The ‘Segment of One’:

What leading corporate and investment banks know about Hyper-Segmentation that others don’t

Q&A

Why the future of CIB lies in treating every client like your only one – and how to determine where it matters most.

What is hyper-segmentation, and why is it important in corporate investment banking?

Hyper-segmentation involves dividing client bases into ultra-specific groups or micro-segments based on their behaviours, needs, and value to the bank, far beyond traditional segmentation like industry or size. It is critical for tailoring transactional banking services, such as cash management and payments, and global market offerings like derivatives and structured finance. By leveraging data analytics and AI, banks can customise solutions, optimise pricing strategies and enhance client retention.

Hyper-segmentation goes beyond being able to target customers better. Rather, it is about rethinking the entire value proposition for each client micro-segment. It enables banks to move from reactive service models to proactive, insight-led engagement. This shift transforms the corporate investment bank from a transactional service provider into a strategic advisor and trusted partner to its clients, capable of not just delivering value at every touchpoint, but also anticipating both the client's current and future needs, thereby taking the client's experience with the bank to a whole new level.

Hyper-segmentation gets banks closer to the ultimate future goal: a 'segment of one' where every client is treated like your only client, with fully personalised solutions that unlock the full potential of relevance, loyalty, and long-term strategic growth.

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How does hyper-segmentation work in transactional banking services?

In transactional banking, hyper-segmentation allows banks to analyse transaction patterns to offer bespoke solutions. For example, mid-sized tech firms with cross-border payment needs might receive tailored liquidity solutions and dynamic FX hedging tools. On the other hand, large retailers focused on domestic liquidity could benefit from customised pricing and cash flow predictions, boosting efficiency and client "stickiness".

This newfound level of data-driven precision helps banks uncover patterns and overlooked opportunities – like early warning signals of credit stress, underutilised treasury tools, or gaps in supply chain financing – before clients even raise them. It also enables banks to learn from past patterns and anticipate future needs. For example, recurring delays in supplier payments might signal a need for tailored working capital solutions, while rising inbound cash flows from new markets or geographies could prompt automated compliance support to help clients remain compliant with local regulations.

By combining retrospective insights with predictive analytics, banks can proactively address emerging risks and offer relevant solutions before challenges surface – shifting their role from reactive and risk-focused to strategic and client-centric.

How is hyper-segmentation applied in global markets divisions?

In global markets, segmentation drills into client data (trading volumes, risk appetites and ESG preferences) to craft personalised offerings. Hedge funds, for instance, can be segmented by trading strategies, leading to tailored algorithmic trading solutions or bespoke swaps. Hyper-segmentation ensures products are aligned with specific client needs, sometimes even anticipating requirements, risks and even opportunities that clients were not yet aware of.

What challenges come with implementing hyper-segmentation?

Hyper-segmentation is resource intensive. Banks need robust technology infrastructure, such as AI models, CRM systems, and real-time data pipelines, alongside skilled personnel to act on insights. Smaller banks often struggle due to limited resources. Additionally, over-segmentation can lead to operational complexity, risking inefficiency if execution falls short.

Beyond infrastructure and resources, data quality and governance present their own challenges. Without clean, integrated, and ethically sourced data, segmentation models can produce misleading insights, undermining trust and reliable decision making. Regulatory scrutiny around data usage – especially in jurisdictions like South Africa and the EU – adds another layer of complexity, requiring banks to balance innovation with compliance.

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Where should banks ideally begin their hyper-segmentation journey?

Hyper-segmentation can be applied across multiple areas of the bank, from product design and client onboarding to risk management and relationship management, but the most pragmatic starting point is Pricing and Billing. These functions sit at the intersection of client value and bank revenue, making them ideal for testing segmentation strategies with measurable outcomes.

Pricing reflects how well the bank understands and serves each client's unique needs, while billing determines how that value is captured and monetised. Crucially, this intersection is also a sensitive touchpoint for clients – where perceived value meets actual cost. When hyper-segmented insights are applied here, banks can deliver more relevant offerings, improve transparency, and create a direct financial impact for the client, reinforcing trust and satisfaction. This dual benefit of enhancing client experience while driving commercial performance, makes pricing and billing a powerful starting point for broader transformation.

