

# Elevating customer lifetime value: the power of connection

## Executive summary

Financial institutions are operating in a market where traditional engagement models are no longer sufficient to sustain growth. Customers increasingly expect tools that help them strengthen, manage and protect their financial well-being, identity and digital privacy.

Institutions that fail to evolve beyond basic, stagnant offerings risk low engagement, rising attrition and accelerated churn, particularly as digitally native generations enter the market with higher expectations for proactive personalization and protection.



1 in 5 consumers say they're considering **leaving their primary financial services provider.**<sup>1</sup>



What many institutions underestimate is not whether engagement matters, but how engagement directly increases customer lifetime value (CLV) — and therefore long-term revenue and profitability.

CLV is no longer a downstream metric; it's a leading indicator of sustainable growth because it captures the cumulative revenue a customer generates over their entire relationship, minus the cost to acquire and serve them. Institutions that continue to rely on fragmented experiences, standalone credit scores or slow-to-deploy solutions are leaving significant value unrealized.

Leading institutions are reframing engagement as a growth lever. By adopting a CLV-driven strategy and partnering with providers that offer modern, embeddable solutions, they can accelerate time-to-market, integrate seamlessly with existing systems and deliver a unified customer experience across financial wellness, identity protection and credit education. This approach enables smarter acquisition, deeper engagement and longer-lasting customer relationship, ultimately driving measurable improvements in CLV.

Institutions that systematically increase CLV can benefit from higher retention, lower acquisition costs, greater cross-sell success and more predictable revenue — the core drivers of sustainable growth.

### CLV (CUSTOMER LIFETIME VALUE)

The measure of the total predicted profit a financial institution can expect to generate from a customer throughout their entire relationship with the institution.



## The real engagement challenge: why traditional models are falling short

Customer expectations have shifted faster than many financial institutions realize. Today's customers expect their bank to act as a forward-looking partner, anticipating their needs, providing timely guidance and delivering relevant tools at the right moment. Yet many institutions still operate with engagement models built for a transactional era.

### Consider the gap:

- **50%** of consumers expect personalized offers for tools, products and services.<sup>1</sup>
- **86%** of consumers care about data privacy, and **79%** of consumers are willing to spend time and money to protect data.<sup>2</sup>
- **54%** rely on their bank to help them achieve financial objectives.<sup>3</sup>
- **57%** want help managing their finances more effectively.<sup>3</sup>

Despite these expectations, one-third of customers report that their bank doesn't adequately support their financial needs, and dissatisfaction is even higher among millennials and Gen Xers.<sup>4</sup> The issue isn't a lack of intent; it's a lack of actionable insight and scalable engagement infrastructure.

This exposes a critical limitation of traditional approaches. Standalone credit scores and periodic outreach provide only a partial view of customer health and intent. Without continuous engagement and real-time insight, institutions miss opportunities to expand relationships, reduce attrition and grow share of wallet, all of which directly increase CLV.

The implication is clear: improving engagement isn't a marketing initiative; it's a business imperative tied directly to retention, growth, and profitability. Because engagement drives both retention and product adoption, it's one of the most powerful and underleveraged levers for increasing CLV.



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## Engagement is evolving across all business models

Customers expect both trust and stability alongside speed, convenience, and seamless self-service experiences.

Institutions operating in complex, established environments can encounter friction when introducing new features or experiences, particularly when integrating technologies that aren't designed for speed and scale. In contrast, modern, technology-led solutions and providers are reshaping expectations by enabling intuitive, real-time experiences through faster integration and greater flexibility.

As a result, banks are challenged to combine the confidence and reliability they are known for with the agility and responsiveness customers now consider standard.

Research underscores this convergence:<sup>5</sup>

- **55%** of bank customers primarily use mobile apps to manage accounts.
- Adoption is highest among millennials (**68%**) and Gen Zers (**64%**).
- At the same time, **65%** of U.S. adults still prefer traditional banks, citing trust, security and physical access.

The institutions winning today aren't choosing one model over another. They're integrating digital and human engagement strategies to deliver consistent, personalized experiences across channels while meeting customers where they are.



