

Fusion Essence

Digital Engagement Hub

Deliver a seamless and magnetic customer
experience across your digital channels

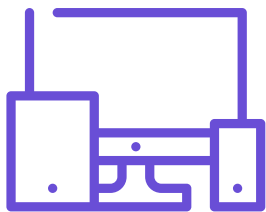


Banking is transforming, globally

A new generation of digital-only and challenger banks is creating more customer-centric and inclusive services, and reaching out to the unbanked to generate new demand with innovative offers.

As the digitalization of consumer banking interactions accelerates, banks everywhere are being forced to raise their game and create compelling digital experiences for their customers. In the post COVID-19 era, where contactless banking has become the norm, the demand for digital banking has been accelerated.

In this highly competitive environment, fast and intuitive onboarding with strong customer authentication and a compelling mobile and omnichannel experience are crucial differentiators for customer acquisition and retention.



3 Billion

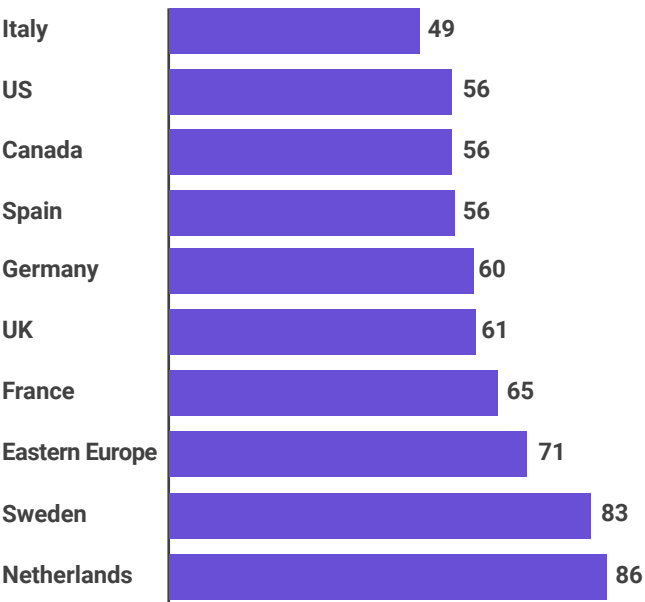
The number of global users that are forecast to access banking services via smartphones, tablets, and PCs by 2021.¹

// **Banks in markets like the Nordics and UK have reduced the number of customers using branches by up to 60% by focusing on how to serve the heaviest branch users."**

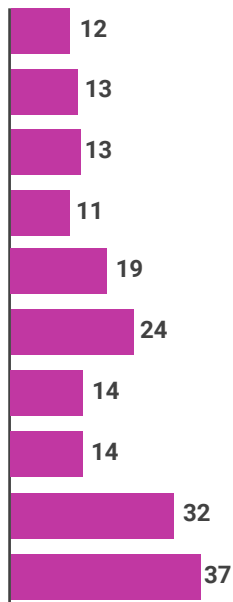
McKinsey

North European banking customers lead the way in terms of digital preferences

Willingness to purchase a digital product¹
Percent of customers



Purchase of product digitally¹
Percent of customers



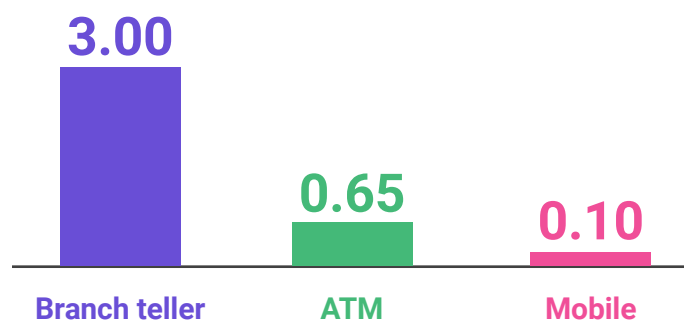
1. Represents customers that would be interested in purchasing their core banking product (e.g., checking account) digitally – via internet, tablet or mobile
2. Percentage of customers that acquired their core banking product (e.g. checking account) digitally – from among customers that acquired a new product in the last 2 years
Source: McKinsey Consumer Multichannel Survey (n=12,000)

//

A survey of retail bank customers in France, Spain, Italy, Germany, Portugal and the UK carried out by McKinsey & Co. in mid-April 2020 shows that online bank use rose in all of these countries (from a 7% increase in Italy to 19% in Portugal), with a similar pattern in mobile access."

