Bridging human and digital experiences in banking

White Paper

Digital Payments
for a Trusted World

Introduction: factors for change

The world of banking is unrecognisable from a decade ago and this market disruption and transformation is likely to accelerate.

The traditional role of the bank is disappearing, as customer lifestyles, new technologies and new forms of competition continue to influence the sector. Currently, there is still work to do to improve digital experiences and reduce the gap between the rapid evolution of consumption habits and the slower evolution of banking.

Summary

Digitalisation and consumer expectations

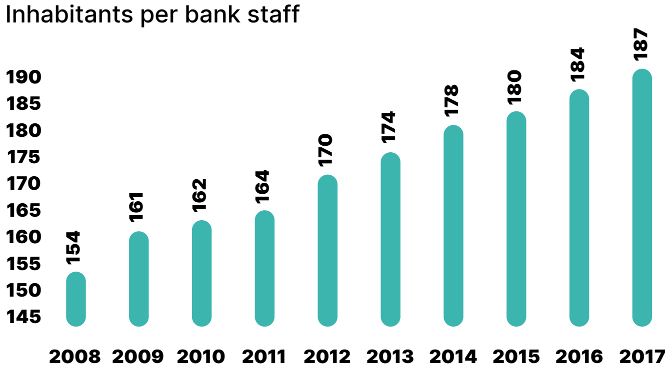
Digitalisation is, of course, a key factor – as it is for most industries. But the knock-on effect from more digitally enabled markets is that consumers' expectations and preferred methods of interactions in banking are far more demanding than ever before.

Customers expect to be able to transact and communicate with their service providers whenever, however, and wherever they need to. They've become used to seamless, highly personalised journeys across digital goods, retail and social media experiences, demanding an always available service with a choice of channels.

Consumer behaviour in banking has already changed significantly, with customer interaction patterns sending a clear message to banks that they expect the financial services industry to follow suit. Research notably shows that 54% of consumers are now doing their banking at nights or on weekends.[1]

Meeting this demand for 24/7 support is already a tall order for many banks – exacerbated by staff shortages due to branch closures and the multitude of internal restructuring plans, all of which can directly impact customer service ability.

Inhabitants per bank staff

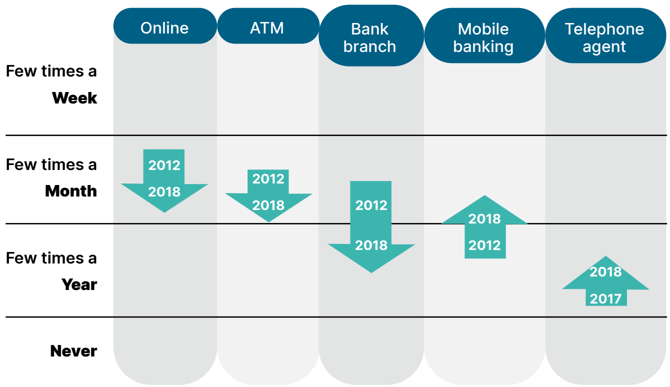


Source: inhabitants per bank staff in EU-28 credit institutions, EBF 2018 facts & figures

The CapGemini World Retail Banking Report 2019 notes that "overall, customer experience across channels is pointedly lower than channel importance. While banks are delivering a higher positive experience in more mature channels – such as the branch and the website - they have to ensure a better experience at increasingly popular digital channels, such as mobile and chatbots/voice assistants."

An increasing number of banks are already offering their services on mobile channels, allowing prospects to open new accounts and customers to subscribe to additional products 100% online. In its 2019 'Digital Sales in Banking' report, Temenos notably outline that "mobile is now mainstream, with 50% of accounts of all types available for opening on mobile devices. Two years ago, mobile reached just half the accessibility of what was available through online desktop channels".

How often consumers interact with banks by channel



Source: PWC'S 2018 Digital Banking Consumer Survey

Market disruption and disintermediation

With traditional distribution-led growth becoming less and less relevant as branch networks shrink and consumer preferences shift, banks must now compete on customer experience. This challenge has become greater still with the wave of new market entrants and the rise of FinTechs and BigTechs in the financial services ecosystem.

The agility and speed to market of these new offerings mean they are bound to capture consumers' attention and present a threat to traditional banking players who have not sufficiently invested in their customer experience capabilities.

This means that banks will need to push their boundaries and business models to rethink the way they approach their transformation roadmap. Big names from other sectors (e.g. Apple, Samsung, Amazon) are busy building a digital first, customercentric offering from the ground up, often alongside more traditional players in the banking space. For example, Google is now offering payment accounts (with Citibank), Amazon is hyper-focused on developing financial products (with JPMorgan) and Apple has successfully launched its Apple Card (with Goldman Sachs).

According to EY's Global Fintech Adoption Index 2019, 3 out of 4 global consumers already use a money transfer and payments fintech service and 68% of consumers would consider using a non-financial services company for financial services.[2]

1 https://thefinancialbrand.com/84098/netflix-teaches-banks-credit-unions-digital-support-online-website/

2 https://fintechauscensus.ey.com/2019/Documents/ey-global-fintech-adoption-index-2019.pdf

Open Banking and platform models

Both within and outside the payments industry, platform models are gaining traction and new integrated ecosystems are blossoming. Consumers are enjoying the ease and convenience that many platform services can offer and service providers are able to introduce new innovations and differentiators with greater speed and at a reduced cost.

