SAP Point of View

Customer Value Sales Germany

BRANCH

WORD OF

MOUTH

WEBSITE

Digital Banking Point of View



TRANSACTION



DIGITAL ADVERTISING

CONTACT

CENTER

RESEARCH IN

ADVERTISING,



E-MAIL



PRINTING





WEB



RATINGS





TRANSACTION



MOUTH



BRANCH



TRANSACTION

SOCIAL **MEDIA**



WEBSITE





WEBSITE



CONTACT CENTER



E-MAIL

CONTACT

CENTER

@

TRANSACTION



SUPPORT PORTAL





COMMUNITIES



SOCIAL MEDIA



Store



SOCIAL **MEDIA**



THE BANK OF THE FUTURE

SIMPLE

DIGITAL

INDIVIDUAL

Convenient – Always – In real-time

Online/mobile banking – eWallet Relevant – Consistent – Personalized

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Introduction

Management Summary

Management Summary

Our Understanding

Digitization has changed customer behaviour dramatically and transformed the bank's customer interactions. Customers visit the branch less and increasingly use digital channels for their banking needs. They have abandoned banks as their primary source for information and now use digital web channels to do their research anywhere and at any time. Bank comparison sites and social media are now important sources of information in the customer's decision-making processes.

Digitalization isn't just about channels either. New players such as PayPal for payments and vendors for personal finance management have made inroads into the value chain that banks have historically provided.

To succeed in established markets such as US or Germany, given margin pressures, traditional channel and product focused sales models must give way to digital customer-centric business models

SAP Solutions for Digital Banking

SAP offers digital banking for retail and commercial customers with consistent and compelling experiences in real time - independent of the respective contact channel or device. SAP Digital Banking solutions enable banks to develop customer-centric business models for sales, marketing, and service with real-time execution.

Value Drivers

- Consistent, cross-channel customer experience and end-to-end support for customer processes
- Personalized and relevant advice, service and offers at any point of interaction
- Improved time-to-market for new products through integrated marketing and sales processes
- Greater effectiveness of marketing activities through improved customer insight
- More efficient bank processes using online/mobile and self-service banking
- Analytics and process support in real time
- Reduced TCO through platform approach for end-to-end real-time solutions

Why SAP?

SAP has been an established partner to banks around the world for decades. SAP's acquisition of hybris e-commerce software completes the digital portfolio and SAP now stands ready to help implement your bank's digital strategy.

To assist banks in their digital efforts, SAP offers "Value Discovery Workshops" and can develop customer-specific use cases and roadmaps for digital banking. SAP uses experienced consultants to support the entire process from initial concept through to implementation.

Leading banks trust SAP to develop new business models, reduce operating costs and complexity by digitalizing business processes.

7 x

higher response rates for marketing campaigns

through better targeting of customers

5 x

higher closing rate

when unstructured data and buying propensity models are used to segment customers

18%

lower costs per customer interaction

when multiple channels are used to promote interaction through more inexpensive channels such as e-mail and Internet

@ DIGITAL ADVERTISING IDENTIFY RECEIVE WEBSITE CONTACT 雷 PRODUCT BRANCH SOCIAL CONTRACT RESEARCH Q RESEARCHIN ADVERTISING WEBSITE PURCHASE RATINGS

PRINTING

Source: SAP performance benchmarking and business transformation studies

Digital Transformation in Banking

Challenges

Changed customer behaviour through digitization

Today's customers routinely transact and retrieve information on products and services through multiple channels. They have come to expect information that is personally relevant and instantly available. If and when a customer does visit a branch, it is common for him or her to have had interactions in other channels beforehand, making the need for a seamless connection between the digital and real worlds crucial to success.









CUSTOMERS KNOW BRANDS, **NOT CHANNELS**

PURCHASING PROCESS IS NOT LINEAR

INTERACTION HAS **BEEN CHANGED**

CUSTOMERS EXPECT THAT EVERY INTERACTION **IS RELEVANT**

Banks require consistent. omnichannel communication with their customers

The sales landscape has transformed through the use of new and diverse channels

Purchasing behaviours have changed. Many different interaction channels are used

Preferences. including lifestyle, must be addressed

New challenges for banks through digitization

Customer behaviour transformed through digitization



- Today, banking is expected to be simple and transparent: anywhere, anytime
- Customers expect to receive timely and relevant custom-tailored offers
- Information should be available and consistent across all channels
- Easy access to competing bank offers and pricing transparency has resulted in declining customer loyalty and price sensitivity
- Increasing importance of digital communication and collaboration (e.g. apps & social media)