McKinsey

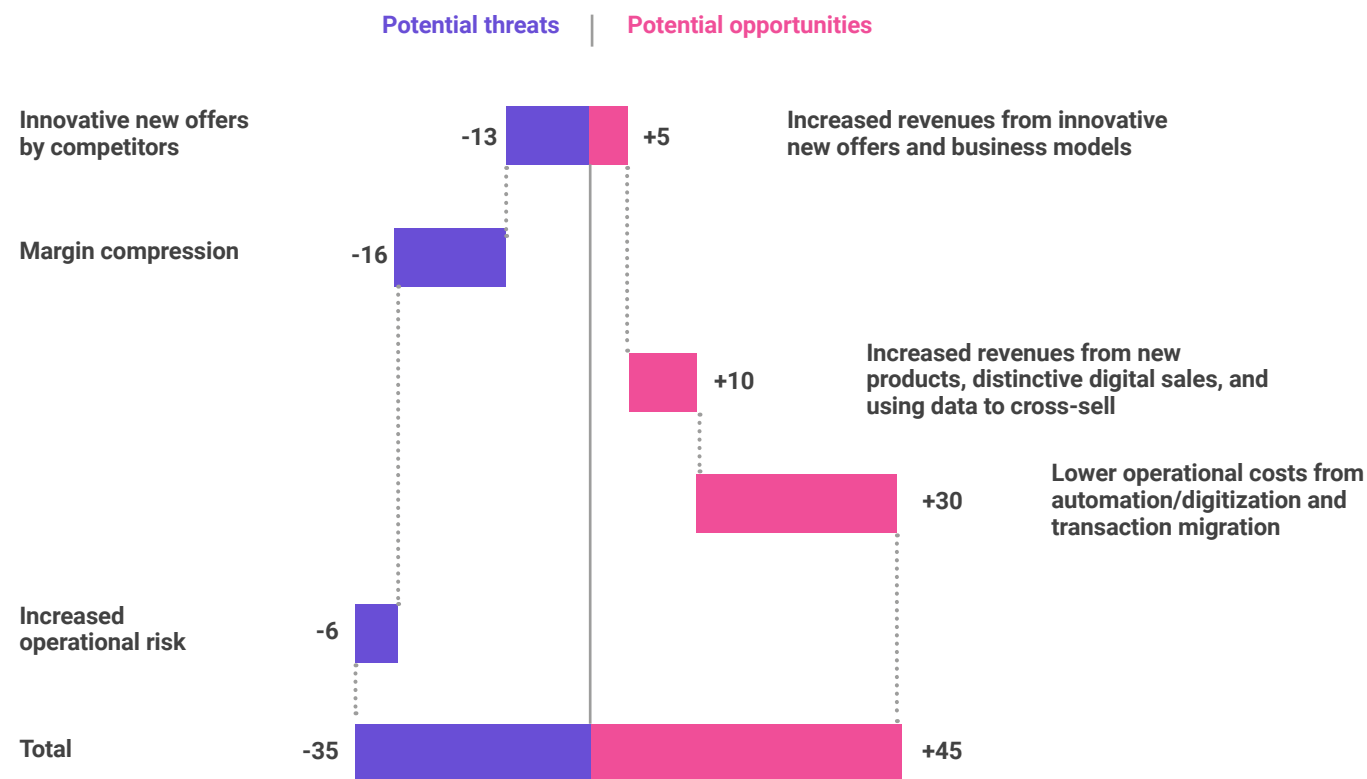
Cost to serve customers through different bank channels (US\$)



Source: Value Partners

Digital innovation in banking offers potential rewards and losses

Impact from digital, % of net profit



Source: McKinsey

Digital Applications



Finastra’s onboarding and origination application gives new bank customers a seamless experience. With minimal clicks, relevant data capture and integration with service providers, it reduces friction and provides the bank with all the detail it needs to open an account.

Onboarding & Origination



Mobile and online banking applications provide compelling end-to-end digital experiences by making it easy for customers to manage their account, view transactions, initiate payments and keep a track of income and expenditure.