While creating compliance and technical challenges, PSD2 has also helped to sketch out the first contours of the incoming 'Open API' era in banking. It offers a way to unleash the value of banking and payments data, opening up a new type of economic model for banks who want to build out new services by leveraging open API connections and partnering with other providers to bring new innovations to their customers and better serve end-to-end customer journeys.

Soon, end-customers will benefit from a wide array of integrated services to cover their long term, personalised journeys, completely agnostic from individual providers or even the banking industry. Bank incumbents might still perceive multi-brand ecosystems as a major threat - but they may actually greatly serve to support a more customer-centric strategy. This Banking as a Platform (BaaP) approach will undoubtedly provide a strong route for banks to circumvent some of the constraints of legacy platforms and build stronger customer relationships.

Author and digital strategist Tom Goodwin opened up an interesting perspective when he mentioned that: "Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate."[3]

So, is it possible that the next-generation global bank won't own any financial products? Could a bank become the new Amazon of the financial services world?

Legacy systems and operational silos

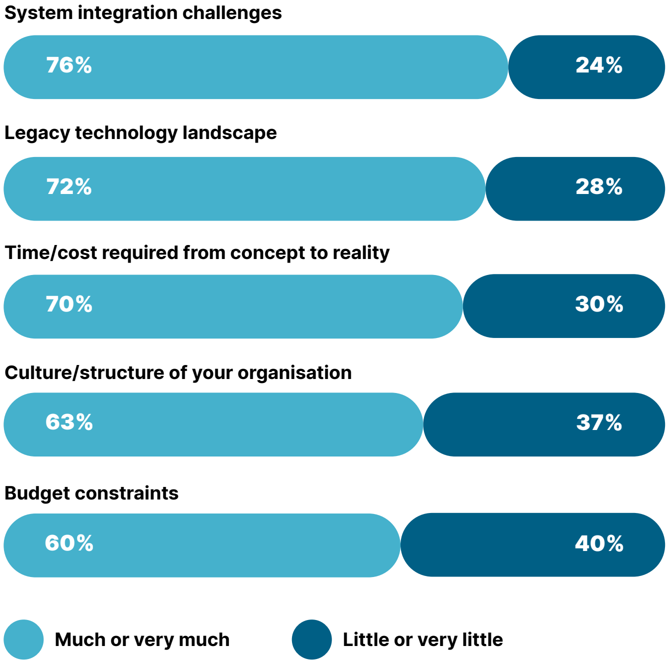
Financial institutions must now cope with new (digital) banking habits and find ways to adapt and respond more quickly to market changes. Traditional banking providers have historically followed a productfirst approach and changing both this outmoded culture and the associated technology is slow, with entrenched silos causing numerous barriers to innovation.

In that context, FinTechs appear to be gaining in popularity, leading the Customer Experience (CX) race, as their seamless User Experience (UX) and Interfaces (UI) seem to create a major differentiator from banks. Unencumbered by obsolete systems, outdated processes and inherited legacy culture, challenger banks and bank challengers such as FinTechs and BigTechs are gaining competitive ground and setting precedents for a newer style of banking service. These younger competitors have a more agile, digital-first operational model and are able to innovate continuously to more closely meet evolving customer needs.

Ultimately, the fast pace of digital adoption among consumers has set unreasonably high standards for most financial institutions who are often hampered by their ageing legacy systems, inadequate IT resources and constrained budgets. These issues can make it difficult for incumbent banking providers to drastically rethink their digital strategies as they look for ways to compete.

Top digital banking transformation challenges

Q: Which parts of the innovation and digital transformation process does your financial institution struggle with the most?



Source: innovation in retail banking report (digital banking report, 2019)

Regulatory intervention

Cost pressures, legacy systems and operational silos are not the only issues that are presenting challenges for banks in their digital transformation efforts.

Responding to market developments and technological advances, regulators have recognized the need for a genuine, comprehensive European regulatory framework with harmonised practices and standards, PSD2 being a key example. Among the key aims of this effort is the promotion of better security, innovation, competition and interoperability – to provide enhanced services to banking customers.

However, harmonisation is proving to be a bumpy road for many banks, since there are significant discrepancies across countries and providers, creating additional challenges and pressures for the banking industry.

The growing complexity around regulation and compliance challenges for financial institutions can unintentionally hamper innovation and keep the focus on compliance. The volume and pace of regulatory change is unlikely to ease, with more mandates coming down the line fast. This, of course, adds to the burden for banks, making a challenging environment for banks to ensure compliance, customer-centricity and cost-effectiveness.

What banks may need to do is look at the changes they have to make due to compliance necessities and find ways to leverage the assets that these changes can create, building on them to access new opportunities and innovations. The introduction of new APIs in response to PSD2 is a perfect example of this.

3 https://techcrunch.com/2015/03/03/in-the-age-of-disintermediation-the-battle-is-all-for-the-customer-interface/

Rethinking digital strategies

Investment in new technology is valuable and must be treated as an enabler, rather than as a pure cost or a forced purchase.