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## Reframing growth through a CLV lens

CLV provides a more accurate measure of success than transaction volume or product penetration alone because it ties engagement behaviors directly to financial outcomes rather than just activity metrics. CLV captures the total economic value of a customer relationship over time, making it a powerful lens for prioritization, investment and strategy.

Institutions that operationalize CLV can:

- Identify high-potential customers earlier.
- Allocate resources more effectively.
- Design engagement strategies that maximize long-term value, not short-term wins.

This allows them to focus investment on customers and moments that deliver the greatest lifetime revenue impact.

However, many institutions struggle to act on CLV insights. While **71%** of banking executives acknowledge the importance of understanding customer motivation, more than half report insufficient insight to do so effectively.<sup>6</sup> This disconnect fuels declining loyalty and multi-provider relationships. A CLV-driven model closes this gap by linking customer behaviors to revenue outcomes, enabling institutions to make growth decisions rooted in lifetime value rather than one-off transactions.

To close this gap, institutions must shift from transactional engagement to proactive partnership.

## The path forward: Acquire smarter, engage deeper, retain longer

A CLV-driven engagement strategy is built on three principles. Each of these pillars directly influences the components of CLV, acquisition efficiency, engagement depth, product adoption, and retention, making them the most effective levers for driving long-term growth.

### ACQUIRE SMARTER

Move beyond demographic-based targeting to behavior-based acquisition and value-led onboarding that establishes relevance from day one.

### ENGAGE MORE DEEPLY

Anticipate customer needs with timely alerts, personalized insights, and proactive guidance. Customers increasingly expect their bank to alert them to risks and opportunities before issues arise.

### RETAIN LONGER

Deliver seamless omnichannel experiences that maintain context across digital and physical touchpoints, reinforcing trust and reducing friction.

Supporting these principles are capabilities that customers increasingly view as essential: hyper-personalization, financial wellness education, intelligent assistance and identity protection. Together, these services position institutions as trusted partners, not just account providers.





## Why optimized credit, identity and privacy programs are a hidden growth lever

Many institutions overlook the growth potential in their credit, identity and privacy programs. When these offerings are fragmented, slow to deploy, or difficult to evolve, they become cost centers rather than engines for engagement, revenue and lifetime value.

An optimized, integrated approach directly increases CLV by enhancing daily engagement, reducing churn, and creating new revenue opportunities across the customer lifecycle.

By embedding credit, identity and privacy capabilities directly into existing environments, institutions can move faster, launch with confidence, and continuously enhance value across the customer lifecycle. Modern APIs and self-service development tools reduce integration friction, shorten time-to-market and make it easier to scale programs without adding operational complexity.

Experian's Connected Platform is purpose-built to unlock this opportunity by activating the key drivers of CLV: deeper daily engagement, stronger financial wellness, improved trust through identity protection, and personalized insights that extend customer lifespan. It enables institutions to deliver in-demand credit education, identity protection and privacy solutions through modular, embeddable components, while opening new revenue streams and accelerating growth.

Backed by Experian Partner Solutions' expertise, the platform helps institutions act on insight, optimize engagement, and drive measurable gains in customer lifetime value.

## The bottom line: Engagement is a growth strategy

Institutions that challenge legacy thinking about engagement, and reframe it as a driver of lifetime value, are better positioned to compete, grow and lead because CLV directly ties every engagement decision to measurable financial outcomes. By combining data-driven insight, modern platforms and proactive engagement strategies, financial institutions can deliver experiences that build trust, deepen relationships and generate sustainable returns.

By elevating CLV as a central growth metric, financial institutions can transform engagement from a cost center into a scalable, repeatable engine for long-term revenue.

[Learn more >](#)

<sup>1</sup> Plugging the Leak: Retaining Banking Customers Amid Record Switching, RFI Global (August 2025).

<sup>2</sup> Elevating Customer Engagement in Banking, Experian Insights (2025).

<sup>3</sup> Customer Engagement Strategies in Banking, PostGrid

<sup>4</sup> Why Banks Should Treat Gen Z and Millennials as One Segment, Wall Street Journal (2026).

<sup>5</sup> What Influences Where Consumers Choose to Bank, MX (2025).

<sup>6</sup> Can Banks Fix Our Stubborn CX Shortfall Versus Customer Expectations? The Financial Brand (2024).