Incomplete information about customer preferences



- Reduced personal customer contact (fewer branch visits)
- Silo structures in banks prevent exchange of information
- Incomplete or no information on prior Customer web research
- Inability to access, analyse and leverage social media information

Pressure on margins in retail and commercial banking



- Sustained low-interest-rate monetary policies by central banks
- High fixed costs for branches
- Large number of market competitors with unfilled capacity
- Complex system landscapes, data silos, and high channel costs

New competitors



- New players such as non-banks, FinTechs, etc. offer banking services with different value propositions
- Growth of alternative offerings such as P2P money transfer, in-app payments, crowdfunding, P2P lending, mobile wallets, etc.

"Todays employees and consumers are connected and mobile. Great products alone are no longer enough to gain their loyalty. Companies have to offer a next-generation experience that is completely tailored to the individual. We at SAP are driven by an incessant passion to support our customers in being innovative and successful. We make the industry solutions and the real-time platform that can help make companies more successful than ever before."

Bill McDermott, CEO, SAP



SAP Digital Banking Strategy and Portfolio

SAP Digital Banking Strategy SAP Digital Banking Portfolio Digital Banking Processes

SAP Digital Banking Strategy

CONTEXT-SPECIFIC, CONSISTENT, RELEVANT REAL-TIME EXPERIENCE, INDEPENDENT OF CHANNEL OR USER DEVICE, ALONG THE ENTIRE CUSTOMER PROCESS















Keep moving!

Digitization is a disruptive, innovative process that is transforming existing business workflows, value chains, and entire business models. SAP HANA is a powerful real-time platform for modelling modern functions and future requirements.

Know your customers!

A full 360° view to manage, track, and match personas, combined with the effective use of big data in real time, is the pinnacle in understanding customers and generating future business approaches and margins.

Live omnichannel!

The customer defines the journey. It is non-linear, individual, spontaneous, and unpredictable, but no matter what day, time, place, user device, or contact channel – customers expect banks to give them a superior, consistent, end-to-end customer experience.

Establish real-time customer experience!

In the digital world, analytics has only an instant to propose the next step, deliver the best content and make the optimal decision. This makes it essential to merge operative business processes with analytical and predictive functions.

Be relevant and convenient!

Customer acceptance and loyalty are achieved through the successful transformation of product-centric marketing messages and activities into customercentric, context-based, value-adding dialog across all channels and interaction points.

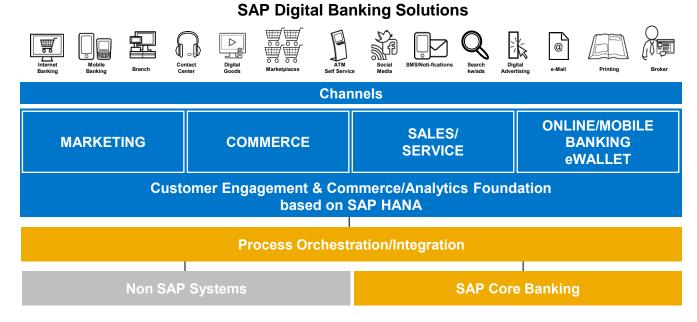
Become consistent and digital!

Filling in forms, entering data repeatedly, contacting the call centre again about an issue – not a pleasant thought for a customer or prospect. End-to-end digital processes leverage existing information, avoid integration gaps, and eliminate barriers.

SAP Digital Banking Strategy and Portfolio

SAP Strategy **SAP Digital Banking Portfolio** Digital Banking Processes

SAP Solution Portfolio – Digital Banking (1)



With the Digital Banking solutions based on the SAP HANA platform, SAP offers comprehensive real-time functionality for the entire customer-centric value chain - from marketing and sales to customer service and beyond. By combining operative and analytical processes with a standard data set, SAP HANA enables realtime processes for a consistent, relevant, cross-channel customer experience. SAP HANA supports the analysis of structured and unstructured information in real time and achieves a significantly improved understanding of customer preferences from which to derive individualized product and service offerings.

The Process Orchestration layer combines the operative customer and business transaction processes with the handling systems, creating the process control and orchestration layer for the operative SAP core banking applications and non-SAP applications.