Mobile & Online Banking



AI for insights and intelligence to create relevant products and experience

Ask using Chatbots

Show insights and dashboards for financial management

Advice on product recommendations and manage digital fraud

Data & Innovation



Branches are being redesigned to focus on advisory services with digital channels managing day-to-day banking.

Success depends on the ability to deliver a true omnichannel experience.

Omni channel

Digital onboarding and origination

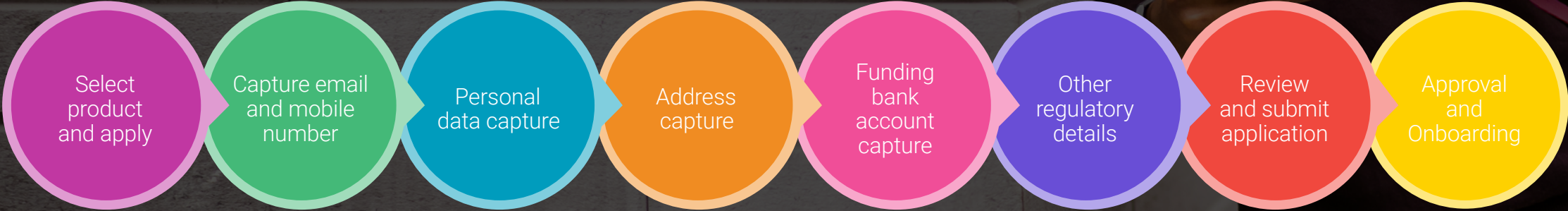
The start of the digital journey is where customers are won or lost.

The start of the digital journey is where customers are won or lost. With poor user experience, too many clicks or difficult navigation, prospects may drop out of the onboarding process and choose competitors instead. Successful onboarding depends on offering a compelling and consistent user experience.

Where the sweet spot of the digital onboarding experience can be found.



Orchestrate your own digital onboarding flow



Three pillars of digital onboarding:



Data capture

Acquiring the required data for account opening including personal details, documents and verifying the details to establish uniqueness.



Integration

OCR-based document scanning and validation, face ID recognition for a smooth experience and minimizing data entry and errors.

