

LIFESTYLE BANKING: THE NEW AI FRONTIER FOR CMOs IN RETAIL BANKING

As banking becomes embedded in consumers' lifestyles, CMOs must lead the change in delivering intelligent, personalized engagement powered by AI.

Maya is deep into planning a long-awaited trip to Japan. It's Monday morning, and she's browsing through flights. Her banking app detects her travel-related activity and nudges her with a personalized travel budget, curated based on her past spending and savings goals.

Planning an international vacation comes with its own set of challenges—from budgeting and currency conversion to insurance and travel rewards. Fortunately, Maya's banking app has evolved into a lifestyle companion, powered by AI, guiding her through each step of her trip preparations.

The banking app didn't just stop at building a customized budget. It also highlighted the best credit card options for travel perks, pre-converted currency for pickup at her nearest branch, and recommended travel insurance tailored to her itinerary.

What amazes Maya most is how intuitive and anticipatory the experience feels. Everything she needs is surfaced proactively—because the bank already has the data to help her. If that makes her trip hassle free – why not?

By Friday, the app reminded her to activate her international roaming plan and offered a cashback deal on airport lounge access.

Maya is delighted. In fact, her confidence and trust in the bank went up several notches. She knew they would help her search for a new house that she was planning to buy. She had explored home listings a few weeks earlier, and her banking app had responded by offering pre-approved mortgage options, neighborhood insights, and a bundled home insurance quote—all without her asking for these details.

These 'aha' moments encapsulate the transformation retail banking is undergoing. Traditional models of banking, defined by customer-driven inquiries, and static products, are evolving into seamless, AI-powered, lifestyle-integrated experiences. Whether it's travel planning, mortgage decisions, or buying a home, banks must now read each customer's context and deliver what they need, when they need it.

For banking leaders, the challenge lies in meeting these new expectations while balancing personalization with robust security and integrating banking into the customers' lifestyle.



The New Banking Consumer

Consumers like Maya no longer separate their digital and physical lives. They expect their financial providers to recognize them across channels, predict their needs, and deliver personalized experiences with trust and transparency. AI models analyze behavior patterns, such as transaction habits and app usage, to create systems that identify unique individuals dynamically, rather than relying solely on their credentials. In the age of digital financial scams, it is pertinent that personalization and security work in tandem.

New AI systems have inbuilt security, ensuring they are adapting to the customer's preferences and needs in a secure manner.

For customers, this shift changes the tone of security messaging. Rather than being warned about risks, they experience a banking relationship where security is built on insight and recognition. The result? A smoother, more intuitive user experience that inspires trust — not anxiety.





AI as the Bridge Between Legacy and Innovation

For established banks, the integration of AI presents both a challenge and an opportunity. Legacy systems, while stable, often lack the agility needed to deliver responsive, predictive experiences. Meanwhile, digital-first competitors are raising the bar.

relationships, rich data, and long-standing brand trust are assets that newer players can't replicate. AI serves as a bridge, allowing banks to translate these strengths into cutting-edge, scalable solutions to help better reach every customer.

However, legacy institutions have distinct advantages. Generations of customer

Some ways AI achieves this include:



Anticipatory Service:

Predictive AI guide financial needs, like Maya's travel budgeting, before the customer even asks.



Continuous Authentication:

Security moves from static passwords to dynamic systems that adapt to user behavior.



Contextual Engagement:

Agentic AI helps create personalized, relevant interactions that replace one-size-fits-all messaging.



Lifestyle Integration:

Banking aligns with broader customer goals, transitioning from transactional to transformational. Banks that succeed with AI don't just lower costs; they redefine customer experiences so deeply that loyalty is no longer driven solely by price or practical needs.

The CMO's Evolving Mandate

For CMOs in the banking industry, this transformation requires a shift in focus. Traditional marketing approaches and campaign execution are giving way to experience orchestration strategies, centered on individualized customer journeys and real-time engagement.



Key areas of evolution include:

01

From Brand Guardians to Experience Architects:

The brand is expressed through every touchpoint and micro-interaction. CMOs must collaborate across departments to ensure these interactions align with the brand promise.

02

From Demographic Targeting to Individual Recognition:

Broad demographic strategies are giving way to AI-powered personalization that enables seamless and context-aware engagement.

03

From Campaign Managers to Value Navigators:

Success is increasingly measured by customer lifetime value rather than campaign performance metrics. CMOs must align closely with financial teams to quantify marketing impact.

From Transaction to Transformation

The core purpose of banking hasn't changed—to protect assets, facilitate interactions, and promote financial well-being. But how these services integrate into customers' lives has shifted dramatically. Leading financial institutions now focus on helping customers achieve broader life aspirations. AI is the catalyst for this change. It processes

millions of data points to deliver personalized insights, predict opportunities, and scale support. Whether helping Maya plan her trip to Japan or guiding households towards smarter financial choices, AI turns banking into a proactive, intuitive experience.



