



Human intuition or digital interaction

Human-centered digital banking:
Digital by design *and* truly human



Being truly human in your banking interactions is the basis of real differentiation.

The promise is deeper customer engagement and higher revenue per customer, while operating at substantially lower costs, closer to that of the fintechs and neobanks.

Winning back trust – and business

While all customer groups have become increasingly digital over the last two years, [Gartner](#) research indicates that customers still value the human touch.

They found that those customers using a mix of digital and human channels have a much higher revenue potential than those using only digital: “Customers who use exclusively digital channels not only are less likely to take positive action with their bank, but they are the least likely. Digital-only banking customers are most likely to be neutral, taking neither positive nor negative action.” [Accenture](#) research concurs: “Digital on its own seldom differentiates the bank, makes the customer feel special or builds authentic relationships.”

Banks recognize that to remain competitive, they must marry empathetic, human interaction with digital advancement. Human interaction coupled with digital is critical to winning back trust. Trust drives deeper relationships, higher retention – and increases profit. Putting humanity back into banking is good for business.





Put your **people first**

To create customer trust, employees need to be given the right tools to engage intelligently in both physical and digital interactions. Employee experience (EX) needs to be designed around supporting customer engagement, wherever it takes place. EX has traditionally been a lower priority for banks. There are lots of unsung heroes in banks who somehow manage to work around badly designed, complex customer systems and engage with the customer in a meaningful and compelling way – for very little incentive.



Great EX means great CX. That's why it's important to support your staff, especially in frontline roles. Engaged employees increase profit and improve CX. Companies with highly engaged and digitally enabled workforces outperform their peers by [147% in earnings per share](#). Companies that invest in EX outperform the ones that don't by [four times the profit and twice the revenue](#). By contrast, [Gallup](#) estimate that in North America the lost productivity of not engaged and actively disengaged employees is equal to 18% of their annual salary. For a company of 10,000 employees with an average salary of \$50,000 each, disengagement costs \$60.3 million a year.

By investing in EX with collaborative platforms, such as CRM or video conferencing, banks can improve working across silos and drive innovation and cross-functional working. For example, you can speed up approval times and improve process efficiency (e.g., mortgages, loans, etc.), which is good news for both your bank and your customer. Microsoft is distinctive in that it provides sales and service tools that are integrated with collaborative platforms, such as [Microsoft Dynamics 365](#) or [Microsoft Teams](#). Microsoft is the only platform that combines service, data and collaboration to enable end-to-end transformation.

Living in a sea of **sameness**

If the first piece is around employees, the second is around your customers. As digital adoption has accelerated over the last two years, customer expectations have changed significantly. Neobanks and fintechs are becoming real alternatives, due to their ability to offer extreme simplicity and zero servicing by deconstructing products to their essence. Traditional thinking about omnichannel is dead: Everyone is customer facing. Automation now provides the opportunity to streamline back-office processes and approvals, enabling more banking employees to engage with customers. Customers expect personalized access to the right experts, no matter who they are. You should understand those moments that matter in your customers' daily lives and execute relentlessly to make them special.

It's all about customer empowerment, not self-servicing to off-load the internal complexity onto the customer ("because we do not pay the wages of our customers," as one CEO put it to a colleague a few years back). Video has now become a key enabler and the basis for meaningful human conversations, advice and relationships, rather than old-style paperwork and servicing through remote call centers. Ecosystems and marketplaces – key characteristics of Open Banking – are essential vehicles to convince customers on the last mile. The irony is that most of these channels are not in the control of most banks.

Many CX fundamentals are now commonplace – attractive stores, simple and beautiful apps, helpful service agents, AI chatbots – and they're easy to copy. Many banks report languishing growth from CX investments amid a sea of sameness. Banks today are facing intense pressure to stand for something bigger than the products and services they sell. [Nearly three-quarters](#) (74%) of Generation Y and Z consumers want companies to take a stand on issues close to their hearts, compared with 59% of other consumers.



Experience-driven digital banking

These new principles – putting context back into every conversation, predicting intent, truly meeting customers where they are and building experiences that finally feel personal – are causing a total rethink of which products to deliver to which customer segments and at what service levels. The promise is more customer engagement and higher revenue per customer, while operating at substantially lower costs, closer to that of the fintechs and neobanks.

Although digital adoption has led to significant benefits, it has driven customer experiences that are effectively lacking in emotion. Technology can be a double-edged sword: although it can open up new engagement channels, it can also unintentionally depersonalize experience, erode trust and widen the disconnect between customers and their bank. The challenge is to be a digital bank, with all the elements that implies (cost reduction, automation,

simplified work processes), that is also able to connect in an authentic, rich and nuanced manner with its customers – digital by design, yet truly human. Banks must now focus their efforts on rebuilding trust through the customer experience, acting with empathy, helping customers efficiently, and building differentiated personalized services.

How do banks do that?