Operative contract management – for example: current accounts, savings accounts, investment accounts, and credit facilities - then takes place in SAP core banking. The transactions that involve the respective contracts are also posted.

SAP Solution Portfolio – Digital Banking (2)

SAP Digital Banking Solutions



The SAP hybris solution portfolio for digital banking supports the following disciplines:

- Marketing: context-specific and customer-centric
- 2. Commerce: digital sales pitch and omnichannel integration
- 3. Sales/Service: personalised advice and customer care
- Online/Mobile Banking/eWallet: applications, apps, and features
- 1. Marketing: Customer-centric marketing forms the foundation of digital banking. ΑII available information about customers, prospects and their journeys converges here and can be analysed and acted upon in real time. Triggers for sales activities can be derived based on probabilities of closure and predictions of the best interaction channel. The marketing functions allow consistent, cross-channel communications - from digital sales pitch to individual, personal consulting.

Advantages

- Customer satisfaction and customer retention: expand market shares and defend core business through relevant, consistent, crosschannel sales pitch
- Time to market: greater flexibility and faster implementation of new requirements
- TCO: cut operating costs and use flexible operating models
- Commerce: Omnichannel commerce for the digital sales pitch integrates the different media and contact channels and includes need analysis, product presentation/ recommendation, and the customer application as well as content management. During the process, the customer can switch seamlessly between the digital world and personal care.
- 3. Sales/Service: The personal, individual advice and customer care can take place in a physical branch, through the call centre, or on a website (chat, video). Mobile apps for bank employees provide an end-toend view of prospects and customers for the advisory process, regardless of location.
- 4. Digital banking services can be accessed either online or through mobile. The integration of sales pitch and eWallet functions expand the functional scope. The standardized platform simultaneously provides a future-proof solution while reducing TCO.

SAP Solution Portfolio – Marketing

Marketing



SAP hybris Marketing is a modular solution for supporting the complete marketing cycle.

Campaign planning gives marketing managers a comprehensive overview of all relevant information and KPIs in the marketing calendar. Other functions are provided for budget planning and distribution, comprehensive real-time analytics, and mobile device optimization.

The data management features manage the profile information for contact persons along the entire customer journey and across all interaction points. They provide end-to-end, real-time insights into preferences and behaviour patterns based on a persona concept - from unknown persons prospects and customers. Large amounts structured and unstructured data from a variety of sources (social media, CRM, banking, etc.) are consolidated to create a 360° view for an individualized, context-specific form of address.

Advantages

- Context-specific marketing: high acceptance through relevant, personalized form of address
- Comprehensive data management: real-time customer profiles and full 360° view of the entire customer journey
- ROI maximization: efficient real-time analytics and implementation of marketing activities

Thanks to the intuitive visualization, users can analyse the entire dataset in real time and by a variety of criteria - including predictive analytics - without requiring any special IT skills. After the selection and assignment of target groups, multi-touch campaigns can be launched for a personalized form of address through a variety of media (e-mail, SMS, letter, etc.).

Intelligent, context-relevant recommendations are generated based self-learning models and an analysis of purchase patterns.

Retargeting functions help to resume previously interrupted sales processes and bring them to a successful close. This boosts upselling and crossselling rates significantly.

Visualization of campaign success through boards with the relevant KPIs completes the picture and offers useful analyses for further optimization.

Solution Portfolio – Commerce

Commerce



SAP hybris Commerce offers a flexible, modular platform for the digital sales pitch omnichannel integration.

Web content management features full integration with the omnichannel commerce functions, making it simple to create and manage cross-channel content. Additional features include the optimization of search engine rankings, A/B tests, and multisite/macrosite implementations based on a single instance.

Product content management permits the central, comprehensive management of information for products, prices, and marketing for the digital sales process. This reduces the complexity of the omnichannel approach, helping banks respond much more nimbly and flexibly in their product design, to capture competitive advantages.

Advantages

- Omnichannel platform: simple publishing and flexible integration of new and existing digital channel
- Content management/product information: central use of content and product content for effective, cross-channel digital sales
- Scalability: powerful, expansible infrastructure that adapts to changing business requirements

The role-based workflow support enables optimal collaboration for tasks such as product setup and time-based market launch.

The product offering is no longer limited to the bank's website. OmniCommerceConnect provides RESTful web services for integration in new and existing web services. Helpful templates greatly simplify implementation.

With its personalization feature, content publishing ensures that customers receive messages with highly relevant content, increasing the acceptance of pitches and offers among prospects and customers.