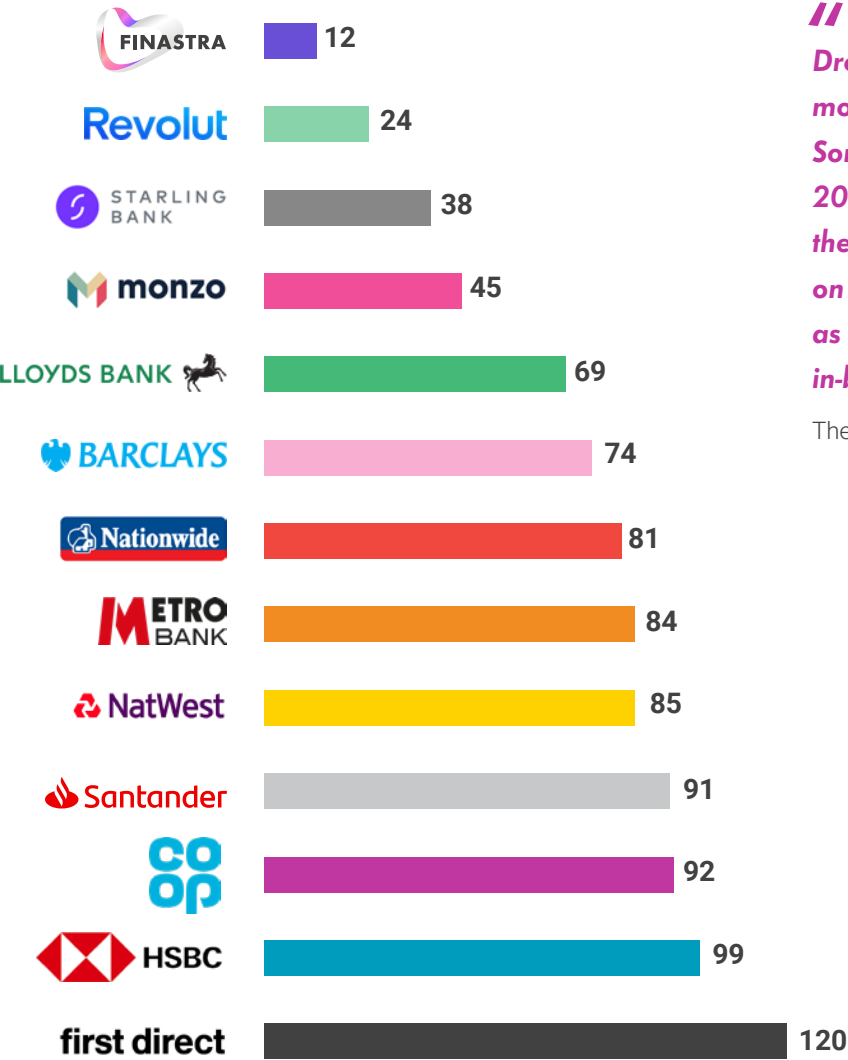


Personalization

Enabling banks to create a unique and distinctive experience for their customers that makes them stand out from their competitors.

Prospective customer can save their application, midway through the process, and resume later without losing data.

When you onboard customers number of clicks and time is the key consideration.



// Drop-out rates on online and mobile banking remain high. Some banks in the Excellence 2019 programme reported that the dropout rate for onboarding on digital channels can be as high as 80% compared to 15-20% for in-branch sales."

The Asian Banker

Benefits of digital onboarding:

Improved customer experience



- Faster and frictionless access to banking services: Onboarding in a matter of minutes
- Use technology and services to automate and accelerate processes
- Reduce failed client acquisitions through omnichannel experience
- Possibility to switch between in-branch and online onboarding

Reduced cost/ income ratio



- Digitize process and reduce cost to service
- Increase operational efficiency and to reduce operational costs
- Reduce risk by improved customer verification for compliance against KYC/AML regulations
- Free up employee time so that it can be spent on more valuable activities

// 38% of customers see user experience as the most important factor when choosing a digital bank, according to a recent Deloitte survey, so getting the onboarding journey right is critically important."

