



CONTACT CENTER MODERNIZATION IN BANKING

Digital transformation and contact center modernization with Amazon Connect is driving innovation, hyper-personalization, and omnichannel customer experiences in banking

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TABLE OF CONTENTS

<u>Executive summary</u>	03
<u>The need for omnichannel experiences is driving innovation in banking</u>	04
<u>The importance of hyper-personalization in banking</u>	05
<u>Challenges faced by the banking industry</u>	06
<u>The right banking contact center modernization model to drive customer experience transformation</u>	08
<u>Deploying a next-generation customer experience center for a global US consumer bank</u>	10
<u>Contact center modernization is driving enhanced value and customer experience</u>	11

EXECUTIVE SUMMARY

The path to hyper-personalization has been laid out. Pandemic urgency has accelerated existing cloud adoption strategies and necessitated a more considered customer service approach, which delivers tailored, omnichannel banking options, and customized products and services. The cloud-based contact center is fast becoming the primary way to deliver on these demands and the time is ripe for the financial services industry to rejuvenate its focus on customer service innovation. Rather than centering sales strategies around designing and selling products for all, banks must now harness the power of cloud-based contact center platforms to deliver greater customer data insights to their agents and personalize products and services for every customer.

There are three major components that banks need to add in order to satisfy changing customer needs, open new possibilities, and ignite growth:

- Harnessing accurate data, analytics, and AI to deliver hyper-personalized experiences
- Migration and transformation of legacy systems to cloud-based solutions
- Utilizing Open Finance to access partnerships, opportunities, and related offerings via APIs.

Collecting the data is just the start. Without transforming systems to deliver the insight into what that data means, and how to act on it, it's just numbers and facts on screen.



THE NEED FOR OMNICHANNEL EXPERIENCES IS DRIVING INNOVATION IN BANKING

There's a growing gap between banks and their customers, and we're not talking about social distancing. The [World Retail Banking Report 2021](#) from Capgemini and Efma perfectly articulates this gap:

- 76% of customers expect an omnichannel experience – but only 58% of banks prioritize it
- 31% of customers would like improved customer support services – but only 12% of banks prioritize it
- 65% of customers expect a focus on transparency, ethics, and social responsibility – but it is only a focus for 25% of banks
- 44% of customers face medium to high friction in banking transactions.

This means customers want a more seamless, multi-faceted journey, personal to them. In addition, customers are increasingly willing to switch banks if they feel that

their current bank does not place enough value on ethics, transparency, and corporate social responsibility (CSR). Banks must therefore adapt in order to attract new customers and retain existing ones – and the adaptation starts with contact center modernization – more specifically, optimizing the customer experience through the provision of personalized, omnichannel banking services.

With cloud-enabled and digitally native new-age players demonstrating that where and how products and services are delivered can be just as valuable as the offerings themselves, the days of putting customer experience on cruise control are over. Building an overarching digital and technology-agnostic customer experience layer will offer a consistent and superior experience across the banking ecosystem while also ensuring up-to-date data compliance and security.



THE IMPORTANCE OF HYPER-PERSONALIZATION IN BANKING

Open Banking is a financial services term as part of financial technology that refers to: The use of open APIs that enable third-party developers to build applications and services around the financial institution. The “opening” of banking systems has opened traditional banks up to a much larger customer base, new data sources and monetization opportunities. Out of this opening has come Banking-as-a-Service (BaaS),¹ on-demand and end-to-end.

The [World Retail Banking Report 2021](#) charts [the progression of BaaS](#) in parallel with regulatory changes: “The BaaS platform model has been around for a decade. Yet, it did not achieve mainstream adoption until open banking regulations (such as PSD2 in Europe) mandated incumbent firms to open their APIs to support new-age players (FinTech, challenger banks, neobanks).”

BaaS champions financial inclusion by modifying offerings and reaching customers through relatable brands while better positioning the banks themselves for long-term growth. World Bank data shows that 3.9 billion people globally (68% of adults worldwide) are locked out of the formal economy because they lack credit history. Through collaboration, banks can innovate existing credit risk models and create new lending and financing opportunities for this global population.

