Data in the Age of Convergence: Four Reasons You Need a Holistic Data Strategy

The convergence of banking and payments infrastructures; new data regulations like PSD2, Open Banking and GDPR; and the competitive power that artificial intelligence and robotics can offer payments providers have heightened the importance of a holistic data strategy across functional areas.

Here are four ways payment providers benefit from a holistic data strategy.

1. Integrated Data Management

Financial institutions have robust access to payments data and customer preferences and behaviors surrounding those preferences – but data is only valuable if it’s efficiently harnessed and interpreted. Separate, disjointed data management systems result in siloed data that’s extremely difficult to manage. This can lead to data redundancies and human error that cause inaccurate assumptions, unusable data insights, and increased risk of non-compliance and data misuse.

An integrated platform efficiently ensures that data is representative of what’s happening in the payments business, in real time.

2. Meaningful Insights

Convergence of payments types means many payments providers have data coming into their organization from card, switch, enterprise payment and a number of other infrastructures. Data can be used to solve real business problems and create new rules like the ability to spot and manage fraud in real time across different channels and payment methods with a consolidated and integrated view.

3. Make Automation Actionable

Artificial intelligence (AI) and robotic process automation (RPA) can increase internal efficiency, reduce costs, and predict customer needs and behaviors for improved services, communications and fraud prevention. They can also determine how to best monetize certain aspects of the payments business, through sticky customer services that enhance customer use, loyalty and perceived value.

When data is integrated, identifying the correct data points and continually refining them to gain even deeper, richer insights is efficient and easy.

4. Optimize Privacy Controls Around Data

Regulations like PSD2 and GDPR have changed the rules surrounding how any organization must secure customer permissions about data that has been collected, why and how it will be used. Given the recent events involving misuse of customer data and privacy in social media and online, many customers are concerned with data privacy and controls; they must know their payment provider is acting in their best interest.

Holistic and integrated data management provides a granular level of control. When data is harnessed centrally, financial institutions can write their own rules around data collection and profiling, ensure that customer permissions are classified and protected on behalf of the customer, and maintain accurate records of what types of customer data can and cannot be used.

Learn more about how our unified platform PaymentsOne can ensure your payments business has a holistic and integrated view of its data.

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