Deloitte

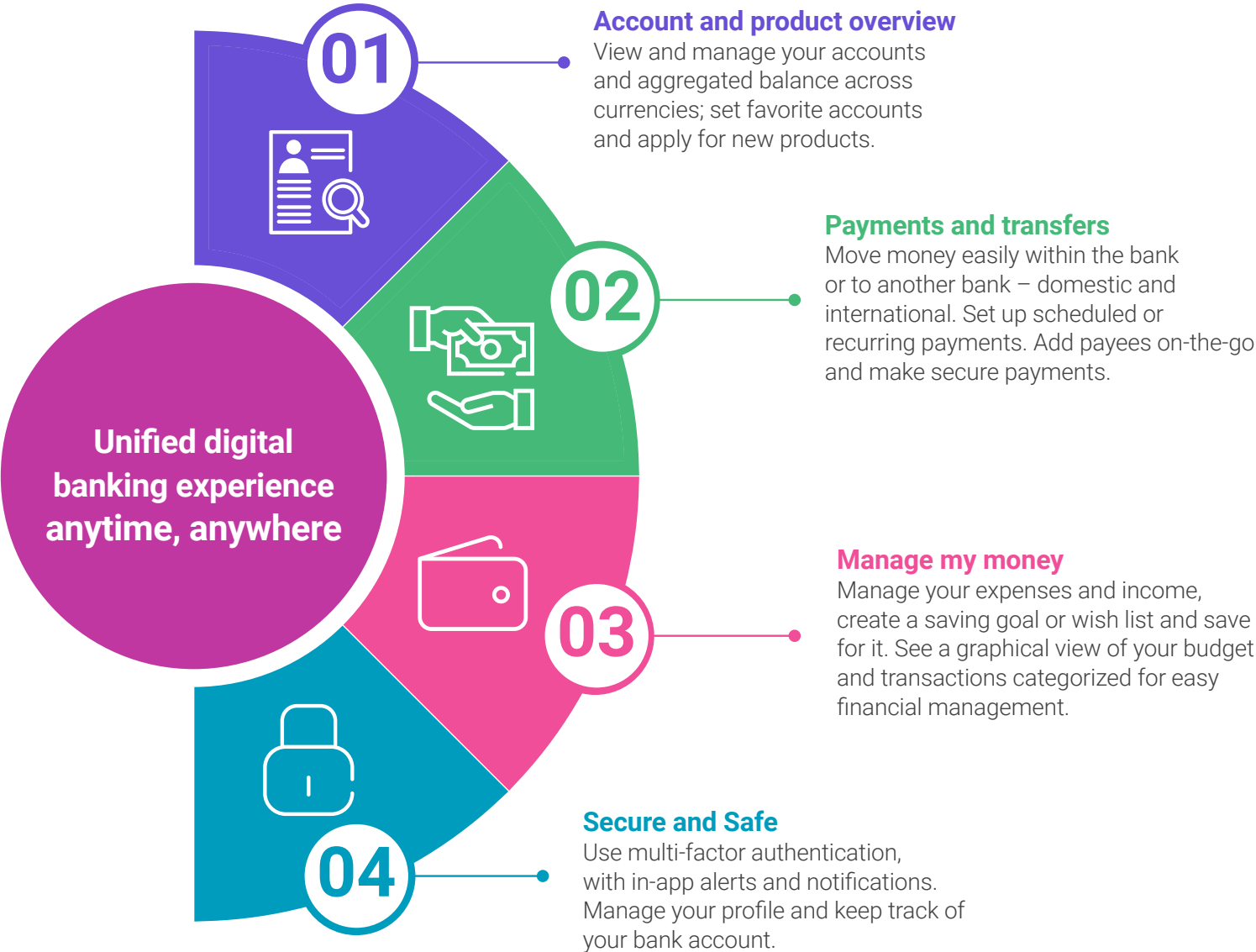
Online and mobile-first banking

End-to-end digital experience

**//
The global digital
banking market is
set to grow from
its current market
value of more than
\$7 billion to over \$9
trillion by 2024."**



Finastra’s digital banking applications enables banks to meet customer requirements across the entire banking lifecycle.



Banks can offer high levels of personalization and lifestyle banking capabilities, for example with personalized financial management, savings goals and wishlists.

44%
of UK account holders will have a digital-only bank, within 5 years.

21%
of consumers would switch provider if the bank website was down after 12 hours, rising to 33% after 24 hours.

Digital Foundation Services

Generation architecture enables easy customizations and become the backbone to a digital transformation journey. Innovation, access to fintech and ease of integration with the required security



Identity and entitlement management:

Authentication & Authorization services across customers, employees and 3rd party providers with user and consent management



Experience Management:

Design your digital experience and stay in control of your business process and user journeys



Events and Notifications:

Get notifications and personalize the them across core & digital



Service Integration layer:

Leverage on generic adaptors to automate your process through fintech and service integrations



Digital Database:

Leverage on a digital database for prospects, cards and other systems in the banking landscape for a unified view on customer banking apps

Data and Innovation

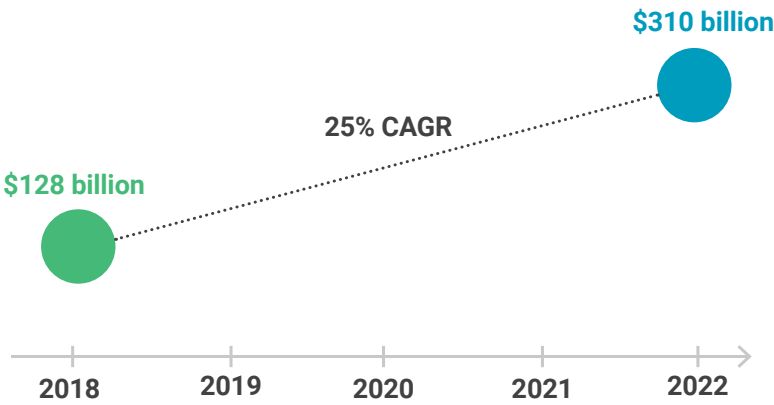
Capitalizing on the opportunities in Open Banking

Open Banking creates more opportunity for banks to control their digital experience and customer journeys. Collaboration with fintechs can improve differentiation and provide value-added services to customers.