The move to hyper-personalization² will require resources that will also enable banks to leverage AI robotics, cloud elasticity, better allocation of resources, and drive greater internal efficiencies in other ways. The [World Retail Banking Report 2021](#) goes on to emphasize that, though there are salient concerns about data protection and privacy, 86% of customers themselves were willing to share data to gain a better, more personalized banking experience, and 81% said that on-demand banking could motivate them to switch to a new institution.

Despite the best efforts of banks to build multi-channel experiences, 44% of customers experience medium to high levels of friction in their interactions. Customers are now demanding more intuitive, integrated, omnichannel banking experiences – intelligently personalized and on-demand. And they’re willing to share their data to get those experiences.

In order for personalization to be meaningful, consumer behavior must be deeply understood. This means orchestrating data ecosystems to deliver accurate, accessible data analytics customer service agents in contact centers. Leveraging AI and smart data analytics, analysts can mine and derive behavioral insights that can be applied directly to the innovation and development of customer experience.

¹ Definition: Banking as a service is an end-to-end process ensuring the overall execution of a financial service provided over the web. Such a digital banking service is available on-demand and operates within a set timeframe, <http://www.ventureskies.com/blog/banking-as-a-service-categorizing-the-services>

² Definition: Hyper-personalization leverages artificial intelligence (AI) and real-time data to deliver more relevant content, product, and service information to each user, <https://www.convinceandconvert.com/research/hyper->



CHALLENGES FACED BY THE BANKING INDUSTRY

Volatile. Uncertain. Complex. Ambiguous. These are the words used to summarize the current retail banking landscape in [Capgemini and Efma's World Retail Banking Report, 2021](#). Spanning 33 markets around the world, the report presents some undeniable trends:

- Cloud migration as a foundational pre-requisite for Open Finance
- BaaS partnerships to open up new customer bases and create long-term value
- The expectation for every experience to be digital-first, unique, and hyper-personalized.

Despite open banking regulations such as PSD2, which mandated incumbent firms to open their APIs to support new-age players, with the aim of achieving progressive bank digitalization, financial firms still lag behind in cloud adoption. For one, many executives feel held back from effective data utilization by regulatory barriers, as indicated in 2020's World Retail Banking Report.

Many banks still operate on outdated legacy systems that either fail to capture all-important data or keep it in siloes, preventing agents from leveraging it to create personalized products and services. Others are tied into long-term outsourcing arrangements which no longer meet the requirements they have for innovation, and executives are concerned about compliance and regulatory issues. Although customers are willing to share more data, banks still face an issue when it comes to trust. Only 26% of respondents to the [World Retail Banking Report 2021](#) were open to sharing their data if they knew how it was being leveraged. As a result, banks need to offer more transparency around how that data is used.

Banks will have to draw up effective governance policies around data sovereignty, storage, use, and security to ensure customer data is managed effectively while it is being leveraged to deliver better services.



This can be partially addressed by creating a single and consistent view of data so that actions are also consistent across the organization. No clear customer view creates operational inefficiency and hampers the contact agent's ability to offer appropriate, personalized services.

True cloud-based data, analytics, artificial intelligence, and machine learning tools and services completely remove the historical roadblocks faced by banks – including costly and difficult to manage infrastructure. This enables resources once used for managing the “nuts and bolts” to now focus

on new projects – leveraging customer insights to develop with new products and services that will drive customer acquisition and retention.

Open Finance can still be perceived as a big threat and challenge, but it also represents a huge opportunity. It has already begun to change customer expectations of all types. Technology is no longer the problem, inertia is. But that route risks falling far behind the pace of innovation and change already underway.