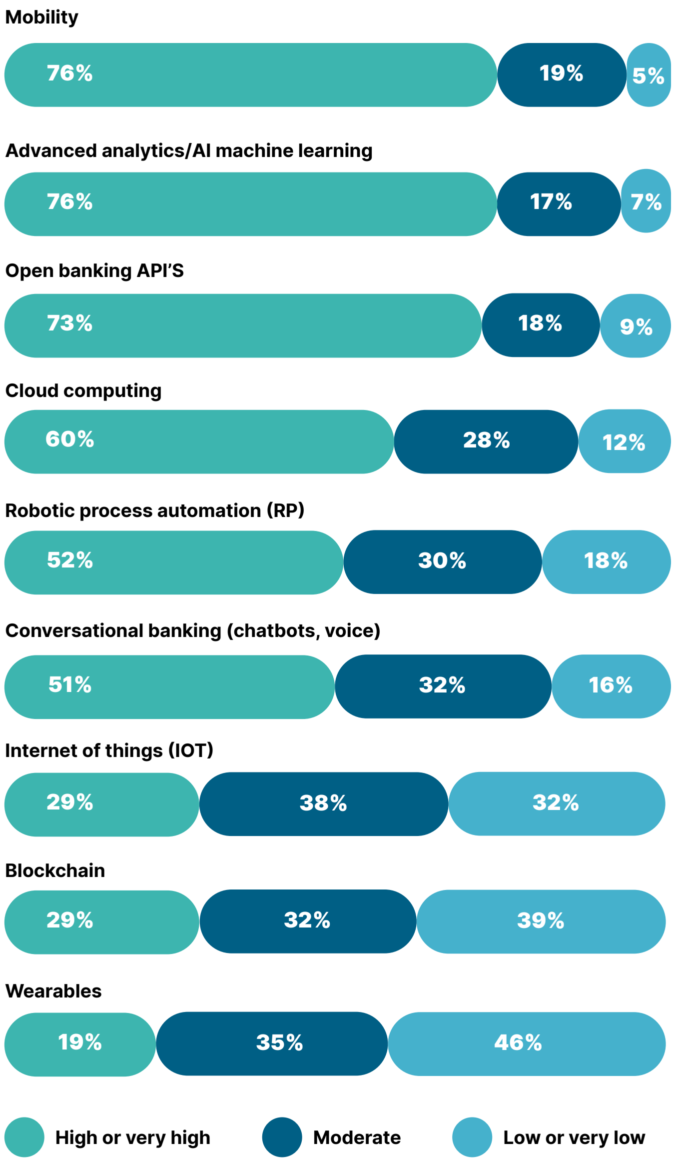
There is indeed much opportunity for banks to both enhance the customer experience and create cost-efficiencies with the right use of digital channels and processes.

The era of AI - beyond the buzzword

Diffusion of technological innovations has accelerated in the last decade and financial institutions have been continuously exploring how they could integrate those technologies to improve their digital capabilities and optimise their costs.

Digital technologies with greatest impact on banking over next 12 months

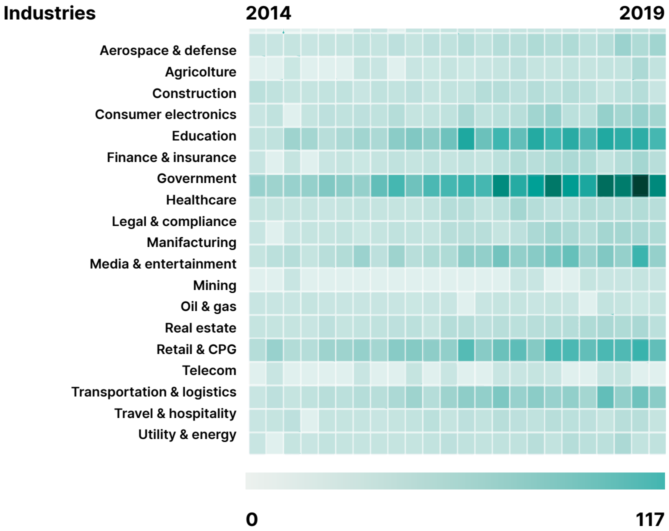
Q: Which of the below options best describes the stage of your organization's digital transformation initiative?



Source: Innovation in Retail Banking Report (Digital Banking Report, 2019)

One major technology that is currently under the spotlight is Artificial Intelligence (AI) and it seems to have massive transformation potential across all industries, starting with healthcare and followed by financial services.

Distribution of 8,410 equity deals to AI startups (Q4'19)



Source: https://www.cbinsights.com/research/artificial-intelligence-deals-tracker-heatmap/

But why is there such a hype around AI and what are the concrete applications being adopted in the banking industry?

Research from Autonomous estimates that by 2030, AI could enable financial institutions to cut more than 20% of their costs. [4] One real-life use case is the application of Machine Learning in improving risk management by algorithmically finding patterns in the bank data to ultimately reduce uncertainty and increase confidence levels. But the variety and possibilities are virtually endless when combining data intelligence with automation (e.g. the ability to reduce false positives, improve risk profiles, sharpen precision of forecasts, etc.).

Ultimately AI (and technology in general) is only an enabler, not a solution as itself. As with all new technologies, it's important to see past the AI-related buzzwords and start by looking closely at customer and business needs and whether the technology can address them. By aligning the overall digital strategy with the desired business objective, there is a far better chance of success.