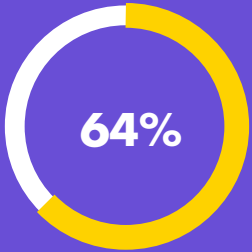
By using Open APIs to introduce new products and services, banks can provide innovative ways to meet customer needs and generate revenue streams.

// *The global fintech market was worth \$127.66 billion in 2018, with a predicted annual growth rate of ~25% to reach \$309.98 billion in 2022."*

2018 saw \$128 billion invested globally into fintech investment in the sector is expected to grow to \$310 billion by 2022 a 25% annual growth rate.



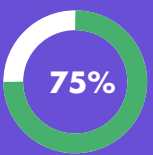
Consumer survey



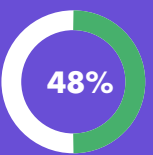
Global consumer adoption



Global consumers are aware of at least one money transfer and payment FinTech service



3 out of 4 global consumers use a money transfer and payments FinTech service



1 out of 2 global consumers use an insurance FinTech service

Top reason for consumers to use a FinTech challenger

Attractive rates and fees

33%

Consumer adopters turn to someone other than their main bank first

68%

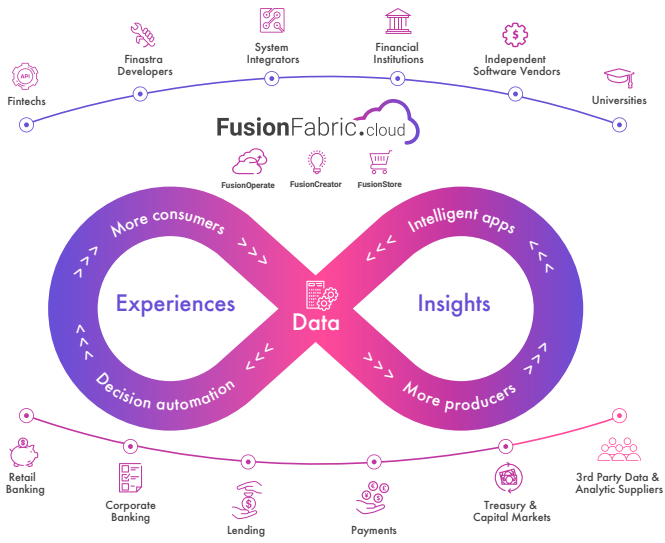
Consumers would consider a non-financial services company for financial services

46%

Consumer adopters are willing to share their bank data with other organizations

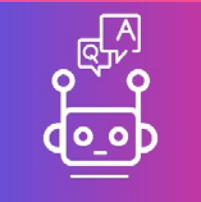
FusionFabric.cloud is Finastra’s cloud-based open API platform.

Combined with Finastra’s Retail Banking solutions, it enables the quick extension of the bank’s ecosystem, providing new opportunities for revenue growth.



Fusion Dixibot

The growth in Alexa, Cortona and Siri have created the expectation that customers can speak to their devices to get things done.



Alternate Channel

Fusion Dixibot allows bank's customer to manage their account with targeted queries and responses.

Queries raised to a bank employee in a branch or call center addressed through chatbot, improve customer experience.

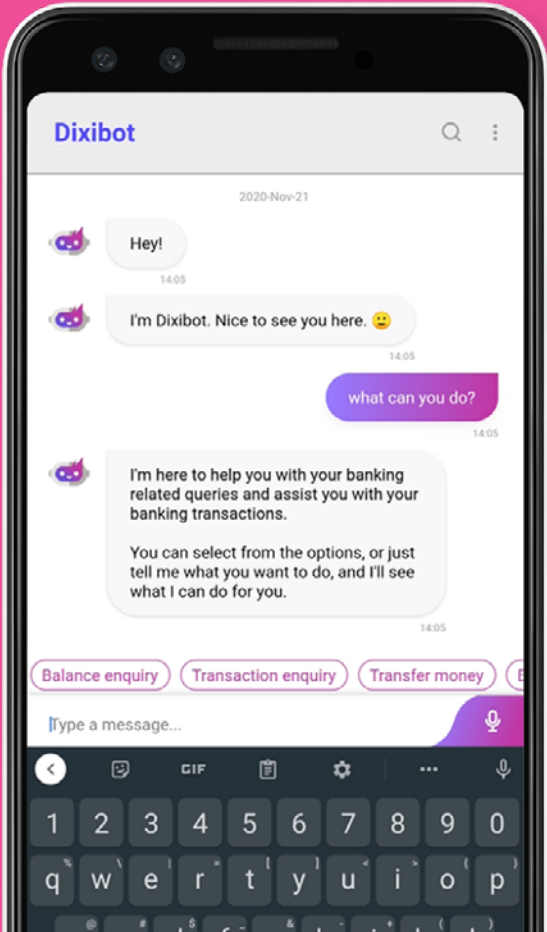
Banks are looking at shifting the customer base from Online and mobile to other channels

