



Tap into
the Power of
ONE
Hyper-personalize Banking

*A Newgen Guidebook
for **New-age Bankers***

The Innate Desire for Individuality

A loyal, modern-day customer craves undivided attention, and marketing guru Philip Kotler realized this years ago. More than five decades have gone by, and the famous saying, “The customer is king,” by the father of modern marketing, is still applicable.

Showing reluctance to modernize and clinging to legacy systems can lead to significant financial implications. A **Deloitte global CIO survey revealed that an average IT department spends up to 55% of its technology budget to maintain existing operations, with only 19% left for innovations.** This imbalance not only stifles growth but also risks diminishing an organization's capacity for innovation and adaptation.

From the digital ads that lure us with eerie precision to the smart devices that learn our lifestyle patterns—one moment at a time—the march of personalization is relentless and ubiquitous. Meaningful personalization is the next step toward maximizing revenue. Each step taken by brands today is about engaging in an intimate dialogue.

According to a 2022 Deloitte¹ report,

68% of surveyed consumers said personalization increased brand satisfaction

1.5x jump in revenue per customer was witnessed by leaders compared to brands with low personalization maturity

This imperative for personalization is setting the stage for a new paradigm in consumer relationships, where every interaction is a building block toward a deeper, more meaningful connection.

What great service looks like!

You woke up craving coffee and walked into a café. The barista knew your name, mood, and preference depending on the weather. Within minutes, you are holding a delicious cup of joe exclusively made for you.

This kind of service lifts your mood and prepares you for a brilliant day.

The Era of **YOU**

Welcome to the Era of YOU, a new paradigm where brands can finally say, “You matter!” and mean it. It’s an era of hyper-personalization. Here, every interaction is not just tailored but intricately sculpted around the individual’s current context and history.

Personalization Transcended

It’s no longer about greeting a customer by name and referring to their basic demographics. Hyper-personalization dives deep. Integrating data from multiple touchpoints helps understand and anticipate everyone’s unique needs.

*Personalized to Customer Segment of **N=1***

Each customer is treated as ‘N=1,’ a unique entity with their own preferences, behaviors, and expectations. This approach goes beyond traditional marketing segments to recognize each customer as their own market.

As businesses embrace these sophisticated strategies, they transform customer relationships from transactions to engaging and memorable experiences. Each step in this journey helps build a stronger, more personal connection, ensuring every customer feels valued and understood.

Building a **Hyper-personalized** Future

Let's consider Sarah's journey. The 32-year-old artist and digitally-savvy graphic designer has been exploring various credit cards to meet her unique needs. Choosing the right one is challenging due to her eclectic tastes and outgoing personality.



Welcome to BankYou's World of **Hyper-personalization**

Understanding Sarah's Needs

BankYou understands that while Sarah has been an active customer with regular engagement, she's looking for a credit card for her major expenses.



Crafting Tailor-made Offers

Sarah loves virtual events, concerts, and shopping for her favorite merchandise. BankYou recognizes her interests and offers cards that provide special rewards for these activities.

BankYou understands that while Sarah has been an active customer with regular engagement, she's looking for a credit card for her major expenses.





Personalized Credit Card Experience

A lover of digital processes and quick approvals, Sarah prefers the BankYou mobile app over in-person visits. When she applied for the credit card through the application, the entire process took only a few minutes. BankYou ensured a stress-free repayment schedule by offering Sarah the flexibility to align the credit card payments with her salary credit date.



Ongoing Engagement and Offers



Cross-Sell Opportunities and Loyalty Rewards:

As BankYou fulfills Sarah's credit card needs, she would like to stay updated about specially tailored offers and rewards. The bank analyzes the customer data to provide her with unique cross-sell offers and loyalty rewards on her purchases.



Personalized Support:

BankYou offered loyalty points and free upgrades to Sarah at the time of credit card renewal. It also suggested tailored investment options based on her evolving financial behavior, such as personal loans and insurance, that resonates with her current needs.

Continued Partnership

BankYou understands that while Sarah has been an active customer with regular engagement, she's looking for a credit card for her major expenses.



Adaptive Financial Planning:

Sarah loves to keep herself updated and expects the same from her bank. As her financial needs evolve, BankYou meets her relevant needs.



Proactive Engagement:

BankYou provides Sarah with timely advice on debt consolidation, adjusting her savings contributions, and exploring new investment opportunities, ensuring every interaction is custom-made to her current financial context and future goals. This proactive approach strengthens her trust and loyalty, making her feel truly valued.