THE RIGHT BANKING CONTACT CENTER MODERNIZATION MODEL TO DRIVE CUSTOMER EXPERIENCE TRANSFORMATION

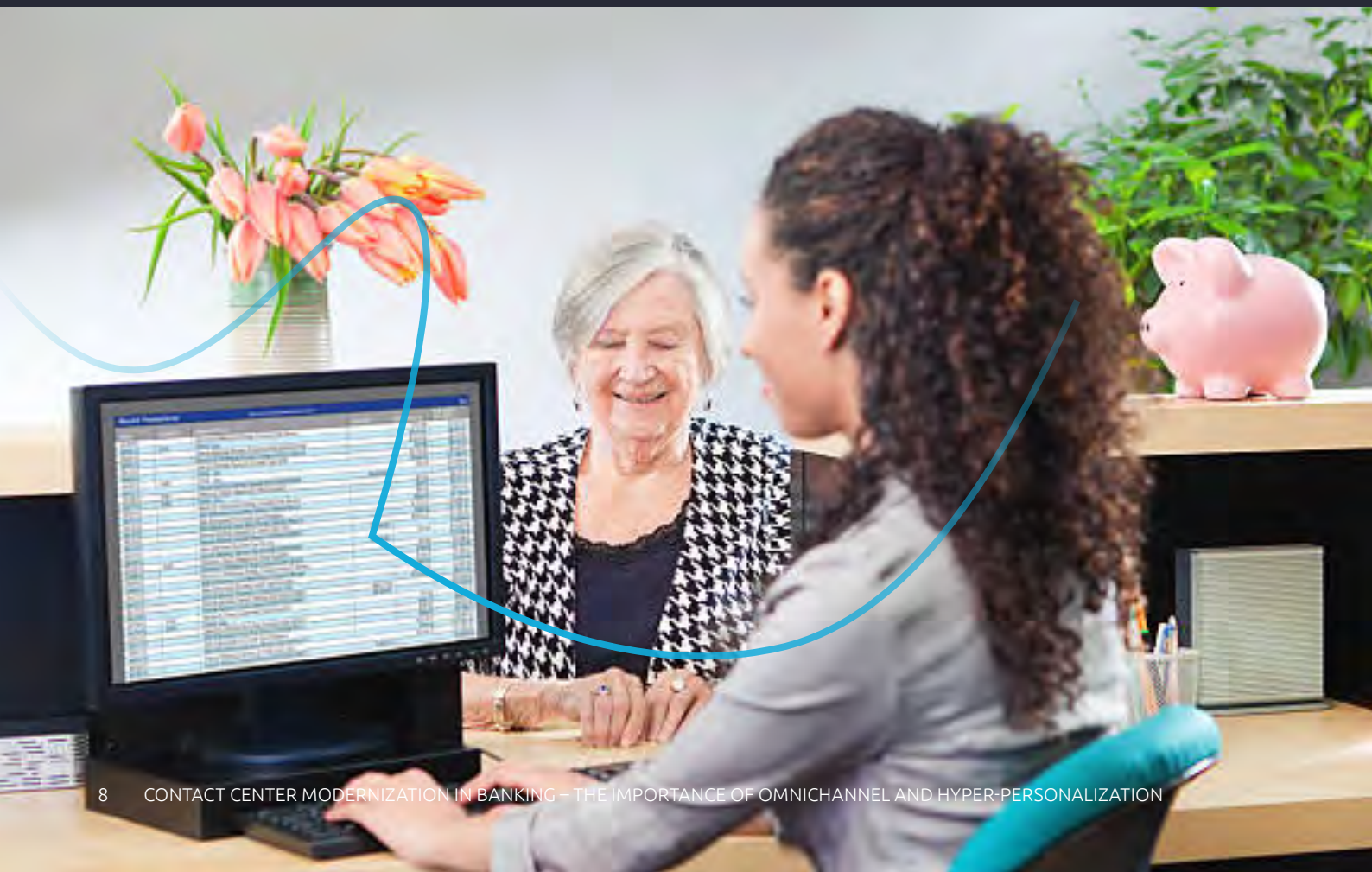
If we think of customer service innovation as being centered in the contact centers of various banking institutions, then it is interesting to note the rise of the Contact Center-as-a-Service (CCaaS) model as a route to delivering improved customer experience.

The role of the contact interaction center is critical. Capgemini and Amazon Connect can help banking companies in their contact center modernization, evolving them into experience hubs that provide individualized interactions at a lower cost. By adding technology to assist agents, companies can improve customer satisfaction ratings, reduce the cost per call, decrease complexity, and improve the scalability of their platforms without sacrificing

customer experience.

Amazon Connect provides an omnichannel CCaaS solution built from the ground up on AWS cloud that can scale to any business requirement. As an APN Consulting Partner and part of the Amazon Connect Delivery program, Capgemini helps companies build cloud contact centers with Amazon Connect to help improve your customer experience and outcomes at a lower cost.

Amazon Connect offers more interaction and channel opportunities than on-premises options. Companies with eight or more channels have significantly better customer ratings than those with fewer than four. A single, unified



contact center leveraging Amazon Connect manages voice, chat, and task management. Bot technology can help agents deliver a great customer experience. It supports voice and chat interactions out-of-the-box.