Innovation and Market Share

Voice-assisted omnichannel experience as means to acquire and retain customers.

Fusion Dixibot is a market differentiators, chatbot can be a channel to address customer queries for Digital and Challenger banks that lack branch presence.

Engage customers through alternate channels; cross sell and delight customers.

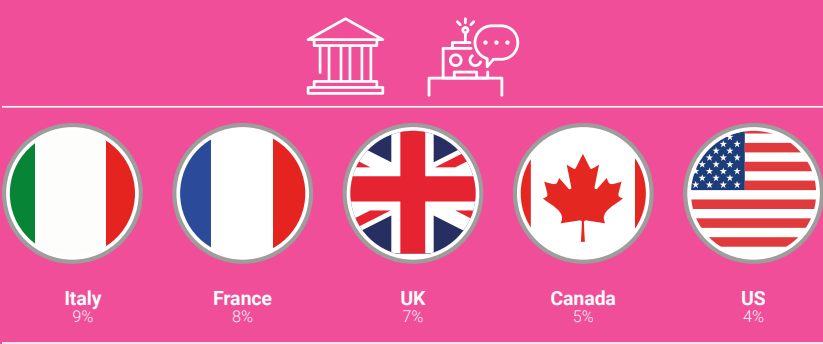


Digital Engagement hub is extending digital experiences through Fusion Dixibot, a combination of human and voice-based interaction.

- Chatbots as a means of servicing customers 24x7 through voice and chat enabled capabilities
- Handle account enquiries and initiate payments via chat or voice
- Leverage chatbot for Q&A, forms and conversational purposes and create your own decision trees to support customers with a channel apart from call centre

In which of the following ways have you engaged with your bank in the past 12 months?

(Online chat with a virtual agent using artificial intelligence)



Base: online adults in Italy (3,508), France (3,508), the UK (3,489), Canada (4,629), and the US (4,599)
Source: Forrester Analytics Consumer Technographics® European Financial Service Topic Insights 2 Survey, 2019

Data and Innovation

Omnichannel banking has reached the boardroom

A study revealed that 88% of banks surveyed have defined a branch network strategy. Three-quarters have also defined an online/digital strategy. In contrast, only half have a specific omnichannel management strategy in place.

Delivering a true omnichannel experience is reliant on a blend of human and digital interaction.

Finastra's omnichannel capability ensures customers or prospects can start their journey through a self-assisted channel and complete it via another bank's channel, e. g., Branch or call center. It provides the bank with a 360 degree view of the digital journey regardless of whether it's for a prospect onboarding or/ and a customer opening an account or executing a transaction.

Coverage rate of channel and channel management strategies

Branch network strategy



Online/digital strategy



Omnichannel management strategy



Key imperatives for an omnichannel experience:

1 Advanced analytics

- Customer and data-driven insights
- Hyper personalization with tailored products
- Track drop-out rate and improve journeys

3 Customer-centricity

- Focus on customer journeys and experience
- Consistent experience and access to data through digital touch points
- Completion of journeys with minimal manual intervention



2 Digitalizing the Core

- Real-time interactions using APIs
- Data-driven products and processes
- Technology and innovation for hyper personalization

4 Technology for automation

- Drive engagement, experience and make it friction-less
- Automate business process and interactions, reduce manual dependency
- Innovate and add new channels like chatbot to service different segments and needs

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- 1. [McKinsey - Rewriting the rules: Succeeding in the new retail banking landscape](#)
- 2. <https://www.mckinsey.com/industries/financial-services/our-insights/breaking-away-from-the-pack-in-the-next-normal-of-retail-banking-distribution>
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Contact us

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world’s top100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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