4 https://next.autonomous.com/augmented-finance-machine-intelligence

The quest to deliver hyper-personalisation

AI is already empowering many companies to reinvent their customer experiences, resulting in new compelling digital service and improved ways for banking customers to manage their finances (e.g. risk profiles, balances forecast, peer comparison, roboadvisory, etc.).

Even though many financial institutions are really starting to take steps on this path, there is a significant lag in the delivery against customer expectations when it comes to personalisation, though the demand is certainly there.

Expectation

62% **of customers expect companies to adapt based on their actions and behaviour**

Reality

47% **of customers say companies generally adapt based on their actions and behaviour**

Source: https://www.salesforce.com/blog/2019/06/customerengagement-trends.html

With the era of FinTechs and BigTechs, tailored and contextual services are becoming the new standards to which financial institutions have now to align.

One response to that 'personalisation challenge' is the development of Personal Financial Management (PFM) tools, which have emerged in the last few years and seemed to really take off with the democratisation of Machine Learning. Mass-personalisation empowers banks to bring back relevance at every stage of the customer (banking) journey thanks to comprehensive categorisation capabilities, fine-grained segmentation and in-depth behavioural analysis. By ensuring the value and significance of every interaction, some market players have been able to re-engage their customers with meaningful insights, tailored advice and contextual alerts – ultimately helping them maintain better financial habits and eventually realise their life projects.

The demand for personalization

- **Less than one in ten UK current account holders recall being asked about their lifestyle or purchasing preferences by their bank, over the past year.**
- **Personalisation is an important factor in customers' choice of bank account provider: 46% of survey respondents stated they would be more likely to try out a new bank account if it provided personalisation features based on their preferences and lifestyle.**
- **This jumps to over 70% among Gen-Z's, (people aged 18-21) showing the heightened importance of personalisation for younger, digitally demanding customers.**

Source: The demand for personalization: https://info.crealogix.com/crealogix-uk-banking-challengerssurvey-report-2019

The rise of conversational banking

An area where banks are also beginning to see some success is chatbots. A survey from Accenture shows that 71% of consumers are open to the idea of interaction with chatbots[5] and supporting research indicates that around 80% of consumer banking chat sessions can be resolved by chatbots[6], rather than bank staff. This clearly illustrates an area where banks can save money and improve the customer experience using the same key piece of technology – using digital means to meet customer needs, in a situation that customers are comfortable with.

5 https://www.accenture.com/us-en/insight-financial-services-distribution-marketing-consumer-study

6 https://www.accenture.com/t00010101T000000__w__/br-pt/_acnmedia/PDF-45/Accenture-Chatbots-Customer-Service.pdf

Great adoption is driven by relevance, as it is undoubtedly a great fit with customer expectations:

"Around 40% of millennials say they chat with chatbots on a daily basis."
(Mobilemarketer, 2018)

Convenience

64%

Of internet users say 24-hour service is the best chatbot feature and...

37%

Of respondents predict the reason they would use a chatbot is for getting a quick answer in an emergency. (Drift, 2018)

Speed

13%

Of customers expect "now" service within 5 minutes of making contact online. (McKinsey,2017)

Familiarity

2.53BN

In 2019, 2.52 billion mobile phone users accessed over-the-top messaging apps to communicate. This figure is projected to grow to billions in 2022. (Statista, 2019)

Personalisation

62%

Of customers expect companies to adapt in their actions and behaviour. (Salesforce, 2019)

Source: https://www.salesforce.com/blog/2019/06/customerengagement-trends.html

Juniper Research also estimates about 8 billion voice assistants will be in use in 2023[7] and last year alone, 72% of people used voice search through a digital assistant[8], highlighting the growing comfort with which digital-savvy consumers are using remote means to conduct their everyday tasks. Much of t his growth is due to the explosive increase of connected devices and significant adoption of v oice-activated experiences (e.g. smart home devices, smart cars, smart watch, etc.) as well as improved connectivity from 5G mobile network expansion programmes.

Ultimately any technology must address a real need or issue, without that as a star t-point, it will not gain adoption or serve to replace existing channels. For example:

- Voice assistants allow customers to easily activate commands, which helps when they need to use hand-free devices
- Robo-advisers can be configured to proactive and pre-emptive actions to prevent overdraft usage or help invest at the perfect time

These technologies can ultimately help provide the highly personalised experiences that customers now seek by capture consumer search information to build a better picture of habits and preferences.

Using automation can be a key element of a successful approach, since it offers an opportunity for both cost-efficiencies and fast 24/7 support for customers – streamlining the most tedious customer service tasks and deflecting repetitive, low value-added queries (such as routine transactions, administrative questions and standard information).

7 https://www.marketwatch.com/press-release/juniper-research-digital-voice-assistants-in-use-to-triple-to-8-billion-by-2023-driven-by-smart-home-devices-2019-02-12
8 https://advertiseonbing-blob.azureedge.net/blob/bingads/media/insight/whitepapers/2019/04%20apr/voice-report/

Use cases

Example of "neo" from Caixabank (launched in february 2018)

Personal Customer Service assistant (24/7) able to accompany customers throughout the contracting, operational and resolution processes.