The AI-Powered Future of Retail Banking

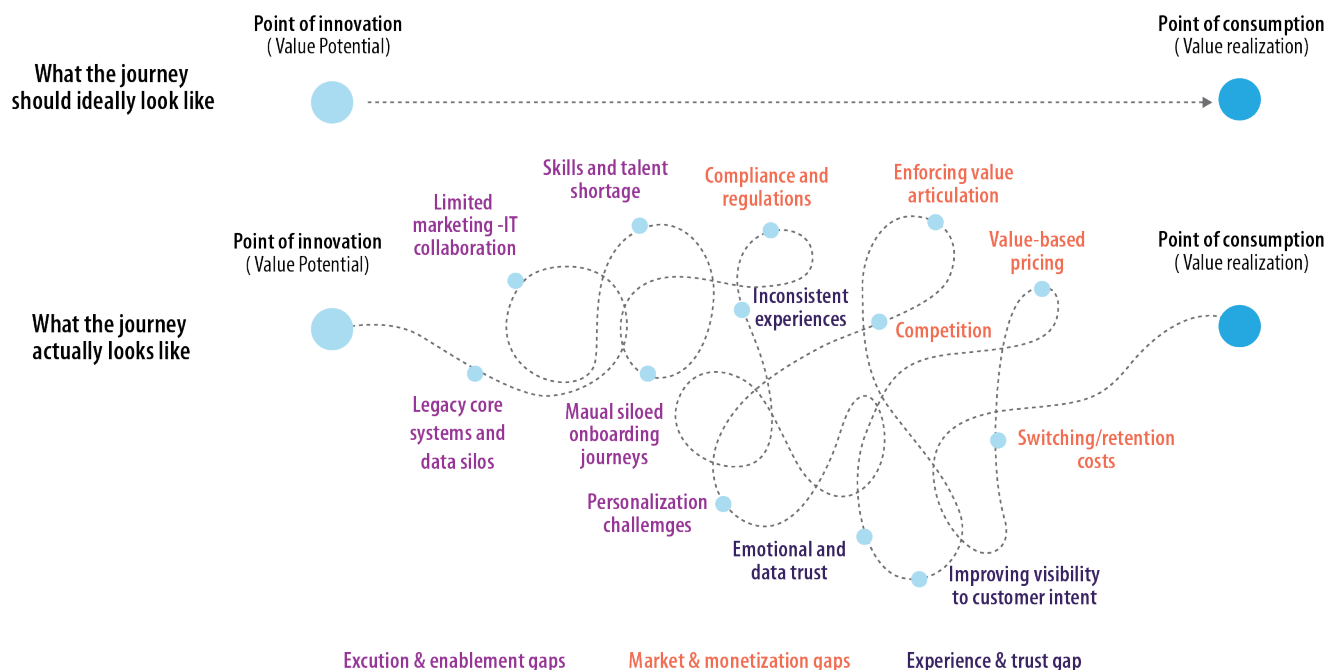
The convergence of security and personalization through AI creates a new paradigm for retail banking. Banks that adapt successfully can foster stronger customer relationships, achieve operational excellence, and remain agile amidst evolving market conditions. Above all, they position themselves as trusted partners, helping customers move through life with confidence.

The Reality Check: Where CMOs of Banks Are Falling Behind

Despite the promise of AI, many banks remain stuck in a fragmented reality—siloed data, poor segmentation, weak analytics, and disconnected ecosystems. While customer expectations continue to rise, marketing systems often lag, leaving CMOs to navigate a landscape filled with operational and strategic friction.

Challenges include inconsistent customer profiles across products and channels, limited real-time personalization capabilities, compliance bottlenecks that delay activation, and disjointed content and campaign workflows. These issues create a widening gap between innovation and consumption—a gap that must be closed for banks

Banks are relying on AI-powered marketing to close the gap between innovation and consumption



The Intelligent Experience Engine: A Path Forward

Closing this gap requires more than just technology; it demands a reimagined 'experience' architecture. An intelligent experience engine, powered by agentic AI, customer data platforms (CDPs), and orchestration tools, can enable contextual, real-time engagement at scale. Such an engine brings together capabilities like real-time nudges, next-best action prediction, unified customer profiles with consent and privacy controls, and gamified lifecycle marketing automation.

This isn't just about delivering personalized offers—it's about creating a self-sustaining, trust-led value cycle that adapts to customer needs and behaviors dynamically. Solutions that offer this kind of orchestration—such as Infosys Aster — are already helping banks move from reactive campaigns to proactive lifestyle engagement.

Six Levers of Unified Innovation

To address these challenges holistically, banks must embrace six interconnected innovation levers that align directly with the evolving mandate of CMOs.

