customer experiences, fintechs that want to take a piece of the pie will have to learn how to use their data—fast.

When it comes down to it, regardless of how you measure it, data is essential to powering intelligent tools and better customer experiences. But is your data quality good enough to effectively compete? And have you ever thought about how much money you could potentially be leaving on the table if your data isn't easily accessible and actionable?

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Here are three ways you can use high-quality data to become more competitive:

1

Power Your Solutions with Clean Data

Building a great product or experience is no longer enough. You also need high-quality data to power your software and technology. Enhanced data and multi-sourced aggregation are essential to winning customers' loyalty in today's ultra competitive digital-ecosystem. Building your products with the highest quality data on the market starts with enhanced data, which includes cleansing, categorizing, and augmenting financial information so you can easily identify subscriptions, recurring payments, income, location data, and much more. With that information, you can start to really understand your customers' needs, helping you create more effective products and messaging throughout the entire customer journey.

2

Reduce Unnecessary Friction

High-quality data coverage reduces friction, delays, and interruptions, helping fintechs deliver better and more engaging customer experiences.

Reducing friction with data coverage helps customers manage their finances more easily—from paying bills to checking their purchase history and much more. It also helps power your applications with the most complete customer financial information such as transactions, balances and other account details, so you always keep a pulse on your customers' financial lives.

Beyond that, your business can cut down on time spent managing systems on the backend. Customers don't want to wait minutes, let alone days, for a mircodespoist before engaging with new applications. With tools like Instant Account Verification, you can give your customers an easier way to connect their accounts to your applications and software without the cumbersome process of micro-deposit authentication methods, reducing account abandons and increasing overall satisfaction.
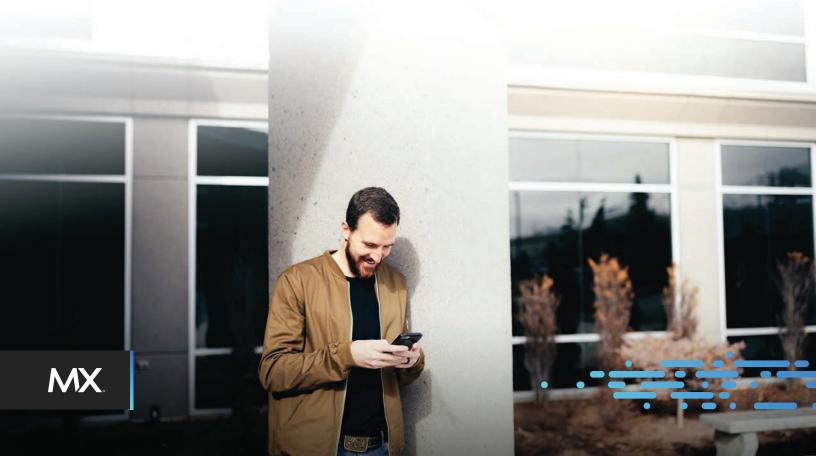
> "Without a consolidated view, most customers don't know where to start on the path to becoming financially healthy."

3

Meet Customers' Growing Expectations

Customer expectations continue to rise as tech giants continuously raise standards. So what does it really take to meet customers' expectations? And why is the ability to create hyper-personalized experiences more critical than ever before?

The truth is customers lead complex financial lives, with accounts often spread over multiple financial institutions. Without a consolidated view, most customers don't know where to start on the path to becoming financially healthy. When you streamline the customer experience for aggregating account information, you create a much sticker experience that allows customers to quickly glean the information they need at any given time, making your application a necessary part of their daily lives. Obtaining a comprehensive picture of customers' information also makes the lending process of collecting specific pieces of information much less exhaustive for both lenders and borrowers.

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Grow Your Business With a Partner That Can Scale

When it comes to creating software solutions to expand and grow your business, there are times it makes sense to build and times it makes sense to buy. For example, if your core business is lending, you can benefit from tools that help you create a simple onboarding customer experience, but you don't necessarily need to build those tools. And in fact, you might be losing precious time and focus from your main business objectives in attempting to do so. In this case, it might make sense to partner, helping you gain the same benefits—faster.

At MX, we can help you execute on your vision with a flexible partnership that scales with you. Our solutions go beyond out-of-the-box tools that focus on what success looks like for your business. We'll work with you to help you discover deeper insights into your data, create actionable strategies that target the right audiences, and help you benefit from AI-assisted technology to power your applications with the latest features on the market.

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