60,000+

inputs
with the aim of covering all types of conversations related to products and services

2,5

million customuers
have chatted with Neo (3.5 million customers have been made aware of the service)

Over
23

million conversations
have already taken place

85%

correct answers
without further engagement required and 20% reduction in calls to the contact centre

Example of "erica" from Bank of America (launched in june 2018)

AI-powered financial assistant able to provide bank balance information, make budgeting suggestions, pay bills, and help with simple transactions.

1400,000+

different ways
for clients to ask financial questions (expanded conversational knowledge)

10

million users
out of the bank's 29 millions mobile banking users (40% text, 47% tap, 13% voice)

10

million client requests
completed since its launch

On average,
150,000

clients
now tap on the insights proactively shared by Erica each week

Combining conversational capabilities with a Personal Financial Management engine, some banks ha ve also started to provide their customers with automated financial support through virtual assistants.
By displaying bite-size tips and timely advices in a proactive and actionable manner, financial institutions seem to better support customers' financial wellness on a day-to-day basis.

By automating and simplifying customer's ability to access to information in this way, it also helps relieve advisors from basic tasks, leaving them free to focus on enhanced personal interactions where they can add the most value for customers.

Technology is only half the story

Although consumers are increasingly using digital channels, technology is only half the story.

Trust is a vital aspect of banking and most customers still want to interact with real people when dealing with the tasks and needs they consider most important.

Human beings as the key driver of successful technologies

Although people are more open to having a computer programme analyse their spending habits and recommend improvements, there is still a reluctance to hand over important financial decisions to a computer. According to research from ING: “61% of Europeans would not be happy to have an automated programme make investment decisions on their behalf. That number dropped to 35% when it came to being given advice.”[9] The need for trust and human contact is also more important than the ‘need for speed’ in many cases. Research shows that 59% of customers consider it more important to get an individual answer to their questions than to get their problem solved as quickly as possible[10] and 43% of people still prefer to deal with a real-life assistant than a chatbot.[11]

Again, this varies across markets and generational demographics – something which banks must ensure they understand and cater for, to deliver the right experience across channels and customer groups. These preferences will also undoubtedly evolve over time as younger, more digital-savvy generations become the mainstay of banking customer portfolios.

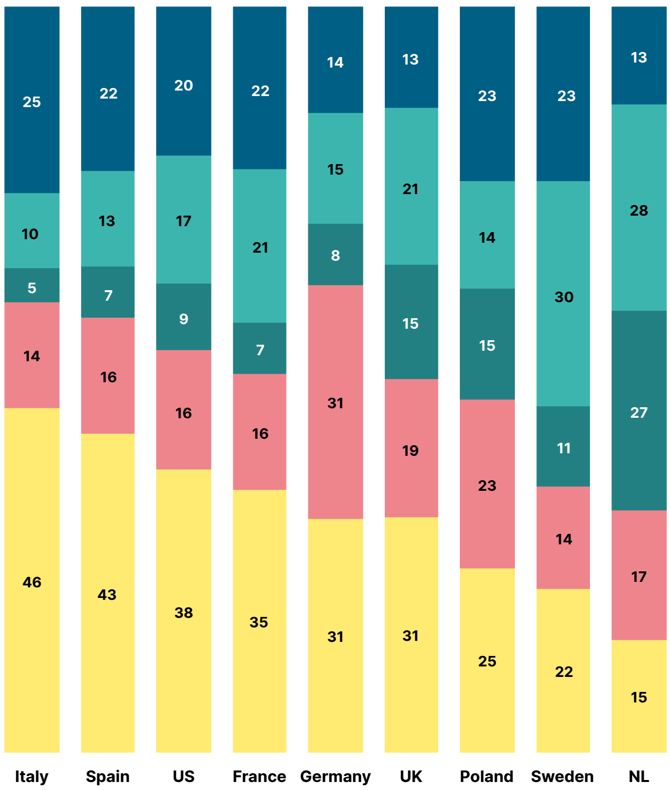
Markets are at different stages of digital development; human touch is still important in most markets

Differentiated client segments	Clients behaviour
Bank in my pocket	Prefer doing everything remotely, both transactions and advice/ purchases
Flexible digital banking	· Like to do almost all banking · Through digital channels · Require face-to-face for advice
Digital convenience	· Prefer internet above mobile · Purchase only basic products · Digitally · Require face-to-face for advice · And complex products
Branch lovers	· Favour visits to branches or atms · For all needs · Low-tech seniors
Branch driver	· Prefer branches or atms for all · Needs due to low trust in banks · And the financial system

Ultimately, customers want convenience and ease. But, when making big decisions, or complex transactions, they also want to be able to interact directly with a human advisor to ask questions and receive advice. Offering the right support at the right point involves understanding consumer preferences and bridging human and digital experiences to serve those preferences and keep customers satisfied.

Although there are many digital experience initiatives in the banking sector, many are still not closely integrated as a part of a holistic customer service standard. For example, it is still fairly common for a customer to receive helpful, personal advice at the branch, followed closely by inappropriate or irrelevant offers sent by the same bank via email, or via a self-service channel. Customers expect a seamless, consistent experience across all channels – and they also expect this journey to be highly personalised. To deliver this demanding standard of customer experience requires a carefully balanced and integrated mix of both human and digital interactions.

