



What's Driving Next-Generation Data Platform Adoption in Financial Services

Next-Generation Data Platforms Are Foundational For Financial Services To Address Diverse New Workloads And Modern Applications

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Meet Increasingly Demanding Data Needs With Next-Generation Data Platforms

Data has become one of today's most valuable currencies. As data volume, types, and speeds increase exponentially, financial decision-makers need platforms that can keep up and accommodate new workloads. This requires a next-generation data platform that offers a more seamless developer experience, runs anywhere, scales to meet growing business needs, and adjusts to both transactional and analytical workloads. With the right platform, decision-makers can adjust resources to focus on innovation, better leverage their data with reduced fragmentation and duplication, and offer a more seamless developer experience so that they can build and respond faster while keeping data secure.

In a study commissioned by MongoDB, Forrester Consulting surveyed 268 global IT and data platform decision-makers in financial services or fintech about their organizations' needs and plans to use next-generation data platforms.

Key Findings



The high cost and complexity of deploying and managing traditional databases are the top challenges decision-makers in financial services experience today.



Fraud detection, risk management/analytics, and anti-money laundering are the top use cases for next-generation data platforms.



On average, investments in next-generation data platforms for organizations are expected to increase to US\$1 million or more in the next one to three years.

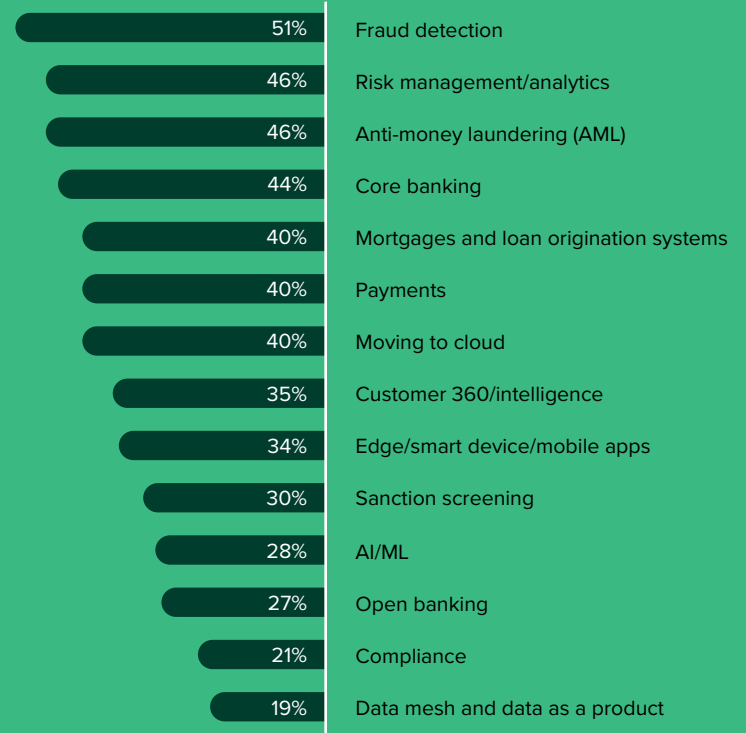
Fraud Protection And Risk Management Are Top Uses For Next-Generation Data Platforms

IT platform decision-makers in financial services have many use cases in mind for next-generation data platforms. But there are key use cases that stand out: fraud detection, risk management, and money-laundering protection.

Nearly 90% of respondents say they are using a next-generation platform today. For this study, we defined next-generation platforms as those that support flexible and versatile data models; offer multiple access patterns, such as document, relational, and graph; and offer speed, scale, performance, integration, and security over the polyglot persistence model in a single platform to deliver real-time, consistent, and trusted data to support business requirements.

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY MONGODB
NOVEMBER 2022

“Which of the following use cases are you planning on using/currently use a next-generation database/data platform for?”



Base: 268 Global IT/data platform decision-makers at banks/financial institutions

Note: Showing top 5 ranked responses

Source: A commissioned study conducted by Forrester Consulting on behalf of MongoDB, September 2022