Experience-driven digital banking fully embraces the potential of Microsoft technology by putting the customer and employee experience first to deliver best-in-class engagement and business performance. The first element involves a digital-first orchestration platform:

- Cloud-based, real-time operating model with maximum simplicity
- Fully empowered customers with end-to-end automation of intent-driven workflows enabling zero operations by design
- Every employee is customer facing with personal interactions being fully video-based
- Next-gen customer engagement through a holistic, unified customer view integrating customer solutions around the Microsoft solution suite
- Cloud as the basis of your core banking system to enable data-driven customer management

The commercial benefits are clear:

- Monetizing interactions: Create value through increasing closure rates by 10% to 20% and acquisition rates by 25% to 50%
- Zero operations: Reduction in back-office FTEs by 20% to 70% and migration to front-office plus 20% to 90% reduction in cycle times
- Greater personalization: Contextual communications double cross- and up-selling rates, increase deposit levels by 5% to 15%, reduce customer churn by 10% to 30% and increase CSAT by up to 35%

Our digital banking offer is a cloud-first, data-driven approach to optimize customer and workplace experience on the Microsoft platform to ensure every customer interaction has maximum customer and business impact.

Human-centered digital banking: North American bank

Developed a personalized, secure approach, where every interaction can be mined for data. Uses Microsoft collaboration toolkit and [FS cloud](#).

Mobile access to branded portal: Staff join via dashboard; meetings booked on Outlook; assign tasks, chat with client; every conversation can be tracked.

Clicking on client profile gives immediate context – i.e., all messages, products owned by the customer, tasks and documents – a full-service banking experience. All done without emails/calls, solving a major pain point and freeing up capacity.

Integrated view of messages and activities; everything the customer does in the portal drives data on their workflow and servicing behavior; leaders can measure and manage frontline teams.

Designed personas and key customer journeys. Captured the human element and technical/business requirements at each stage of the journey.

No need to replace any existing systems, platforms or books of record. The bank is a major user of Salesforce: we built a Microsoft platform that supported the Salesforce strategy. The bank had no intention of leaving Salesforce or any existing infrastructure.

No vendor lock-in. We offer flexibility by stitching ecosystem components together to align with use case requirements in a bespoke manner.

Create **human connection**

The second element centers on developing an experience for both customers and employees that simplifies engagement while creating human connection. Our vision of the modern bank includes straight-through transactions and automated operations in combination with a catalog of customer care requests handled by the customer-facing employees or virtual agents.

Employees can complete a task or answer an inquiry on a call without ever leaving the flow of work in Microsoft Teams. They can work through a process that normally spans across many systems from one single place. They may also contact colleagues or bring them into a customer video call in real time, using the collaboration, screen-sharing and task management capabilities to get their work done.

All of this takes place in a secure environment and with the ability to combine critical tools and services, including meeting bookings, tasks, and documents, into one place. Furthermore, intelligent automation, such as bots and AI, can remove the mundane manual processes involved in day-to-day tasks.

Imagine the impact on a bank's organizational structure. Frontline employees are empowered with the information they need to solve customer queries instantly. There is less need for a burgeoning back-office function, which will have a huge impact on the cost structure of the bank. This represents a new way of thinking about how you deliver human interactions, customer care and applications in general.

This shift to collaboration and instant decision-making has put Microsoft in a pole position in the application market. It has a head start with Microsoft Dynamics and several other important platforms already neatly integrated inside Microsoft Teams. That is precisely what Avanade and Accenture have been pioneering with Microsoft. This will fundamentally reposition and differentiate the applications you want to design for your bank and create exciting new customer experiences.

Creating a bank that's digital by design, yet truly human, is challenging but achievable. Your employees want it. Your customers demand it. If you want to win back trust and grow your business, you really have little choice.

If you'd like to find out more, please [contact us](#).



Our Banking expertise

We work with 13 of the top 20 global banks and over 60% of the top 100.



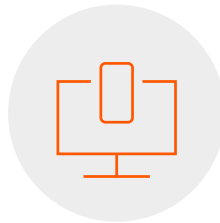
Advisory

We partner with our clients to drive innovation and digital transformation, accelerating business outcomes and creating pragmatic strategy that can be delivered.



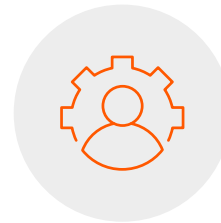
Digital marketing, sales and service

With our Banking Accelerator we've created 360-degree customer views, improved cross-selling rates and identified next best action. We've improved lead scoring and qualification, opportunity tracking, campaign planning and automation, personalization and onboarding.



Workplace transformation

We adopt a holistic approach, involving IT, HR and business division heads, which we call WX (Workplace Experience), specifically for banks. If you need it, we've also pulled together best practices on remote working.



Automation and AI

We're helping banks digitize processes to improve customer journeys. We apply intelligent automation and AI to deliver efficiency and deep customer insight. We can help with data management, chatbot development and business modeling.



Cloud and IT transformation

We speed up application development using an agile approach, reduce legacy dependency and help you scale flexibly to meet rising demand.



Security

Working with national, regional and multinational banks we've developed expertise across a variety of areas, including digital identity and authentication, data protection, encryption, secure collaboration, incident response and cyberdefense.

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About Avanade

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 56,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers. Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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