The closing probability is improved through digital application design, with seamless integration and personal consulting.

Solution Portfolio - Sales and Customer Service

Sales/Service



SAP Cloud for Customer provides sales and customer service functionality to capture and deliver insights into all relevant customer data (360° view of the customer). In addition to the strict transaction data, the results of analyses and marketing information are also taken into account. As examples, Banks get a transparent look at the sales pipeline, the customer contact history, and all activities.

All of a customer service employee's operative activities are supported – both stationary and mobile – regardless of the user device.

- Account and contact management
- Activity management
- Management of business opportunities, projects, and offers

The feed function gives all employees involved in a business process information proactively enabling them to communicate easily and conveniently.

Advantages

- Comprehensive: 360° view of the customer based on business and marketing information and analytics
- Simple and mobile: intuitive use and deviceindependent information retrieval
- Convenient feed function: targeted communication – without any administrative effort for information storage

The interaction centre combines all options for communicating by phone, e-mail, chat, and social media, and also integrates the SAP Jam collaboration solution.

Service employees have access to comprehensive, current, online customer information, to provide the best possible customer service. The intuitive, easy-to-use user interfaces boosts the productivity of service employees.

Comprehensive analysis functions and dashboards create transparency for a better overview of customers and bank services.

The comprehensive information available for a customer makes it possible to address them individually and accompany them step by step toward closing the deal. Intensifying the customer contact results in optimal, personal service, increasing customer satisfaction and market reputation in the long term.

Solution Portfolio – Online/Mobile Banking, eWallet

Online/Mobile Banking, eWallet



Online banking has long since become essential in generating customer loyalty - and a good mobile banking app is no longer a "nice to have" but mandatory.

A comprehensive package of Internet-based and mobile services is essential for today's banks to keep pace with the growing number of personal finance management, payment applications and other Fintech providers that continue to increase complexity and pressure margins.

SAP Online/Mobile Banking and eWallet support all Internet-based and mobile channels (such as SMS notifications, browsers, mobile apps) with modern ebanking functions on a standardized platform. SAP offers specific modules and apps both for mass retail business and for the commercial and corporate markets.

Advantages

- Support for all mobile channels, as well as classic e-banking features
- Cost savings through a uniform online/mobile banking/eWallet platform
- eWallet to integrate all types of payment and mobile money functions

Based on a standardized platforms, a variety of device sizes, operating systems, and versions can be served with a one-time implementation. This results is a significant reduction in development and adaptation costs.

In addition, with the full eWallet, SAP offers the platform for mobile money functions and a flexible enhancement of the mobile service portfolio. The eWallet allows the integration of a variety of means of payment and features - from accounts/cards and prepaid means of payment to coupon/loyalty schemes and gamification features.

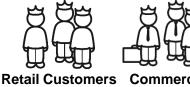
With sophisticated security functions, options for integration with SAP Banking Services, and an open architecture for integrating non-SAP back-end systems, SAP offers a flexible, powerful, 24/7 platform for modern, fast online and mobile banking.



SAP Digital Banking Strategy and Portfolio

SAP Strategy SAP Digital Banking Portfolio **Digital Banking Processes**

Digital banking processes – customer-centric



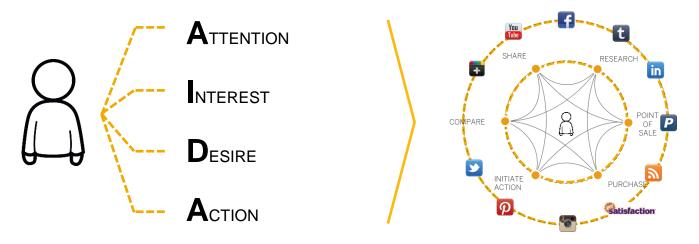
Commercial Customers

Digitalization is radically changing the processes and paradigms of marketing, sales, and customer loyalty. The previous "inside-out" perspective in sales and customer support is being rejected by the modern customer who instead demands access to full information everywhere and at all times.

Increasingly successful banking is determined by a customer-centric "outside-in" approach. Here it is the customer who becomes the focus, and it is the customer that determines the sales process.

The challenge is that conventional business processes may cover only individual points in the overall journey, where as in the future the "added emotional value" and support for the entire customer process will decide customer satisfaction and customer loyalty.

