THE ASIAN BANKER

STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

Journal

Empowering people through technology

Contents

Microsoft

Delivering an integrated customer experience through multi-channel banking

In today's competitive banking environment, it is essential that banks work to renew existing delivery channels while seamlessly integrating new ones.

The Microsoft Channel Renewal approach enables the development of reusable business components, which help Microsoft customers extend their investment in any one channel to all channels. The benefits are the speed of development, speed of integration, lower cost of deployment and leveraging the investment already made to drive to cross-channel consistency throughout the bank.

See how the Microsoft Channel Renewal Framework enabled a Thai bank to transform itself from a finance company into a modern bank favored by Thailand's technology-savvy young professionals. In Singapore, the Microsoft®.NET framework helped one of the leading banks in the country to become the clear market leader in the mobile banking field, providing its busy customers the ability to perform a broad range of financial transactions from their mobile devices.

Case Study: ACL Bank

Thai bank uses technology to punch above its weight

Thailand's ACL Bank harnesses cutting edge technology to successfully compete against larger, more established rivals – and at an affordable cost.

In the final days of 2005, Thailand's ACL Bank set out to provide innovative banking services in order to set itself apart from the others.

Previously Asia Credit Public Company, Thailand's fourth largest finance company with a business focused mainly on basic products such as loans and promissory notes, the company had completed all the requirements to turn itself into bank and attain its banking license.

In the banking business, services, and products tend to be very similar commodities. As a new comer, ACL Bank would like to provide a more interesting product, and one that is different from that of other banks. The bank's management quickly saw that superior customer care through the deployment of technology would be essential to success,

Case Study: OCBC Bank

Banking on the move in Singapore

Microsoft@.NET provides Singapore's OCBC Bank a reliable, secure and manageable channel integration solution for its OCBC Mobile Banking offering.

It is impossible to walk down the street, ride a bus, or visit a restaurant in Singapore without seeing several people tapping away on their mobile phone's keypad. According to Infocomm Development Authority (IDA) statistics, mobile penetration in Singapore was above 100% in November 2006, up from 99.3% in May, and 3G penetration among mobile users also shows strong momentum.

To take advantage of this Singapore's OCBC Bank leveraged on their Multi-Channel Plat-

form, built on Microsoft®.NET, to help rapidly and effectively launch its innovative OCBC Mobile Banking Service.

"Mobile banking is a very strategic fit for OCBC Bank," says Patrick Chew, Head of Delivery for Consumer Financial services. "Moving forward, we see this as a new channel for customers to access banking transactions and services. It completes the bank's multi-channel strategy where all the channels are inter-dependent and work in unison to service our customers."

The concept of mobile banking is not new. The idea generated much interest in the nineties, but the technology for robust, secure mobile banking had yet to arrive, and the general public had yet to embrace Internet Banking. By 2005, however, it was apparent to OCBC that the era of mobile banking was imminent. It had observed a progression in the way customers interact with banks, with the point of interaction moving from branches, to ATMS, to Internet Banking. Logically, mobile banking would follow.

Patrick Chew
Head of Delivery for Consumer Financial services

and it turned to Microsoft to make this success a reality.

Given its small branch network compared with larger banks, ACL also knew success would rely on its ability to provide services that would use electronic channels such as internet banking and call centers as a primary channel to customers. "If an employee has accurate information, there can be more flexibility when providing client services," says K. Thongchai Ananthothai, President, ACL Bank.

The Challenge of Cost
One challenge for ACL Bank was that most packaged solutions available for the banking industry are designed for large banks so that there is a high technology entry cost for buying big applications and big hardware. What's more, ACL Bank was once a traditional 9-5 finance company located just in Bangkok, now transforming itself into a 24 x 7 bank operating nation-wide, so that changing from one type of business to the other presented extra cost challenges.

As part of its strategy to maximize its use of investment cost, ACL Bank recognized that by employing Microsoft Channel Renewal Framework it could keep the cost of technology ownership proportionate to its size, growing its capabilities as the bank itself grew.

This scalability gave ACL Bank the chance to capitalize on its youth. It was able to affordably create a new, innovative business model completely from scratch - a model based on best-in-class processes and technology. Management compared the bank at that stage to a sheet of blank paper: the key would be developing innovative ways to present products and services to customers.

To assist with the creation of a new business model for the bank, Microsoft used Technology Connexion, a Microsoft partner with extensive banking experience. Technology Connexion helped ACL Bank combine various new technologies into a complete system that would answer its needs. Microsoft expertise in software and branch banking, coupled with Technology Connexion experience in operations and core banking systems ultimately helped ACL Bank differentiate itself from competitors.

"Clients can get service by Internet and telephone, plus the customer relationship management system delivers more knowledgeable service, because the bank knows more about customer preferences," added K. Thongchai.

The new features and services are based on the Multi-Channel Integration of the Internet, phone, and walk-in channels. This was made possible by the use of Microsoft

CRM, Microsoft® SharePoint® Portal Server 2003.

"Microsoft helped ACL Bank design a technology solution that was new to Thailand," says K. Thongchai. "This technology is not new overseas, but it is definitely new in Thailand, and that gives our bank the cutting edge." ∎

K. Thongchai Ananthothai
President, ACL Bank

Increased Brand Awareness
In 2004, the bank had already enhanced its Internet banking services by bringing this channel onto Microsoft@.NET. OCBC Bank's CRM integration with online channels on Microsoft platform had helped increase brand awareness and customer mindshare. It also gave the bank the ability to quickly deploy cost effective marketing campaigns through its various channels, increasing the bank's targeted marketing reach. This resulted in additional users, increased transactions, and strong customer feedback.

In 2005, investment into Microsoft@.NET allowed OCBC Bank to make use of existing architecture to extend its customer offerings to the mobile phone channel, and it started offering secure mobile banking on the i-mode platform through Singapore's second largest mobile operator, StarHub. In June 2006, OCBC Bank launched OCBC Mobile Banking, the first-ever Mobile Bank Portal with interactive, secured mobile services available on both GPRS and i-mode platforms on all 3 of Singapore's mobile networks.

Ultimately, the flexibility and scalability of Microsoft@.NET let OCBC Bank enjoy cost efficiencies and a faster time to market. The bank found it was able to quickly scale up existing .NET capabilities and use the same architecture to extend its customer offerings to a promising new channel.

Many of the avid users of OCBC Mobile Banking are in the coveted 25-25 year old age group. OCBC Mobile Banking lets them conveniently perform a broad range of banking services while on the go. Says Chew: "It is really about our customers and helping them to stay connected to their finances. The power of OCBC Mobile Banking lies in providing our customers secured banking in a connected universe. They can now truly bank anywhere and anytime; it is like having a 'Bank in your Mobile'."

In March 2007 OCBC Bank together with Microsoft became a sole recipient for the Best Multi-Channel Capability 2006 in the Asian Banker IT Implementation Awards programme. ∎

Country: Singapore

Customer: OCBC Bank

Challenge: OCBC Bank needed to quickly enter the lucrative mobile banking market, but was keen to leverage its existing architecture.

Solution: Leveraging its investment in the Microsoft@.NET Framework, OCBC Bank was able to quickly integrate OCBC Mobile Banking into its existing architecture and increase its profile among the key 25-35 year old demographic.