Key Data Platform Features Drive Interest And Investment

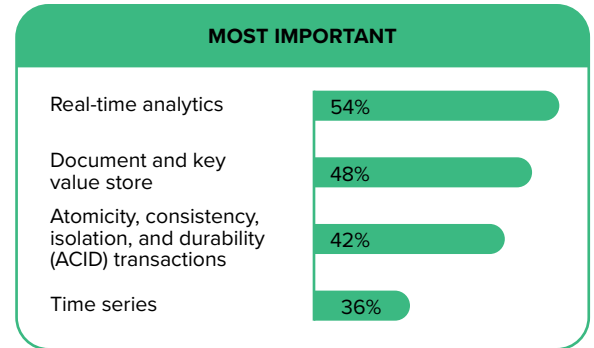
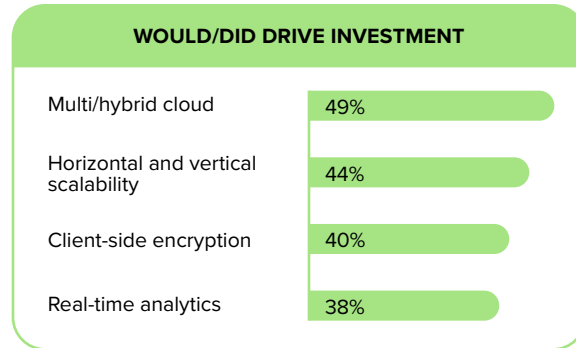
The next-generation data platform features that data management decision-makers see as the most important are not always the same features that drive investment. Multi/hybrid cloud, horizontal and vertical scalability, and real-time analytics (RTA) are the top features that drive investment. On the other hand, RTA, document and key-value storage, and atomicity, consistency, isolation, and durability (ACID) transactions are most important to financial/bank decision-makers.

As data demands grow and change, three-quarters of decision-makers say their organization needs an integrated data platform as the foundation from which to address the diversity of the workloads/functions that modern applications require.



77% of respondents agree their organization is seeking a platform with the ability to run anywhere.

“Which of the following next-generation database/data platform features is your organization most interested in, and which would/did convince your organization to invest in next-generation databases?”



Current Database Costs And Complexity Create Challenges

Data management has become more complex and time-consuming with growing data volume, new data sources, and additional data types. Data needs to be readily available to support business applications and insights across data centers, clouds, and edge scenarios. Businesses want real-time, consistent, and globally trusted data to support new and emerging business initiatives. However, distributed data management is challenging to deploy and support and often requires multiple tools and technologies.¹ This creates ongoing complexity pain points for financial data platform decision-makers.

There are also high costs associated with legacy databases. These top pain points are exacerbated by an inability to horizontally and vertically scale, innovate quickly, and meet security requirements.

“Which of the following are your organization’s top challenges and pain points with its current databases/data platforms?”



50%
High costs



50%
Database(s)/data platform(s)
that are too complex to deploy/
manage



44%
An inability to scale to meet
our demand



44%
Inability to experiment and
innovate quickly



40%
Inability to meet our security
requirements

Legacy Technology Cannot Keep Up With Current And Future Demand

As new transactional, operational, translytical, and analytical workloads emerge and proliferate, financial organizations need next-generation data platforms that can support their ongoing data demands. It is clear from the respondents that their legacy infrastructure and technology cannot keep up with increasing data demands.

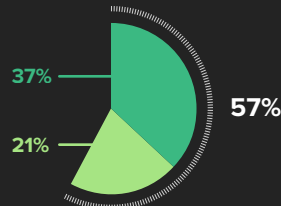
Legacy infrastructure is too expensive when it doesn't meet the requirements of modern applications and cannot handle new and existing workloads. As the volume, variety, and velocity of data continue to expand, any technology that cannot keep up must be replaced.



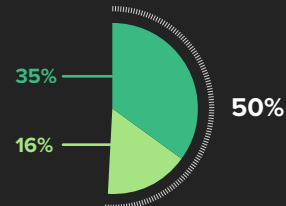
79% of respondents agree their organization is seeking a data platform to address multiple workload types.

“How much do you agree with the following statements?”

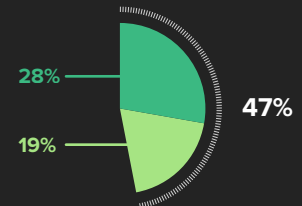
- Agree
- Strongly agree



Legacy infrastructure is too expensive and does not fulfil requirements my organization needs for modern applications.



My organization has too much legacy technology to support the volume, variety, and velocity of our transactional data today.



My organizations systems struggle to handle new and existing workloads and accommodate the rate of change required to stay up to date with customer exceptions today.

Next-Generation Data Platforms Improve Data Quality And Consistency

Evolving workloads and applications are creating opportunities for next-generation data platforms to meet critical outcomes. By integrating all data management functions to support agility and accelerate use cases, next-generation data platforms help minimize data inconsistencies and expand geographical coverage by breaking down data silos. Next-generation data platforms reduce data fragmentation and duplication, which frees up resources and allows internal teams to focus on innovation opportunities. They also enable teams to build and iterate on software faster and at scale, reducing time to market and IT costs.