Different stages of development by country (%)



Source: McKinsey retail banking mutichannel survey 2016

9 https://www.accenture.com/us-en/insight-financial-services-distribution-marketing-consumer-study
10 https://www.accenture.com/t00010101T000000__w__/br-pt/_acnmedia/PDF-45/Accenture-Chatbots-Customer-Service.pdf
11 https://www.drift.com/wp-content/uploads/2018/01/2018-state-of-chatbots-report.pdf

Hybrid models: technology human mash-ups

In today's customer-driven world, banks can only realise their true potential by focusing more on the customer journey, mixing the best of both technology and human interactions to create strong customer relationships and competitive edge.

Research from Boston Consulting Group showed that 43% of consumers favour a mix of physical and virtual interactions,12 in which digital tools and capabilities combine with human input and advice at the moments that matter.

But real success in the future of banking will not be achieved purely by offering an array of channels; it requires truly integrated journeys that are adapted to the customer's profile and needs. By using hybrid models, banks can take advantage of the opportunities presented by individual channels and offer enhanced services that are enriched by both external financial and non-financial providers, to extend their reach and offer added value to customers.

To create cost-effective, seamless customer journeys, banks will first need to understand customer behaviour and preferences – a task that is served well by data analytics. From this intelligence, banks can chart the various channels and how customers are choosing to interact through each one. This will help to build a well-informed roadmap against which they can develop their hybrid strategy. The focus should be on where technology can be best used to support optimal customer interactions and add value to relationships.

Automation, in-depth analytics and semantic analysis can also be used to strengthen the value and efficiency of advisors, allowing:

- **A 360-degree customer view** producing aggregated exchanges and insights across channels for centralised and contextualised customer interactions.
- **Enhanced advisor performance** through task automation, automated prioritisation, pre-canned answers, smart alerting, internal chatbots.
- **Better workforce collaboration** via Intelligent routing, workload and absence management, tempering and supervision processes.

It is important for financial institutions to recognise where technology should hand over to a human interaction. By understanding the junctures or situations where human intervention serves the customer best, banks can offer exactly the support where it delivers the best value. For example, when an individual has a complex financial or personal situation, human interaction is extremely important. A customer in this circumstance will likely want to speak to an advisor to explain the complexities they are dealing with; something they may not be able to do through digital channels. In this situation, empathy becomes an important factor in customer trust and an advisor can use discretion to offer the right solution or special allowances for that customer, if appropriate.

Channel usage: mapping use use cases and engagement opportunities

Chatbot and voice assistants are gaining strong adoption in certain demographics and age groups. However, these new channels are not replacing the old ones: they accumulate. This is especially true for users from younger generations (see below), which seem to be increasingly using a greater variety of channels in order to interact with their financial services providers.

Percentage of centres that do track channels popularity by age profile

Percentage	25 years old	25-34 years old	35-54 years old	55-70 years old	70 years old
Social media	1st 38.9	5th 13.7	5th 2.2	6th 0.6	5th 0.4
Mobile application	2nd 27.2	2nd 23.7	3rd 6.3	5th 0.8	4th 0.5
Email	3rd 12.2	1st 26.8	2nd 32.7	2nd 8.8	3rd 0.8
Telephone	4th 11.5	3rd 18.4	1st 51.7	1st 87.0	1st 93.2
Webchat	5th 9.4	4th 16.5	3rd 6.3	4th 1.1	6th 0.3
Other	6th 0.7	6th 0.9	6th 0.9	3rd 1.7	2nd 4.7

Source: Dimension data: Global contact centre benchmarking report 2016

12 https://www.bcg.com/publications/2017/financial-institutions-global-retail-banking-2017-bionic-transformation.aspx

While chatbot and voice assistants offer a great customer interaction opportunity, it's important for banks to only deploy these technologies where they can best add value. For instance, they can help to automate and assist in simple enquiries where speed is important to the customer.

(Potential) impact

Human intervention

Call centers

- Urgent situation
- Problem-solving skills and empathy
- Complex / sophisticated request

Advisor

- Long-lasting project or emotive episode requiring customer knowledge or trust

Self service channels

Mobile and web banking

- Account monitoring
- Daily banking operations (routine
- transaction, payments, FAQ)

Chatbot, voice assistant

- Convenient search of information
- Support with daily operations
- Financial coaching

(Personalized) guidance

Banks need to be careful to create consistency across these channels, while ensuring that customers are not served the same content over and over again as they switch between channels.

Conclusion: future vision for digital banking

Hybrid interactions models and customer-centric interactions

Banks have a wealth of opportunity on the horizon, but an equal volume of challenges to get there. Legacy systems have no long-term viability - they cannot deliver the experience that customers expect, since they present a high cost and time to innovate.

Digital platforms will enable banks to move up the value chain and offer customer experiences that are more than just transactional. This will become increasingly critical as the banking landscape continues to evolve – banks will need agility and the ability to customise, adapt and extend their reach in response to market change and customer demand.

But, of course, it is critical not to neglect the value of human connections. Rich, high-quality interactions with customers are powered by a more personal service where human advisors are supported by technology to ensure each interaction is relevant, tailored and adds value. Each customer must feel that they receive the personalised service they need and this service will look different across different demographic groups. Delivering against this ideal is a feat which can only be addressed through a carefully designed combination of human and digital support.