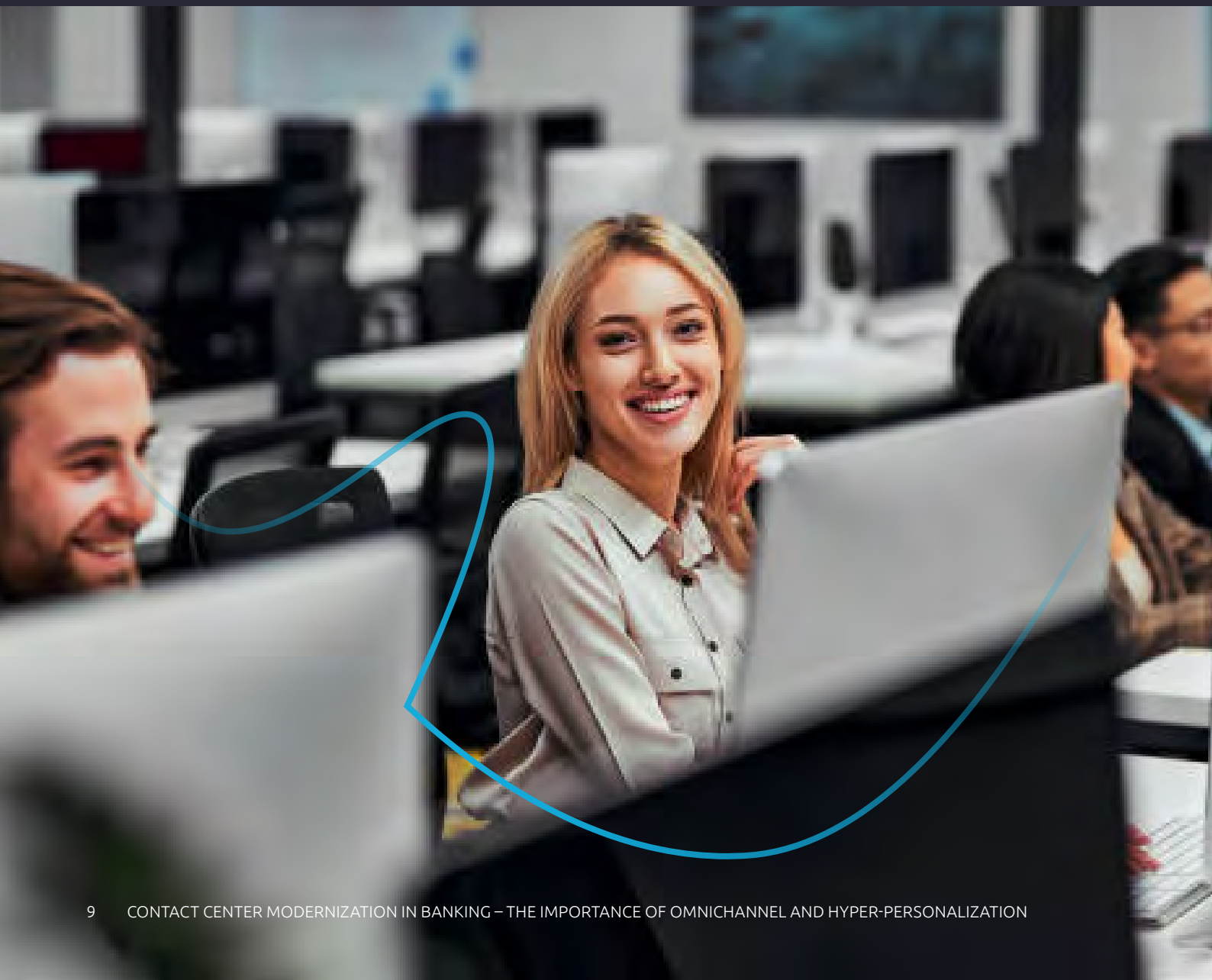
Unlike traditional contact center infrastructure pricing, a cloud-based pay-as-you-go approach frees companies from per-seat and fixed upfront pricing models and focuses on consumption only of the services used. Capgemini's Amazon Connect service also links seamlessly with major third-party CRM platforms such as SAP, Salesforce, and ServiceNow.

