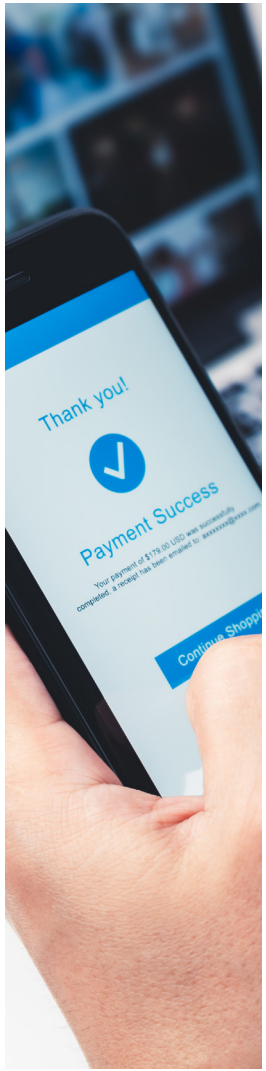

WANTED: A MOBILE-FIRST APPROACH TO BANKING

There was a time when the banking sector and its players were neatly divided into two categories. First, the regional banks that offered relationship-based and personalized services and second, the large banks that had a national presence with more sophisticated banking products and services. But then came the technology-driven disruption in the industry, in the form of start-ups providing financial services and other non-traditional competitors. These technology incumbents were not only offering sophisticated services but also pushing the envelope on customer experience by providing these services via mobile applications. This truly upset the apple cart of banking. What has followed since are rather desperate attempts by both regional and mega banks to adopt technology and invest in ADM (Application Development and Maintenance) to compete not only with the new entrants but also the incumbents to get their digital offerings right.

Infosys®
Navigate your next

One of the key reasons banks are keen on this transformation is the changing nature and expectations of their customers. Having tasted fast, seamless transactions and interactive UX with start-ups, customers now expect similar (if not the same) experiences from all banks, irrespective of their size and scale. Recent research by Greyhound Research, a leading global analyst firm, exemplifies this well. Titled, Future of Banking: Outlook 2018, the research shows that 52% consumers (across all age groups and based on 3,800 interviews across 12 countries) prefer to use banks that offer a good experience via a mobile application. Consumers are increasingly preferring to engage with banks that offer the robustness of traditional services delivered using the latest technologies.

A DEPARTURE FROM THE CONVENTIONAL

The transformation to digital banking offers a long list of benefits to banks as well, including improved customer relationships; the ability to attract customers through a new channel; an error-free environment and reduction in back office processing cost; enhanced security right from the bank's data store to users' mobile devices; and lastly, potential growth in banking revenue through efficient services.

As one would expect, while some banks have pursued this agenda more aggressively and only look for incremental innovation from partners, others look to follow their peers' transformation journeys with the help of partners. In our experience at Infosys, irrespective of where the bank is in its transformation journey, the **fundamental expectations** remain the same:

- **Disrupt with digital** – create new business models and products
- **Create stunning customer experiences** – create an integrated experience across the customer journey
- **Build a digital enterprise** – optimize operations and simplify processes

But to cater to these expectations, Infosys believes that the conventional approach of using a standard set of solutions won't help clients, given the richness and variety of offerings in the banking environment. Hence we keep our engagements highly consultative and **customize a solution and the ADM** based on where the banking client stands in their digital journey.

External Document © 2019 Infosys Limited

AN UNSATIFACTORY, FRUSTRATING EXPERIENCE

A leading **Australian bank**, an Infosys client, was battling **high abandonment rates**, due to their inability to provide customers with a quick and easy process to apply for **consumer credit cards and personal loans.** The loan and card origination process was limited to the desktop channel, with **no mobile-optimized experience** for customers. This not only meant it **took longer for both customers and staff** to access the application, but also took more time to apply for a loan and a still longer waiting period for customers to know the status of their application. To make matters worse, the process involved **physically visiting the bank** to collect cheques for funds disbursement. This, of course, meant an unsatisfactory and at times, frustrating experience for both customers and staff, along with a significant possibility of human error.

The Infosys team used **Angular JS** to undertake a **complete overhaul of the front-end** of both the consumer credit and personal loans applications. Key to this was the use of an **adaptive approach** where users would be directed to different versions of the applications' interface which were designed based on the device form factor.

Earlier, most of the client's business logic was on the server side of the application, with bulk/junk data coming from the client interface passed directly to the server for validation. The Infosys team used a new **Javascript framework to migrate some of the business logic** from the server side to the client side, with initial levels of customer data validation being done on the UI layer. This ensured that no malicious data was sent to the server side, making the application more secure. The use of Angular JS also helped build **single page applications,** where only the column where data was entered would be updated, not the entire page. This was a significant change from the client's existing architecture where the browser would refresh for every new piece of data entered on the form. This not only helped save customer time but also helped improve customer experience.

The key outcome from this engagement was that it enabled the client's customers and staff to **access application forms from any device.** The **pre-population of the form** reduced the time taken to apply online for a loan from 15 minutes to around 5 minutes. When accessed at the branch, the application reduced the time required for processing a loan application by around 15-20 minutes. In addition, one of the most significant outcomes of this engagement was that it empowered staff to make **instant decisions on loan applications**, thereby allowing customers with unconditional approval to instantly accept their contract online. This was a big breather, compared to the previous two-day waiting period to know the status of a personal loan application. Also, the application replaced the process of physically signing in the branch and cheques for funds disbursement with an email to customers with a secure login. In a nutshell, in addition to **improved customer engagement**, the solution implemented by Infosys helped **lower the cost of service** for the client, boost revenue from the digital channel as well as reduce the time to market.

External Document © 2019 Infosys Limited

WANTED: A MOBILE-FIRST APPROACH TO BANKING- THE FIVE KEY TAKEAWAYS

1. **Understand** needs of your customers to understand the expectation from Digital Banking better
2. **Identify** traditional business process and legacy applications that need to be digitized
3. **Automate** processes to reduce operational costs and improve the customer experience
4. **Architect** using Javascript framework to support the needs of growth and scale
5. **Move** business logic to client side of application, where possible, to enable faster responses

External Document © 2019 Infosys Limited

BIG LEARNING:

The once prevalent categorization between regional and mega banks is long gone and has been replaced by a new classification - digital natives and digital migrants. While the former are the technology start-ups that are beginning to make their presence felt in the banking arena, the latter are the incumbent banks that are adopting the latest technologies to keep their turf. But then, banks aren't the first to witness such sweeping changes. Their peers from the manufacturing industry have long faced an onslaught of new technology that they embraced to fill gaps in productivity, costs, and errors caused on account of human dependence. The lesson that banks can take from them is simple – embrace digital to remain relevant or be relegated to being a relic of the past.

WE DID THIS FOR THEM. WE CAN DO IT FOR YOU.

To learn more about digitization opportunities in banking, reach out to us at askus@infosys.com

For more information, contact askus@infosys.com

Infosys®
Navigate your next

© 2019 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.