Nearly 80% of decision-makers agree a next-generation database/platform reduces data fragmentation and duplication, reduces data silos, and offers more value from data.

“What are the outcomes your organization has experienced/is expecting to experience from adopting next-generation databases/data platforms?”

43%

Minimize data inconsistency



42%

Expand geographical coverage



40%

Free up resources from development and operations to focus on innovation



37%

Reduce time-to-market for ideas



37%

Accelerate your journey to cloud adoption



37%

Reduce cost through leverage of elastic scalability



37%

Improve customer/employee experience through fast access to information



35%

Eliminate database downtime for upgrades, migrations, and schema changes



Investment In Next-Generation Platforms Continues To Grow

Though data decision-makers may not have their long-term investments fully realized, they are planning to expand their investment in their next-generation data platforms over the next one to three years.

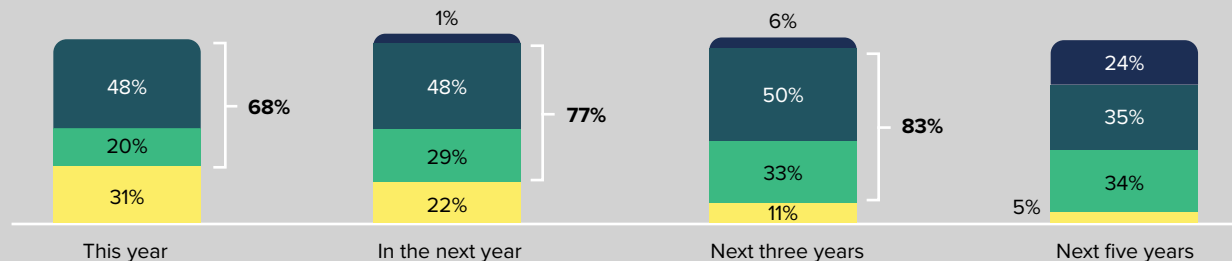
Next-generation data platforms help deliver an end-to-end platform to support a specific use case such as IoT analytics, edge applications, fraud detection, global applications, customer 360, and microservices applications. These data platforms are all-inclusive data management tools that focus on self-service, business-focused, integrated, and customizable platforms.² In fact, 74% of respondents agree a next-generation data platform would free up teams to focus on innovation.



76% of respondents seek a next-gen platform to enable faster software building and iterating at scale.

“How much is your organization currently investing and planning to invest in total on next-gen databases/data platforms in the next one, three, and five years?”

- <\$999,999
- \$1M to \$9.9M
- More than \$10M
- I do not know



Conclusion

Financial organizations need to replace legacy technologies that fragment and duplicate data and cause internal silos. Adopting next-generation data platforms addresses key needs like reducing costs, lowering complexity, better onboarding, and meeting security requirements.

- Next-generation data platforms offer end-to-end data integration, freeing up internal resources to focus on innovation and transformation.
- Data types, volume, and speed continue to grow, and decision-makers need to leverage next-generation data platforms that can handle new workload types ranging from transactional to analytical.
- Getting more value from data is a shortcut to delighting customers. A critical component is keeping data secure and free from fraud. Next-generation data platforms offer granular security controls to meet compliance mandates.

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Forrester's AD&D Business Insights research group

Methodology

This Opportunity Snapshot was commissioned by MongoDB. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of database/data platform strategy decision-makers in finserv or fintech from North America, Europe, and APAC. The custom survey began and was completed in September 2022.

ENDNOTES

¹ Source: "The Future Of Data Management," Forrester Research, Inc., February 9, 2022.

² Source: Ibid

ABOUT FORRESTER CONSULTING

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Demographics

GEOGRAPHY	
United States	14%
Canada	9%
Australia	13%
Switzerland	18%
United Kingdom	21%
Singapore	20%
New Zealand	6%

COMPANY SIZE	
1,000 to 4,999 employees	49%
5,000 to 19,999 employees	37%
20,000+ employees	14%

ROLE (TOP 7)	
Managing director in IT	15%
Senior-most IT decision-maker in the firm	13%
Director in IT	10%
Data engineer	10%
Data security	10%
Security analyst	9%
Data governance manager	8%

INDUSTRY	
Financial Services	73%
Fintech or financial software	27%

Note: Percentages may not total 100 because of rounding.



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