Eric Jones, Vice President Consumer Operations at TransUnion, confirms these benefits: "The change has drastically reduced the wait times in our contact center

queue, decreased our transfer rate by 50%, and the time customers spend in our IVR went from 2 minutes to just 18 seconds. Amazon Connect³ has simplified our contact center operations and customer experience, helping us save over 40% in annual costs."

Amazon Connect's combination of skills-based routing, task management, real-time and historical analytics, management tools and pay-as-you-go pricing has also delivered results for the likes of John Hancock⁴ and Dow Jones⁵, the latter of which achieved a significantly quicker time-to-market than expected: "Due to the simplicity of Amazon Connect, we deployed in just three weeks instead of months. Modifications that used to require a change request and funding can now be configured instantly."

<https://aws.amazon.com/connect/customers/>
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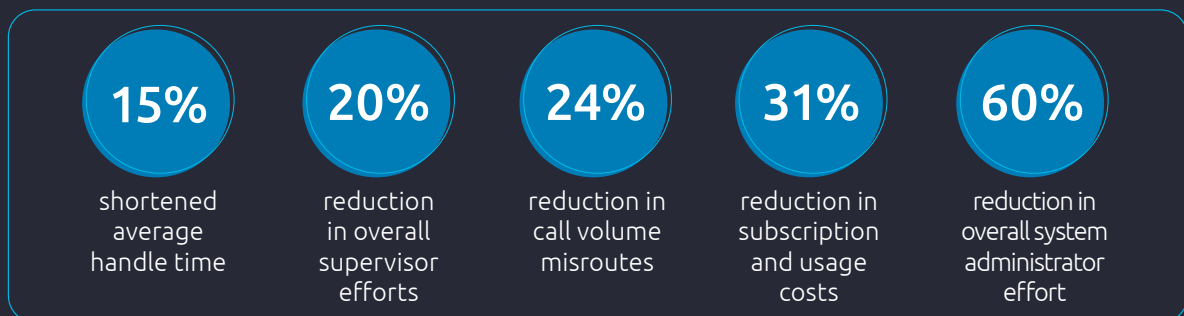
DEPLOYING A NEXT-GENERATION CUSTOMER EXPERIENCE CENTER FOR A GLOBAL US CONSUMER BANK

Handling over 37 million customer calls every month, this US-based consumer bank needed to increase the digital containment of its calls and move away from its legacy interactive voice response (IVR) system.

Capgemini designed, built, and implemented a Salesforce-based customer experience center integrated with Amazon Connect that provided a “one unified desktop” for all of its agents and products. This included multiple initiatives

to support the bank’s cards, loans, and deposits business in the US, reducing dependence on third-party processors (cards, loans).

In turn, this solution delivered a range of tangible business outcomes, including reduced costs and transaction times, and increased process efficiency gains and customer satisfaction. More specifically, it delivered:



This solution also played a vital role in supporting the bank’s agents and collections/fraud operations team to work remotely, mitigating the impact and disruption caused by the global pandemic.

Capgemini’s omnichannel solution has transformed the bank’s contact center operations to a next-generation, cloud-based customer experience center that drives enhanced value.



CONTACT CENTER MODERNIZATION IS DRIVING **ENHANCED VALUE AND CUSTOMER EXPERIENCE**

The global pandemic has accelerated existing cloud adoption strategies and necessitated a more considered customer service approach – delivering omnichannel banking options and tailored products and services to customers. Cloud-based contact center modernization is fast becoming the primary way to deliver on these business objectives in the banking sector. Therefore, rather than focusing sales strategies around designing and selling products, financial institutions must now harness the power of the cloud to deliver greater customer data insights to their people while personalizing products and services for every customer.

There might be a lingering perception that once the global pandemic is under greater control, the omnichannel

imperative might roll back, at least in urgency, but that's a myth. However, it's important to remember that collecting data is just the start here. Without transforming banking systems to deliver the proper insights, this data is just numbers and facts on a screen.

Therefore, customer service innovation can no longer be ignored by bankers whose customers are growing increasingly used to experiencing better customer experiences in all other aspects of their lives. The future of banking must be omnichannel and hyper-personalized if financial institutions want to keep their customers happy.



ABOUT THE AUTHOR



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About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 325,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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