How do banks deliver a superior omni-channel experience *and* cut costs?

A Genpact report

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Leverage digital technology, analytics and your people through better operational processes.

Customers now interact with banks in all kinds of ways. These different channels will only increase as advanced digital technology becomes more widespread. The key to building cost-effective channel-agnostic services is to use design thinking and lean principles to minimize ongoing investment in legacy systems.

The following insights examine how intelligent customer analytics, process transformation and embedded agile technology are the keys to maximizing value in omni-channel banking services, while minimizing costs.

How do you design for the customer, *not* for what suits you?

Customers increasingly expect a unified journey across all channels.

Whether it's researching and applying for a loan, opening an account, or disputing a credit card transaction, customers often initiate a process in one channel only to continue or conclude it in another.

They expect banks to know exactly where they are in this journey regardless of the touchpoint they are using, which means the way a process is designed must be channel-agnostic and navigated seamlessly, based on preference and suitability.

Solutions that can help deliver the biggest returns:

- Employing **multi-channel analytics** that support insights into customer journey mapping

- Mapping these key interactions and turning those into **standardized** and **seamless** omni-channel processes

- Utilizing a Business Process as a Service (BPaaS) platform that facilitates **customer-centric** interaction history and management, across multiple communication modes

What are the key benefits?

Improved customer satisfaction, Net Promoter Score (NPS) and First Call Resolution (FCR), plus reduced Average Handle Time (AHT).

For example...

A leading bank wanted to migrate to a new Customer Relationship Management platform and integrate chat and social media into its support services. Having put all of the above technology into place, it then cross-trained associates so they could support and drive simple and complex processes across different channels.

The post-implementation impact was a 20% reduction in calls, a 37% reduction in AHT and FCR rates of 69%.

How do you migrate to self-service *and* maintain service levels?

Driving efficiency is the only way to compete, and banks must migrate user to a self-service model.

Genpact's own research into the habits of retail bank customers indicates that 71% of customers that use lower cost digital channels, such as mobile banking, are *satisfied***, which is in line with other non-digital channels such as the branch. However, in some cases, up to 60% indicate they have** *not significantly used* **their banks' existing digital channels*.**

Many transactions, such as balance inquiries, are still handled in costly human assisted channels. Banks must **migrate** these processes to **more efficient channels** without unsettling their customers.

Solutions that can help deliver the biggest returns:

- Analyzing customer channel behavior to identify **opportunities to migrate** simple interactions

- Evaluate **self-service effectiveness**, like Interactive Voice Response (IVR) and web, to identify those points that prompt customers to seek human support

- Deliver exception-based assistance at the **point-of-need** in self-service channels, such as live chat

What are the key benefits?

Greater percentage of calls handled by IVR, web and mobile technologies, plus a reduction in repeat contacts.

For example...

A global bank needed to increase its use of automated and self-service technology to help better control its margins and costs. It reduced its internal transfers, optimized call routing and shifted calls to alternative channels.

It experienced a one-time $9m cost reduction and an ongoing 30% reduction in center operating costs.

*Based on survey results of 6,154 retail banking customers in the US, UK, Germany, and the Netherlands in August, 2015.

How do you create channel-agnostic capabilities *and* architecture?

Banks need to create standard processes and rationalize applications.

Channel processes and technologies still exist in silos today, with each channel having a siloed organization, process hierarchy and application stack.

This makes it difficult – and sometimes impossible – to deliver experiences that span channels in the way that customers naturally behave. As a result, when they hop channels, processes often break. Silos also create significant cost inefficiencies due to a lack of standardization and the duplication of channel business logic, such as transaction messaging.

Solutions that can help deliver the biggest returns:

- A set of standard processes and **omni-channel architecture** that creates common business logic extended to multiple channels

- An architecture that dictates a fully independent **presentation layer** that serves different front-ends and users, such as customers and agents

- Standard processes and code that is **channel-aware**, but also **channel-agnostic**

What are the key benefits?

Improved turnaround time (TAT), reductions in cost-to-serve, technology and maintenance costs, plus increased unified reporting.

For example...

A bank centralized its widget-based framework and introduced generalized reusable components and modules. Its user interface (UI) was made responsive and adaptive with touch-enabled technology. This resulted in a unified end-user experience that allowed customers to access all relevant information on a single screen. It also introduced developer and client integration support, along with advanced cache management and error management modules.

The bank saw improvements in customer productivity with information presented consistently; the unification of multiple devices across the customer experience; the quick and timely notification of errors and a testing framework.

In action: generating $5m in customer service cost reductions over two years through integrated processes, technology and analytics.

OUR CLIENT

One of the world's leading financial institutions with operations across multiple geographies

Business need addressed

Improve the operational efficiency within its customer service organization across three lines of business. The bank **lacked visibility** into the performance of its contact center and technology usage. It was also unable to identify and **implement** an **optimized solution** due to a lack of a business case with concrete ROI.

Genpact solution

We delivered a proof of concept that demonstrated how analytics would transform the customer service organization. From there we developed KPIs and baselining (55+ metrics), full data analytics and seven analytical streams.

Our best-in-class **analytics frameworks** can map data across the bank's systems and generate insights, which are used to identify opportunities to reduce costs and improve operational efficiency. We integrated the data hub for customer service operations and added visualization that led to actionable analytics, enabling them **to make better ongoing decisions** across all the bank's sites.

Business impact

Enhanced performance and working capital management led to:

- $713k inbound contact savings

- $1.9m agent handling time savings

- $2.5m operating cost reductions

Our Lean Digital™ solutions harness design thinking and lean principles to better deliver your omni-channel vision, transform your customer experience and drive cost savings.

By applying this framework to our granular understanding of the challenges faced by our bank and financial services clients, we can improve your return on digital investments and ensure you realize a lower cost-to-serve.

We would welcome the opportunity to talk you through examples of best practice and case studies that illustrate the potential to achieve impressive cost, efficiency and growth objectives.

In the meantime, please take a look at genpact.com/home/industries/banking-financial-services for more information on Genpact and our experience in the banking sector.

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