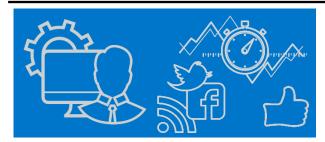
Complete focus on the customer, at all times and throughout the entire customer process, can only be achieved through the use of digital media and real-time technologies.



In particular, the customer-oriented bank processes in product management, marketing management, and sales management must be transformed to achieve customer-centricity for a successful digitalization.

Digital Banking Processes – Product Management

Product management socially networked - in real time



Communication with the market, internal sales. partner sales, and the modelling of products and services remain key components of day-to-day bank activities. The advent of the social web and more recently the emergence of FinTech companies, however has change the work of product managers.

Formerly product managers could site customer feedback and the actions of competing banks as the two major drivers of change, whereas today direct market feedback is increasingly the driver of new requirements and innovation speed.

The speed of social media is such that only moments need pass before the first comments on an exciting, new feature on a competitor's online banking platform hits Facebook or Twitter. The same is true for negative posts about a bank's investment products, yet both of these events can also represent opportunities for innovation and/or interaction.

Topics and Tasks

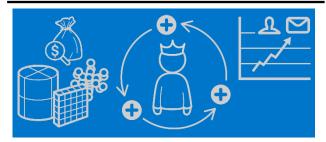
- Market monitoring and transparency: market analysis and customer feedback
- Direct customer interaction: proactive integration in the customer process
- Time to market: reduce product development times, set trends, follow developments quickly
- Platform: efficient management of products across the entire life cycle

SAP supports the following processes and helps product managers to keep pace with today's pressure to change:

- Real-time analytics including social media analysis – to identify trends and customer needs
- Meaningful sentiment analysis with heat-maps and underlying detail down to the lowest level
- Direct integration in the customer communication process and transparent collaboration bank-wide.
- Omnichannel functions for mapping customer information and interaction over the entire sales. cycle and across all customer interaction points
- Support for Product Content Management

Digital Banking Processes – Marketing Management

Marketing Management: Contextual Marketing in Real Time



The challenge for today's marketing managers is the successful transition from product-specific marketing campaigns to a context-related communications process that focuses on customer needs – in real time and across all contact points

Accessing highly detailed profile data and customer interactions (big data) in real time, combined with the simultaneous use of predictive models, has increasing placed the marketing department as a driver and contributor of sales innovation.

On the operations side, marketing managers – acting as the central hub – orchestrate the consolidation of customer knowledge, including customer interactions, in real time and regardless of the interaction purpose (e.g., triggered by an event or initiated by the bank) or channel.

As a result both the operative and analytical marketing processes converge in the process.

Topics and Tasks

- Analytics: enhancement of analytic capabilities and flexibility for the marketing organisation
- Personalization and relevance: create tangible added value to individual customer interactions
- Real-time and omnichannel capabilities: consistent communication across all interaction points. Learn from the interaction and react with the best possible advice or offer in real time

SAP supports the following processes to help marketing managers keep pace with modern trends:

- Real-time analytics functions for the entire customer base through simplified visualization
- Incorporation of social media sources and content in the customer dialog
- Use of predictive analytics and direct integration of knowledge about the customer in the customer interaction
- Context-based added-value communication and orchestration of periodically and non-periodically defined forms of address, for example: according to success and profitability criteria
- Increased transparency of marketing and campaign success through integration with planning and budget data
- Modelling of real-time process through unification of analytic and operative data

Digital Banking Processes – Sales Management

Sales management collaborative - in real time



Analytics and tracking of sales success continue to be the focus of sales management activities.

Real-time simulations open up new opportunities for the simulation of potential actions:

- How can the respective team best reach its sales targets?
- Which sales opportunities offer the greatest potential for success, and
- How can these opportunities best be pursued?

Particularly in the area of complex sales projects, in the premium commercial segment for example, the duties of sales management blend seamlessly with a collaborative sales and coaching approach. It contains appropriate sales support for all the involved employees, the delivery of real-time information, and the possibility to collaborate in real time.

Topics and Tasks

- Transparency: level of target achievement? Which sales opportunities are the most promising?
- Simulation: alternative actions? What is the result when important sales projects change/are delayed?
- Collaboration: How can real-time information be provided to all employees involved in the respective sales process?

