

Financial Services

Big & Fast Data: The Rise of Insight-Driven Business



A requirement for real-time data is being driven by the need to obtain customer insight and to support initiatives

Capgemini view

We are seeing significant investments in using big data to tackle use cases across various financial services sectors. Many incumbent banking and insurance companies are anticipating disruption in their traditional markets from data-rich players: both existing competitors and new entrants.

From the business's perspective, a requirement for real-time data is being driven by the need to obtain customer insight and to support initiatives in areas such as digital transformation, risk management, fraud prevention, and regulatory compliance. From IT's perspective, use cases include offloading data from mainframes and relational databases to Hadoop, as well as optimizing legacy data architecture through real-time big data architectures.

Traditionally, most activity in this industry has focused on awareness and proof of value. However, many large clients have moved forward into significant transformational initiatives that focus instead on increased end-customer value, new product introduction, and revenue, as well as profit maximization through increased cross-sell and up-sell.

Perception of big data as a disruptor

Existing and future disruption is definitely on the financial services (FS) agenda. They were slightly more likely than the average to have experienced disruption, especially from existing competitors developing new products and services. They were also considerably more likely than average to be expecting such disruption (41% of FS respondents versus 34% average across industries). Only about a third of FS respondents (34%) said they were not expecting to face significant disruption of some kind in the next three years, versus 38% average.

Awareness of big data opportunities

FS responses corresponded with the average across industries when it came to their assessment of big data imperatives and opportunities. About 43% agreed strongly that decision-makers need data in real time. A third (33%) felt strongly that big data provides new business opportunities, 27% that big data is enabling new revenue streams, and 24% that big data is becoming a revenue driver in its own right. Around 18% of respondents strongly agreed that getting fast data is more important than using big data.

These findings suggest that FS is aware of big data trends but less excited about the possibilities than the engineering, oil & gas, and telco industries.

Implementation approach

When it comes to implementation, however, FS companies are ahead. The study found that about 77% of organizations in this industry had already implemented or were in the process of implementing big data technology, or will do so in the next 12 months, compared with 71% average overall. The biggest group of respondents were in the process of implementing big data technology (this is true of most industries in our study). Around 55% of FS organizations (close to the cross-industry average) expected to increase investment in big data over the next three years.

FS organizations were more likely than the norm to have put in place certain big data technologies and policies for security and data management. However, they were less likely to have restructured to exploit data opportunities – something they may want to consider as awareness of these opportunities grows.

41%

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