For BankYou, Sarah is more than a customer. It sees her as a genuine and trusted partner. Through the power of hyper-personalization, the bank understands and anticipates her needs, making every decision and interaction deep, personal, and immensely relevant. This is the essence of N=1, a commitment to understanding and valuing each customer whose unique journey is integral to their banking experience.

What Prevents Banks from Delivering Hyper-personalized Banking?

The banking sector, with its wealth of data, is uniquely positioned to lead the shift towards hyper-personalization. Banks have the capability to transform their service delivery by deeply understanding and anticipating customer needs through the analysis of spending patterns, lifestyle choices, and financial behaviors. However, while

78%

of customers prefer personalized services, only 44% feel their banks meet their needs.² **Bridging this gap can increase the bank's revenues by up to 15%, but this presents substantial challenges.**

Data Complexity:

Banks have massive volumes of data from diverse sources, including transaction records, customer interactions, and external databases. Harmonizing this data into a cohesive, actionable format is a formidable challenge due to its varying formats, volumes, and processing speed. The structured and unstructured data mix adds to the complexity, requiring advanced tools and methodologies to cleanse, integrate, and make sense of the data.

Making Data Actionable and Timely:

Processing vast amounts of data into reports that are easily consumable and actionable by business units remains a significant challenge for banks. Traditional reporting methods often result in delays and generate insights that are not timely or relevant. This process hinders decision-making and responsiveness.

Analyzing Data for Hyper-personalization:

The ability to analyze data patterns prepared for hyper-personalization is crucial yet challenging. Current systems are often built for reactive models, making it difficult to understand individual customers comprehensively. **Banks need to transition to proactive systems that can interpret complex data patterns and anticipate customer needs to offer truly personalized services.**

Operational Scalability and Flexibility:

While personalization technology may work well in controlled pilot environments, **scaling these solutions to handle millions of customers without degrading the service quality or increasing the risk** of system failures is a daunting operational challenge.

Innovation and Deployment Cycles:

Banks face challenges in innovating and deploying new solutions rapidly. The pace at which customer behaviors and market conditions change calls for faster deployment cycles and the ability to innovate continually.

Maintaining Privacy and Trust:

Balancing the granularity of personalization with stringent privacy laws and customer expectations for data security is increasingly complex. Banks must **navigate these regulations carefully while still providing personalized services.**

Introducing **LumYn**: The World's First-ever GenAI-enabled **Hyper-personalization** Platform for Banks

