

# Digital Transformation Imperatives

How the banking and financial services industry can thrive in the new digital environment



**2-5%**

market share gain is expected from early movers in digital transformation<sup>1</sup>

**39%**

said improving the customer experience should be the highest strategic priority<sup>2</sup>



Only **37%** of brands received good or excellent customer experience scores this year<sup>3</sup>

Online bill pay customers are twice as profitable as the average customer<sup>4</sup> **2x**



**48%** of customers are interested in real-time and forward-looking spending analysis tools<sup>5</sup>

**6x** more expensive to acquire a new customer than to retain an existing one<sup>6</sup>



## 1. Develop compelling customer experiences

Customers now have options far beyond the branch to get their financial needs met. That means you have to find ways to deliver more of what they're looking for. And when you do, you get more, too: customers, profitability per customer, and positive reviews.

## 2. Lower costs while improving service

Great service doesn't have to mean more cost: it can mean more self-service, more mobile options, more automation. With the right mix, you can make customers happier while keeping operating costs down. Everybody wins.

## 3. Leverage customer data and meet compliance requirements

We know compliance is job one, but so is profitability. You have lots of customer data; we'll give you ways to analyze it, see it, and use it to grow your business, all within your governance structure.

**68%** cited compliance as a distracting resource from improving the customer experience<sup>7</sup>

**90%** of customers trust recommendations from their friends or peer groups

**10%** trust the company advertisements<sup>8</sup>

**51%**

of customers want their bank to proactively recommend products and services that can help them meet their needs<sup>9</sup>

**49%** of customers will change banks for a better mobile experience<sup>10</sup>

Only **20-40%** of banking processes are digitized<sup>11</sup>

**26%** of companies have a well-developed strategy in place for improving the customer experience<sup>12</sup>

**50%** of retail bank clients may leave due to the quality of service<sup>13</sup>

Tata Consultancy Services Digital Software & Solutions Group delivers solutions that help organizations navigate the path to successful Digital Transformation. Through deep industry expertise, modular, customizable solutions that meet real needs, and an "experience certainty" commitment, TCS helps the banking and financial industry stay ahead of customers' needs and drive down costs.

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Sources: 1. MIT Center of Digital Business, 2. EConsultancy, 3. TCS & Marketforce Destination Digital Report, 4. The Digital Transformation: Changing the Gem in Financial Services, 5. The 2014 Digital Disruption in Banking Survey, 6. Neilsen, 7. TCS & Marketforce Destination Digital Report, 8. Forrester, 9. The 2014 Digital Disruption in Banking Survey, 10. The Banker Database, 11. World Retail Banking Report 2013, 12. McKinsey&Company, 13. 2013 Mobile Banking and Commerce Summit