SAP supports the following processes to help sales managers with their day-to-day business:

- Real-time analytics functions for transparent representation of sales processes and meeting goals
- Simulation tools for the simple testing of alternative actions
- Feed functions for optimized information of and collaboration among the employees involved in a customer project (all user departments)
- Simple documentation of information and message writing, as well as intuitive automatic archiving
- Subscription to updates, to obtain information proactively
- Integration with the SAP Jam collaboration solution

Digital Banking Processes – Customer Data Analytics

Customer data analytics predictive in real time



Historically the users of customer analytics relied on datasets that were often days or weeks old and decisions about data attributes were highly dependent on IT for schema changes.

These facts called into question the validity and cost/benefit of analyses performed on a market constantly changing in in real time, or successful marketing in an economy characterized by sudden swarm movements in social networks with no way of recording and accounting for such events.

SAP provides these capabilities with analytics applications and functions that offer:

- Real-time analyses of the customer base and automation of analytics processes
- Inclusion of current transaction, market, and social media data
- Use of predictive functions directly by the user department

Topics and Tasks

- Real time: identify trends and needs in real time and derive actions from them
- Flexibility: identify and answer future questions
- Organization and use: automation and reduction of analysis cycles and optimum integration in regular marketing processes

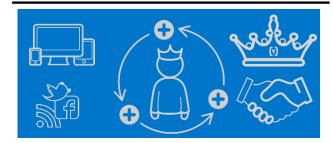
The wide range of easy-to-use functions, combined with the high degree of automation, simplifies many steps in customer analysis for the Marketing department. This results in shortened analysis and campaign cycles and a significant reduction in time to market.

The following functions help in the generation of individualized, context-specific offers:

- Automatic creation/training/life cycle management of predictive models
- Creation of network analytics
- Generation of offers for customers
- **Analysis** and display through data comprehensive graphics tools
- Generation geographic relations and presentation in maps

Digital Banking Processes – Customer Care

Customer care The customer is the focus!



Trust is the key factor upon which a bank's business is based, and how can you engender greater trust than through a personal, trusting relationship between customers and their customer support representatives at the bank?

As such, customer care and intensive customer support still play an important role, even in the age of digitization. This applies both to profitable existing customers and high-potential new customers.

In addition to a full 360° view of customers and prospects, their respective preferences, key interests, and business transactions, the key factors for successful customer support and market development include comprehensive activity management, intelligent proactive generation of contact and sales triggers, and closing-oriented management of sales opportunities.

Topics and Tasks

- Comprehensive: 360° view of the customers, modelling of the entire customer service and sales cycle
- Collaborative: optimized team collaboration through feed functions and SAP Jam integration
- Simple: high degree of acceptance through ease of use and location-independence of mobile apps

As a result of the diversified products and services banks offer, team coverage plays a leading role in complex consultative selling. Optimal coverage team interaction increases efficiency and sales and builds client satisfaction and lasting relationships.

SAP offers a wide range of Cloud and On-Premise based functionality and tools for successful customer support and interaction of the sales coverage team including:

SAP Cloud for Customer for Team Selling:

- Client and Contact management
- Activity management
- Line of business lead and opportunity management
- Feeds for optimal coverage team communication
- Reports and analytical functions

SAP Jam as an integrated Collaboration Solution



Innovative Use Cases

Innovative Use Cases

Digitization is causing a rapid transformation and paradigm shift in all areas of banks: from payment transactions and asset management to loans and personal finance management. FinTechs and other non-traditional competitors such as PayPal continue to introduce new and innovative products almost weekly. Although which business models and players ultimately succeed is difficult to predict, the common consensus is that a clear focus on customers will be a decisive success factor.



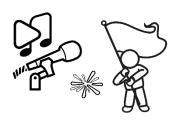
Mobile & eCouponing

Mobile coupons and eCoupons present a modern, innovative form of customer retention and sales promotion. Couponing has developed quickly and is now part of every marketing mix. A coupon generally has a monetary value or other claim to services, giving consumers a true incentive.



Gamification – Social Media Marketing Prize Competition

Gamification involves the application of game design principles to non-game processes. Gamefied applications utilize the tendency of people to participate in games and, in doing so, get involved in subjects that they would usually deem uninteresting. Increasingly, new areas – such as finance – are being captured, focusing consumer interest in a novel way.





Personal Finance Management

Personal finance management largely supports retail users in four areas: (crossbank) aggregation of all financial information, (automatic) categorization of income and spending, personal budget management, and definition and achievement of financial targets. The creation of transparency is not only perceived as a value-added service – it also generates new direct and indirect consulting and sales approaches for the bank.