Hyper-segmentation will move pricing and billing from reactive to proactive, placing it at the front of the client discussion, not the back. Instead of relying on standardised pricing models or post-transaction billing adjustments, banks will be able to anticipate client needs and tailor pricing structures in real time. This shift enables relationship managers to lead with insight, not just respond with options, and positions pricing as a strategic lever rather than a back-office function. Furthermore, it transforms billing from a static process into a dynamic engagement tool that reflects the client's evolving value and priorities.

Real-time example: Future-state pricing and billing through hyper-segmentation

Imagine this: A regional energy company is expanding into new markets and facing volatile commodity prices. Traditionally, the bank would offer generic hedging products and standard billing terms, often after the client initiates the conversation.

In a hyper-segmented future-state, the bank's platform continuously monitors the client's trading behaviour, cash flow cycles, and exposure to market shifts. Before the client even requests support, the relationship manager receives a prompt: offering the client a tailored package that includes flexible hedging instruments, dynamic pricing based on real-time risk, and billing aligned to the client's internal budgeting calendar.

For the client, this means receiving solutions that are timely, relevant, and aligned with their strategic goals, without even needing to ask. For the relationship manager, it shifts the role from reactive facilitator to proactive advisor, enabling deeper engagement and trust. For the bank, it improves pricing precision, accelerates decision-making, and ensures resources are focused on high-value opportunities.

This is the power of hyper-segmentation: turning pricing and billing into a forward-looking, insight-driven experience that benefits every stakeholder and allows the bank to focus on what truly matters: client growth and strategic partnership.

Technology plays a critical enabling role here, as platforms that support dynamic pricing and billing allow banks to experiment with micro-segmented offerings, track performance in real time, and refine strategies quickly. However, it is critical to frame this not just as a "tech transformation" but as a strategic and culture shift towards hyper-personalisation and ultimately customer centricity. The goal is to shift from reactive, risk-focused servicing to proactive, advisory-led engagement, positioning the bank as a true partner in each client's growth journey. To do this effectively, banks must choose technology platforms that can support hyper-segmentation at scale.

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How must technology platforms support hyper-segmentation?

To support hyper-segmentation, banks must utilise platforms that incorporate AI and rule-based engines capable of delivering real-time pricing adjustments. These tailored solutions ensure that pricing is optimally aligned with the specific needs of each client segment, enhancing both competitiveness and client satisfaction. The backbone of the hyper-segmentation success depends on the following key enablers:

1. Data: Clean, unified, and ethically sourced data across silos (with robust data governance structures)
2. Advanced Analytics: Machine learning models that identify patterns and predict needs
3. Cloud Infrastructure: Scalable, secure, and API-friendly environments
4. AI & Automation: Real-time decisioning, personalisation, and operational efficiency
5. Systems which support:
   - Enables relationship-based pricing with real-time adjustments to meet dynamic client needs.
   - Automate billing, optimises pricing decisions and scales for high-volume real tim transactional banking.
   - Support hyper-segmented pricing strategies and provides consolidated billing compliant with global standards like ISO 20022.

Implementing these enabling platforms, alongside advanced data and technology infrastructures, demands significant investment in both hardware and integration efforts. However, banks that make these investments will benefit from faster time-to-value and enhanced agility. This effort is not in isolation but directly ties into large Banks journey toward composable architecture allowing plug in best-of-breed analytics, AI, and billing modules without overhauling legacy systems.

How does hyper-segmentation handle diverse client needs?

Managing transitions between segments is one of hyper-segmentation's trickiest challenges. Multinationals require tailored solutions for global cash flows, while family-operated businesses expect personalised but simpler offerings. Platforms like Salesforce Financial Services Cloud enable dynamic re-segmentation with AI-driven insights, ensuring fluid transitions and avoiding rigid silos. Dynamic segmentation also supports lifecycle-based engagement, adjusting offerings as clients grow, merge or pivot. This is especially relevant in emerging markets where client profiles evolve rapidly.

What roles do relationship managers (RMs) play in hyper-segmentation?

