

# **BECOME** **THE BANK** **OF THE** **FUTURE,** **TODAY**

Digital Transformation  
for a Successful  
Customer Experience

# THE BANKING INDUSTRY HAS BEEN **EVOLVING SIGNIFICANTLY** OVER THE PAST FEW YEARS.



Physical branches are becoming less popular, and mobile app interactions are shorter yet happening more frequently. At the same time, competition is creeping in from everywhere. Big tech companies use advanced technology that puts the customer center stage, so attracting and retaining customers is more important than ever.

In response, financial institutions across the globe are adopting strategies to become more customer-centric. Banks need to understand their customers on a deeper, more individual level and present them with more relevant and timely offers.

Businesses should embrace a customer-centric approach through the use of real-time data analytics. In recent years, a new kind of competitor emerged: fintech scaleups. Unhindered by legacy systems, they can be very creative in engaging with customers and the digital experiences they offer leveraging advanced technologies.

Traditional banks still maintain a strong position benefitting from a longer-lasting relationship with their customers. However, that advantage is fading as building customer loyalty is a continuous process where the bar of customer expectations has been raised in this 'Age of the Customer.'

Banks need to stay competitive and continue to put their customers first. They must adopt new approaches, change their way of operating, and hone in on customer acquisition and retention.



## TRANSFORMATION STRATEGY

Financial institutions are no strangers to business transformation. While business transformation is essential for survival, it's also fundamentally risky, and digital transformation is no different. Digital transformations impact the organization's systems, processes, and people. Businesses must introduce these resources to these digital changes in ways that bring positive momentum and additional opportunities.

While you can wield the systems to operate in any way you choose, it is crucial to understand what the organization wants to achieve first and the expectations and constraints. It then requires working with the organization's customers, vendors, and employees to develop a proper strategy to meet the current and future needs of the organization.

***Systems, infrastructure and architecture modernization is the most basic and essential step to start the digital transformation.***

## OPERATIONAL EXCELLENCE

Banks use various systems to service their customers and onboard other financial services providers. Many of these systems are legacy and not governed by any application, so they require much time to input and retrieve information. Without automation, many business processes, such as processing request and response routing, are a manual and time-intensive effort.

Implementing an external data exchange system and an internal interconnected data integration platform that serves all applications allows the banks to store data in a centralized environment, automate many of its processes, shorten timelines, reduce errors, and increase efficiencies. Systems, infrastructure, and architecture modernization is the most basic and essential step to start the digital transformation.



## 360° CUSTOMER VIEW

There are two challenges that connecting platforms and centralizing data don't solve. First, banks will still have conflicting views of the same customer. Second, they will find it difficult to gain a holistic understanding of all its interactions and transactions with their business.

To solve these problems, organizations must master the data and then create a holistic view of the customer. Once all the siloed systems have been connected, information is cleaned, de-duped and mastered to create a golden record: a single view of the customer across all systems. Next, all interaction and transaction data points are connected to build an all-encompassing, 360 degree view of any given customer. Mastering

the data and creating a 360 degree view of the customer is the most critical step to begin identifying, understanding and responding to your customers' wants and needs.



## MARKETING & SALES INSIGHTS

Banks have multiple departments offering different types of services to their customers. However, without information sharing across these departments, it's as if each one is operating as its own autonomous organization. This can cause the customers to become frustrated and lose trust as they realize that the various departments don't fully understand their broader relationship with the bank or their needs. The bank's departments further suffer from the inability to capitalize on customer intelligence gained by their fellow employees and departments, which limits the ability to leverage such insights for upselling, cross-selling, and maximizing lifetime value.

***Once information is stored in a centralized place and data can be relied upon, business intelligence can be applied for what is called “prescriptive analysis” and visualization.***

an in-depth view and understanding of the activities and state of a customer or prospect. Moreover, with enough data points and historical information collected, prescriptive analysis can be applied to promote offers or experiences of probable value, driving customer behavior and enhancing customer experience and loyalty.