Innovative examples (1) Online/mobile payments and eWallet at BAC Credomatic



Online/mobile payments even for unbanked business partners and eWallet for hundreds of thousands of customers of BAC Credomatic in Central America

BAC Credomatic is one of the largest bank groups in Central America with subsidiaries in 6 countries and a broad base of commercial and retail customers.

Since only about 50% of the population in this region have bank accounts, secure payment systems that could work independently of traditional bank accounts was an unmet need.

Thanks to the SAP Digital Banking portfolio, BAC Credomatic can now meet this need. Customers in Costa Rica can now make payments via SMS on mobile devices even if they don't have bank accounts through person-to-person (P2P) payments.

BAC customers can also use eWallet functions, loading their digital wallets from their bank accounts and withdrawing money from ATMs with mobile devices.

Delivery on the SAP Digital Banking platform adds value in a number of ways:

- New customer acquisition through "free" marketing by existing customers who make SMS payments through BAC
- Expansion of business with BAC customers through simple, secure payment options for unbanked business partners
- Strengthening of market position through innovation as the first bank in Central America to offer P2P payment transactions with mobile devices

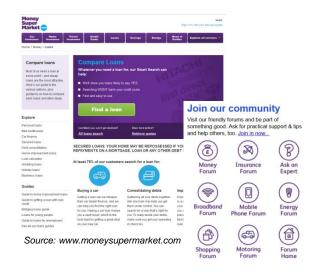
Innovative Examples (2) **Cross-Channel Service Portal for Financial Products**



Source: www.moneysupermarket.com

The Money Supermarket offers a price comparison portal for a variety of financial services - financial transactions, savings products, loans, credit cards, a variety of insurance policies, and travel.

The individual products – previously distributed over 22 individual websites – are offered on an integrated, omnichannel service portal that gives customers a uniform look and feel and thus a consistent customer experience, regardless of which channel is used (web, phone, tablet PC, call center, etc.).



The provision of a scalable, maintainable, innovative, device-independent platform has made it possible to add the following value:

- Greater customer satisfaction according to measurement of "Visitors to click"
- Improvement of promotion activities on the website
- Significantly improved cross-selling including the integration of MSM brand messaging
- Significant revenue growth 200% plus revenue gains
- Significant cost savings through the retirement of multiple legacy applications

Innovative examples (3) Customer journey – selling a vacation trip



Sarah, a bank customer, works as a cashier at a major supermarket. It's winter, the weather is inclement, and she dreams of a sunny vacation. She would love to give her family a trip to the sea. Unfortunately, she and her husband can't afford a vacation using just their salaries right now. In the evening, Sarah sits in front of the TV set and surfs the web, researching different airfares and hotel prices.

Sarah chats with her friend on Facebook about how nice it would be if she were lying on a sunny beach right now. The bank also receives this Facebook information, because it collects and analyses social media data.

Using this information, the bank generates an offer for a vacation trip, including financing, based on Sarah's preferences.

When Sarah logs on to her online banking account two days later, she sees a message from her bank with information about a sundrenched vacation. She clicks the link and sees her personal vacation within arm's reach:

2 weeks of vacation in the sun, at the sea, in a three-star hotel, including flights for 4 persons and travel insurance, for 100 euros per month

(term: 2 years; interest rate: 6.4%)

Sarah is thrilled – she can afford a payment of 100 euros per month for the next year, and a relaxing vacation with time for the family is just the ticket for escaping the cold winter. She clicks "Accept offer" and the bank has sold financing for the trip and a travel insurance policy.



Capturing Added Value

- Added Value in SAP Digital Banking
- Support for transformation

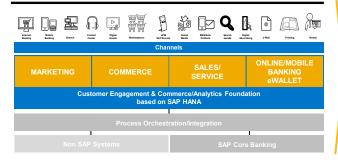


Added Value in SAP Digital Banking (1)

With the SAP Digital Banking platform, SAP offers banks a foundation on which to build new, customercentric business models that can be actively shaped to support all retail and commercial banking customer processes in real time.

The customer is supported at all times and in all channels with timely and relevant information, advice and offers. Central content management for all customer information, products, channels, and banking services, makes it possible to develop flexible and efficient sales and marketing processes.

SAP Digital Banking Platform



Customer Focus

Time to Market

Innovations



"More than 60% of CEOs assume that 15-50% of yield growth in the next 5 years will be created by innovations made possible through new technologies."