RMs in CIB often prioritise high-value clients due to immediate KPIs, but hyper-segmentation can help identify growth signals in smaller clients. By using AI-driven tools to analyse granular data, RMs can proactively tailor offerings for underserved clients well positioned for growth. A shift in incentive structures can also help shift the RM's focus from short-term benefits to long-term client growth and wallet share increases.

Empowering RMs with intelligent prompts, nudges and next-best-action recommendations bridges the gap between data-driven insights and human connection. As hyper-segmentation becomes more pervasive, their role evolves from managing transactions to deepening relationships; using their specialised knowledge and deep understanding of the client's business to deliver tailored advice, uncover cross-sell and upsell opportunities and guide strategic conversations. In this case, technology takes on the RM's tactical load, thus freeing up their time and effort to focus on what matters most: building trust, partnering with clients and adding value as a strategic advisor.

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How could banks measure success from hyper-segmentation?

ROI can be measured through multiple levers, including:

- **Revenue Uplift:** Increased share of wallet and cross-sell/upsell success
- **Client Retention:** Reduced churn through personalised engagement, increased NPS, improved customer lifetime value
- **Operational Efficiency:** Lower cost-to-serve via automation
- **Relationship Manager Productivity:** Higher client coverage and improved client relationships

Why isn't hyper-segmentation a reality yet?

While hyper-segmentation represents the future of client engagement in corporate investment banking, it is not yet a widespread reality due to two critical barriers:

1. First, banks lack a holistic, real-time, and editable view of client data across all engagements, touchpoints, and product utilisation. Most data is still processed in batch formats, making it difficult to consume, transform, and act on proactively. For hyper-segmentation to work, data must be predictive, rule-based, and seamlessly configurable, yet current systems struggle with control, quality, and integration of data.
2. Second, the complexity of hyper-segmented pricing presents a major challenge. Delivering dynamic pricing at a 'segment of one' level places immense strain on pricing engines, which must link interrelated products (such as loans and transaction services) in real time. Today's pricing remains largely transactional and siloed, limiting the ability to see the full client picture and price accordingly.

However, the path forward is becoming clearer. Technology is still developing, but it is catching up rapidly; evidenced by the advent of AI capable of interpreting unstructured data and producing actionable outcomes. Combined with cloud-native platforms and real-time core banking modernisation, these advancements could be game-changing. They offer the infrastructure needed to support hyper-segmentation at scale, enabling banks to move from fragmented data and reactive pricing to predictive, insight-led engagement.

To make this a reality, banks must also define clear profitability milestones and ROI outcomes at a sector level, linking pricing strategies directly to broader strategic growth aspirations. With the right technology and strategic clarity, hyper-segmentation can transform how banks deliver value to every client.

Conclusion

Hyper-segmentation in corporate investment banking unlocks immense potential for tailoring client solutions and optimising revenue. By leveraging cutting-edge technology platforms, banks can navigate the complexities of segmentation and meet diverse client needs. However, success relies on balancing personalisation with scalability, shifting the role of RMs, and ensuring sufficient investment to enable seamless technology and data integration. While challenges persist, hyper-segmentation stands as a transformative strategy that could help bankers meet their clients' ever-evolving demands in today's dynamic modern banking landscape.

- **Hyper-segmentation is no longer about targeting— it is about redesigning the bank around the client.** The shift to a 'segment of one' fundamentally changes how value is created, priced, delivered and experienced across every interaction.
- **The true differentiator is proactive, insight-led engagement— not product breadth.** Banks that anticipate client needs before requests surface will move decisively from transactional counterparties to trusted strategic partners.
- **Pricing and billing capability is a critical enabler in creating value.** When hyper-segmented, these once-back-office functions become frontline strategic levers that simultaneously deepen client trust and improve commercial outcomes.
- **Technology is the enabler, but mindset and operating model are the constraint.** Success depends as much on data governance, RM enablement and incentive redesign as it does on AI, cloud and real-time platforms.
- **The banks that win will be those that treat personalisation as a growth strategy, not a feature.** Hyper-segmentation, done well, aligns client success with bank profitability— bringing the industry closer to the ultimate future state: treating every client as if they are your only one.

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Designed and produced by Creative Services at Deloitte, Johannesburg. (VK)