In developing these hybrid models, the starting point for banks will be to map customer journeys to understand what will deliver the smooth and engaging experiences that customers want. This means being able to adapt to customer needs and channels usage by investing in the right technology that can deliver integrated experiences across channels.

At the age of data and ultra-personalisation, another challenge for financial institutions is to multiply and collate data points, while ensuring security and privacy of the information, to ultimately deliver the tailored and contextual services that customers expect. While convenience no longer needs to be proven, security is the primary concern that comes to mind when referring to new technologies such as Conversational Banking. The challenge for banks is to design valuable, customer-centric use cases using privacy-by-design technologies to build trust and loyalty.

As the industry continues to evolve and consumers' lives increasingly move to the digital realm, traditional banking providers will need to reconsider how they operate in the new world of financial services. Open Banking, instant payments, increasing disintermediation and emerging technologies will continue to push the boundaries of banking and the big challenge for incumbents will be how to innovate and adapt to remain relevant.

Collaboration and a strong network of partnerships will undoubtedly become an increasingly important part of this mission for many financial institutions. This approach offers the chance to innovate more quickly, respond to new trends with greater agility and capitalise on the opportunities of regulatory and infrastructure developments, such as Open Banking, mobile technology and AI.

By leveraging the tools and resources of partners, banks will be able to reposition themselves and remain at the centre of the ecosystem by transitioning their business model and becoming invaluable to consumers, instead of a lessening necessity.

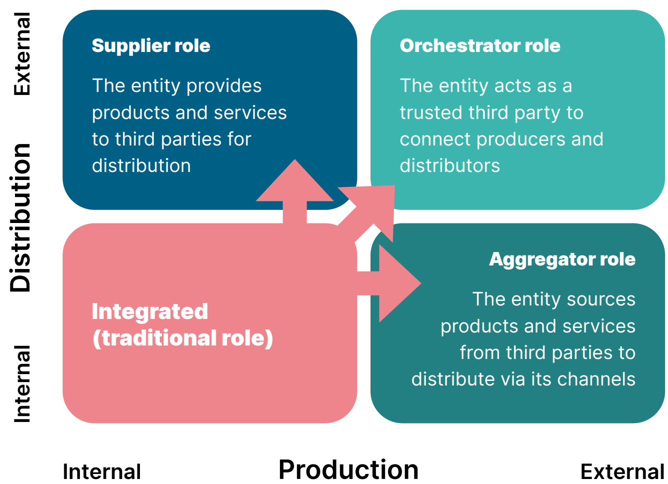
The era of open banking towards superapps and ecosystems

There are still many question marks regarding ecosystems models and financial institutions, which will have to demonstrate twice the talent, ingenuity and determination to face the fierce competition from non-traditional players and industries.

As consumers are always expecting more personalisation and convenience whatever the provider and the channel, financial institutions are constrained to align with tech giant practices – and either take part in those growing ecosystems (e.g. Citigroup with Google) or start building their own (e.g. DBS marketplace). The next major battleground will undoubtedly be about customer experience(s) and market players must now ensure to move their services to the interfaces their customers prefer - even if it means losing direct ownership of the customer relationship.

The platformification of banking is a growing trend that is worth watching, allowing financial services providers to increasingly explore new business models and to distribute compelling, niche financial products and orchestrate richer, more integrated digital experiences.

Open banking business roles



Source: World fintech report 2019

Planning your next steps

The variety and possibilities are virtually endless when combining the knowledge and expertise of a trusted advisor with the power of new technologies such as Conversational or Open Banking – but finding the right fit may prove difficult for many financial institutions. In fact, research shows that 56% of companies have indicated they struggle with the deployment of new technology as part of their Innovation and Digital Transformation strategy.[13]

Technology should only be considered as a catalyst, not as a solution itself. Financial institutions must start by assessing their core differentiators and focusing on a clear CX strategy to ensure their relevance and ultimately answer real customer pain points. By aligning the overall digital strategy with the desired business objective, there is a far better chance of success.

The first and most vital step for banks is to understand how each of their customer groups likes to engage and why it works for them.

- **Make your channels inventory:** Draw up an inventory of your channels, assess their performance and measure their success
- **Understand your audience:** Make use of facts and figures to understand channels usage (overall and by user type) and their audiences' specificities
- **Identify your differentiating products:** Think about why your customers are using your products/services and how you could better serve your target groups
- **Map your customers' journeys:** Sketch out your cross-channel customer journeys to identify missing dots in your digital strategy
- **Bring new technology in:** Fill the experience gap(s) by picking the right technologies and ensure to securely bridge human and digital experiences in comprehensive end-to-end journeys

By building a strong picture of preferences and behaviours, banks will be able to map out which technologies are best applied to which areas, in order to create the optimal customer experience in a cost-effective way.

13 https://thefinancialbrand.com/87080/digital-banking-transformation-research-trends-future/

Make banking more human with digital

Introduction to digital banking platforms

Digital Banking Platforms can empower banks to accelerate their digital transformation and transform their customers' experience across all channels (mobile, web, social, IoT) while supporting new platform roles and business models.