Added Value in SAP Digital Banking (2)



Customer Focus

- · Improved knowledge of customers through analysis of big data and unstructured data
- Consistent, channel-independent customer experience with relevant, individualized offers
- Greater efficiency in marketing campaigns through improved accuracy of campaigns and instant remarketing when customer preferences change
- Superior customer experience gained through more efficient processes including personalised offers and data entry without channel friction



Time to Market

- Improved time to market for new products through a 360° view of the customer, central use of content and product content, more effective marketing measures, and collaborative sales processes
- Simple publishing and flexible integration of new and existing digital channels
- Fast update of product offers to match changing customer preferences using real-time analytics on comprehensive customer data



Innovations

- End-to-end support of the customer journey - customercentric, consistent, digital and personal – with extremely fast interaction
- Powerful, extensible architecture for real-time analytics and processes, with flexible, rapid modelling of new business requirements
- Flexible deployment options in the cloud, on-premise, or hybrid

SAP addresses changed customer behavior ...



CUSTOMERS KNOW BRANDS. **NOT CHANNELS**

Banks require consistent, omnichannel communication with their customers



PURCHASE OPERATION IS NOT LINEAR

The sales landscape has been transformed through the use of new. diverse channels



INTERACTION HAS **BEEN POSTPONED**

Purchasing behaviours have changed; multiple interaction channels are now used



CUSTOMERS EXPECT THAT EVERY INTERACTION IS RELEVANT

Preferences. including lifestyle preferences, must be addressed

- Consistent, individualised, channel-independent product offerings
- Evaluation and analysis of structured and unstructured customer information in real time
- Fast, omnichannel customer interaction: forecasting customer behaviour with predictive models and rapid response to changing customer preferences with relevant, individualized offers

... and supports banks on their way to the digital age

Customer behavior transformed through digitization



Incomplete information about customer preferences



Pressure on margins in retail and commercial banking



New Competitors



- Consistent, individualized, channel-independent product offerings
- Fast customer interaction: forecasting customer behaviour with predictive models and rapid response to changing customer preferences with modified offers
- Evaluation and analysis (including predictive) of structured and unstructured customer information in real time
- Central content management for all customer information
- One central real-time platform for flexibility in the implementation of new requirements
- Increase process efficiencies including automated or rule-based offers on websites, targeted marketing campaigns.
- Increase sales and closing rates by offering individualised solutions rates
- Offer a consistent and relevant customer experience in real time for both retail and commercial banking
- Beat the competition by offering a comprehensive and integrated digital value chain



Capturing Added Value

- Added Value in SAP Digital Banking
- **Support with the Digital Transformation**

Support with the Digital Transformation



Transformation Services



Technology Services



Application Services



Rapid **Deployment** Services



Support Services



Training Services

SAP's support for customers on the way to digitization

- **Design Thinking Workshops** for ideas and innovations in digital banking
- **Digital Fitness Assessment** for individual customer potential in digital banking
- **Use Cases** for specific applications, including prioritization
- **Digital Roadmaps** for rapid execution
- **Architecture and Project Management** for a fast, reliable implementation

SAP has decades of experience in banking, project management, integration and solution design.

From the identification and implementation of digital business models to synchronization with existing IT and solution architecture to the redesign and adaptation of existing processes for the world of digital banking – SAP can offer banks comprehensive, custom-tailored services...

SAP supports its banking customers along the entire project cycle - from digital roadmap to live operations - for a reliably successful digital transformation.

Our position in the banking sector





81% of banks among the Forbes 2000 companies rely on SAP solutions for their innovations.

The most respected banks in the world are members of the SAP Executive Advisory Council for Banking.

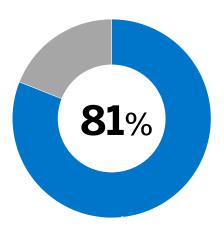
More than 12,000 bank customers worldwide

Support for many industries on a standardized platform

Comprehensive industry-specific functionality

Integrated, preconfigured best practices

Clear industry roadmap



Retail banking:

ANZ Commonwealth Bank of Australia Citizens Bank National Bank of Canada Nationwide **Building Society** RBS Standard Bank

Commercial banking:

Citi Credit Suisse Deutsche Bank ING NAB Nedbank VISA Westpac

Source: SAP analysis of Forbes 2000 rankings (May 2013) and SAP customer database, May 2013



Notes (1)	



Notes (2)	



Notes (3)		



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