Product innovation helps overcome low wallet share and generic targeting by enabling AI-led personalization across offerings like cards, loans, and wealth management. **Channel innovation** solves the problem of fragmented customer journeys by delivering seamless experiences across branch, mobile, and social platforms. **Marketing innovation** responds to the need for agility and precision, using predictive analytics and consent-aware content operations to reduce cost per acquisition and improve campaign ROI.

Content supply chain integration addresses slow go-to-market timelines by enabling modular, reusable content that can be activated instantly across channels. **Unified customer intelligence** strategies empower smarter targeting and personalization by resolving segmentation gaps and building a single view of the customer. Finally, consent and **compliance automation** ensures that personalization is privacy-first and regulation-compliant, helping CMOs navigate the growing complexity of data governance while maintaining customer trust.

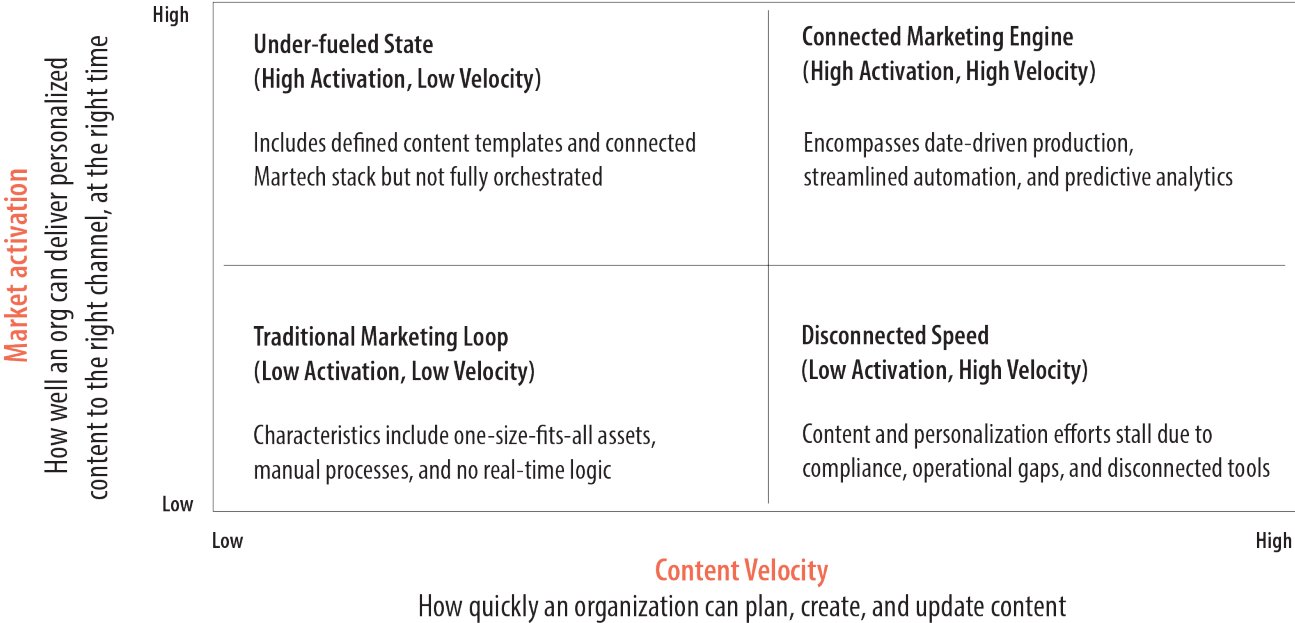
These capabilities—available through solutions designed for marketing transformation in financial services—form a strategic blueprint for delivering banking-as-a-lifestyle experiences and turning marketing into a measurable growth engine.

Mindful Personalization: The Role of Trust

Personalization is powerful—but must be governed with transparency and integrity. Trust is earned through secure interactions, consent-led engagement, and clear value exchange. Platforms that integrate CDP and master data management (MDM) capabilities can ensure that personalization is not only effective, but also compliant and respectful.

This trust layer becomes the foundation for long-term engagement and brand loyalty—especially in a regulated industry where customer data is both a privilege and a responsibility.

Getting to the ideal-state scenario with faster go-to-market, richer personalization, and measurable growth



Next Steps for CMOs

To begin the journey toward lifestyle banking, CMOs should audit personalization maturity across channels and data systems and engage in cross-functional discovery sessions to align on high-impact use cases. They must define trust KPIs and embed privacy-first design into marketing workflows. Activating modular content strategies for real-time engagement,

and investing in orchestration platforms that unify data, content, and delivery are other steps that CMOs must consider.

Consumers like Maya remind us of what is possible when banking aligns with life. The future belongs to CMOs who act boldly reimagining banking not as a service, but as a seamless, trusted experience.





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