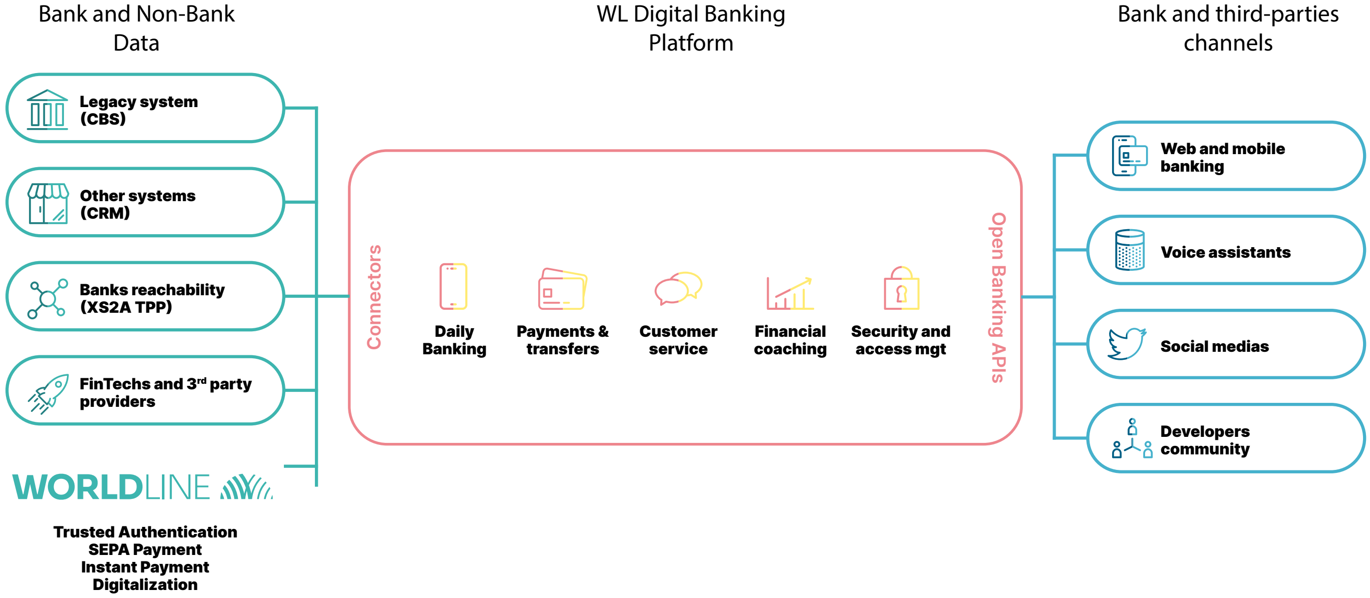
It acts as a flexible and modular service layer enabling financial institutions to quickly and cost-efficiently overcome the limitations and constraints associated with their legacy systems, thanks to a wide range of pre-packaged services designed to cater to the needs of innovative banks.

WL Digital Banking Platform is designed to help financial institutions address major industry challenges and innovation opportunities while laying the foundations for future business growth.

Once the platform is installed, financial institutions can easily activate additional business enablers offered by Worldline and pre-selected partners to build further digital services (e.g. conversational coaching, digital customer onboarding, etc.), and potentially expose further APIs to their developer community.

As an example, banks could expand their digital capabilities in a stepped approach, according to their specific objectives:

- **Customer experience** – To accelerate our clients' pace of innovation, equensWorldline's platform is powered with the latest digital technologies – such as Conversational Banking – and state-of-the-art solutions for customer engagement – like Personal Financial Management. It enables banks to react more quickly to market shifts and to anticipate future customers' needs.
- **Customer support** – Optimise the efficiency of self-service channels – to automate low-value added queries and devote human time and expertise to your customers – and empower advisors with the right solutions to rightly respond to customers' needs.
- **Open Banking** – The Open Banking suite provided by equensWorldline provides a consistent solution to connect with major European banks (Account Information and Payment Service Provider) as well as an secure solution dedicated to the distribution and monetisation of the unique and differentiating bank's products and services (through APIs).
- **Compliance** – Worldline already supports dozens of financial institutions in Europe with a PSD2 compliance products designed for ASPSPs to quickly and cost-effectively comply with regulatory requirements while managing associated risks and technological uncertainty.



The modular and scalable platform empowers banks to accelerate their digital transformation while securely enhancing their customers' omnichannel journeys.

The flexibility and high level of customisation possible via the platform helps to ensure that banks are able to design their own approaches relatively quickly and cost-effectively.

Worldline customer success stories

Major and historical French bank with

11 million
customers nationwide

Deployment of a client-advisor secure messaging solution leveraging semantic analysis, document sharing, teamwork collaboration, and workforce management to enhance digital interactions.

- Increased customer satisfaction and adoption (5 million customer secure mailboxes)
- Increased customer service efficiency (all emails answered in less than 24 hours)

State-owned savings bank in UK with

25 million
customers in its domestic market

Installation of an Open Banking suite, encompassing PSD2 compliance, Strong Customer Authentication and external accounts reachability (AIS, PIS, PIIS).

- Full compliance with PSD2 regulation
- Reduced operational costs by replacing cards with PIS (saving £150 M/year for card payments)

Major French bank with

6.9 million
retail customers in France

Full technical rebuild of the customer app using state of the art technologies and addition of new features (bill payment, PayLib, Personal Financial Management, chatbot, etc.)

- Reinforced digital brand
- Improved customer loyalty (1.5 million active users)

About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros.

worldline.com

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