You might think that centering marketing strategies around the customer is a no-brainer. While it should be, many banks still rely on product or campaign-based outbound marketing strategies that target people from static, socio- demographic information used to segment, such as Location and Age. The results are low-precision mass campaigns that are often irrelevant to your customers. They then wonder if their bank knows them or cares to get to know what they want while opportunities for targeted cross- and up-sell fall by the wayside.

***With access to real-time data, banks can put the customer front and center, resulting in one-to-one, individual-level marketing that is more appealing to customers with tailored offers and experiences that anticipate and fulfill their preferences and needs at the moments that matter most.***

## MARKETING TO THE INDIVIDUAL CUSTOMER





## TRUE VIEW OF YOUR CUSTOMERS

The most successful financial institutions don't just put their customers first; they put them at the center of everything. As soon as a customer begins interacting through any channel—whether it's a store/branch visit, customer service call, or website inquiry—they bring all core information about this interaction into one customer engagement platform and, from that moment onwards, keep connecting the dots for all future interactions, building a complete multichannel customer view.

This allows you to track what your customers do each time they interact with your brand so you can better understand them on an individual level and subsequently tailor your marketing initiatives to their specific needs.

By understanding customers on this level, you can answer insightful questions like how is their financial health progressing? But also: What are the propensity levels for their different product needs? Which signs of upcoming life events are emerging? What is their behavior and level of engagement on other channels?

Knowing these answers will help you achieve personalized, targeted campaigns that engage and motivate existing and new customers.

Individual customer data – from behavioral to contextual and everything in between – is the single most important key to enabling customer-centricity. This collection of unlimited metrics represents the core information on individual customers' profiles, behaviors, and preferences. These are calculated in real-time and organized for each individual customer. The metrics are the basis of improving service and experience and even increasing upsell opportunities, which grows lifetime value.

Having a complete understanding of your existing or new customers at the individual level lets you know which messages should hit the right person at the right time and through the right channel – ensuring the relevancy of content and delivery. In tandem, the customer benefits by receiving offers that are actually relevant and helpful to their lives.





## TRACK TRENDS AND RESPOND IN REAL-TIME

Traditional business intelligence systems can reveal what happened in the past and why. This approach delivers insights: snapshots of understanding based on past events. However, insights aren't enough. Without the ability to track trends, you won't be able to make accurate predictions about future behavior and thus can't determine when to take action and how. Businesses need to track trends in real-time to be ready to engage or respond with relevant content on the spot. You should know how to answer "What will happen next?" continuously and immediately formulate a reply to how you can help the customer in his journey. Both these elements are required to make customer-centricity a reality.

## THE BOTTOM LINE

The key to delivering superior customer experience is to contextualize data and get personal— understand your customer at the individual level, understand their needs and wants to deliver offers and experiences that are pertinent to them, via the right channel, at the right time. Only then can your business truly become customer-centric. Without leveraging all available cross- channel customer data, in a timely manner, you risk missing opportunities to connect with your most valuable customers to keep them coming back and to increase their value to you as a trusted partner.

As financial institutions continue to extend their outreach from brick-and-mortar physical branches to online banking, offering multiple services, they must future-proof their business to viably compete in the marketplace with much smaller, nimbler companies tailoring their offering to modern customer needs. Every transformation will look different for a given organization. Still, they will all follow the same steps: build a strategy, modernize systems, connect the organization to understand the customer better, gain insights and engage in real-time with value-adding messages.



# WE STARTED NGDATA IN 2012 AS A SMALL GROUP OF DEVELOPERS WITH A BIG IDEA

In a world where technology and big data was rapidly advancing, we knew that category leaders could leverage these changes to create more meaningful relationships with their customers if only they had the tools.

We created a Next-Generation customer engagement platform to go beyond existing solutions to empower businesses with the tools and insights to create exceptional, data-driven customer experiences that foster long-term loyalty and growth.

Through our partnership program, we have rapidly expanded across Europe, Asia, and the U.S., while simultaneously adopting emerging technologies and acquiring specialized knowledge in various industries. Today, NGDATA operates across the globe in industries including retail banking, insurance, hospitality, media and telecommunications, sports and entertainment and more.