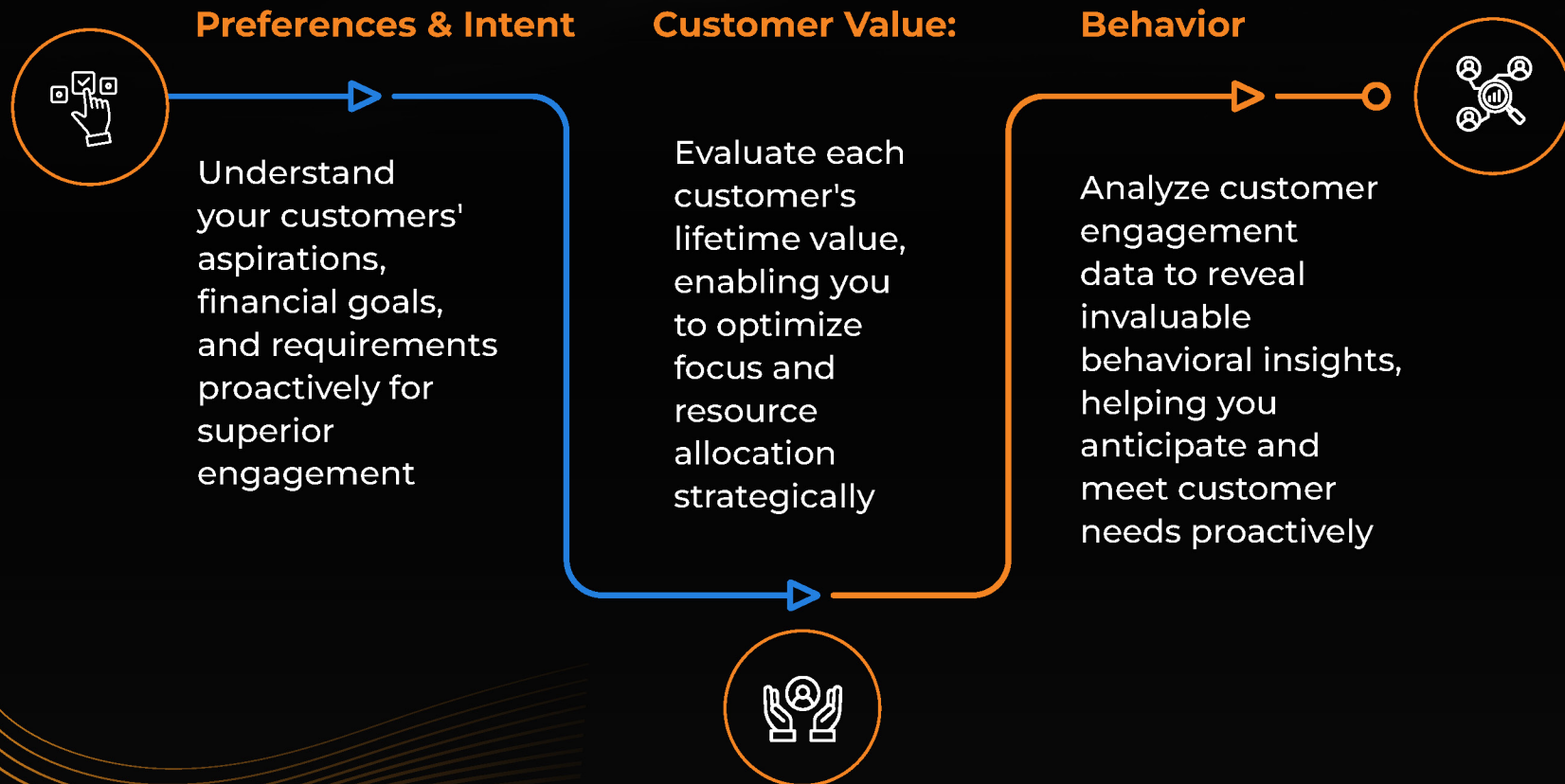
Meet LumYn, a GenAI-enabled growth intelligence platform built on Newgen's robust low-code data science platform. LumYn is meticulously designed to redefine how banks engage with their customers, facilitating a hyper-personalized banking experience where each customer is treated as the ONE, embodying the principle of '**N=1**' at every touchpoint.

LumYn processes vast amounts of structured and unstructured data, transforming it into actionable insights in real-time. By leveraging advanced GenAI capabilities, LumYn enables banks to understand customer preferences, optimize customer value, and gain deep behavioral insights with conversations in simple language. This tailored approach ensures that every interaction is distinct and uniquely suited to each customer's individual needs.



In-depth **Customer Insights**

With LumYn, you get an all-encompassing view of each customer, allowing you to effectively cater to individual needs.



Sophisticated Analytics

Make sophisticated analytics accessible to all your staff with LumYn's user-friendly interface.

GenAI-driven Interface:

Talk with your complex data sets in plain language, making it easy for your staff to extract strategic insights



Hyper-personalization Engine:

Use 30+ pre-built machine learning models to meticulously personalize customer interactions, ensuring every communication is finely tuned to your customers' behavioral aspects



Flexible and Efficient Operations

Integrate LumYn seamlessly into any banking infrastructure, enhancing operational flexibility and efficiency.

Deployment Versatility

Choose the ideal setup—on-premises or cloud-based—to match your operational needs and security requirements



Low-code Platform

Accelerate development and enable quick adaptations with LumYn's low-code data science platform and adaptive modeling engine



Secure and Informed **Decision-making**

Advance your decision-making processes with secure, data-driven insights from LumYn.

Data-driven Decisions



Use real-time insights to guide your decisions, significantly impacting performance and customer satisfaction

Security and Trust:



Build trust with strong commitments to security and data integrity, ensuring all operations are transparent and comply with the highest privacy standards

Strategic Benefits Across the Bank

Enhance customer satisfaction and operational efficiency with LumYn's capabilities across various banking functions.

Cross-sell and Up-sell:

Focus on the best opportunities for cross-selling and up-selling through predictive analytics, enabling you to match product or service offerings precisely with customer needs



Retention:

Analyze historical data and current customer behaviors to develop targeted retention strategies, maintaining valuable customer relationships and significantly reducing churn rates

Pre-approved Products

Streamline the process of assessing real-time customer eligibility and creditworthiness, facilitating the seamless pre-approval of financial products like loans and credit cards, making the application process more efficient



Behavioral Segmentation

Segment your customer base with precision, allowing for highly personalized marketing campaigns and offers tailored to individual preferences and behaviors

As you embrace LumYn, you are equipped to deliver what customers need and when they need it, creating a banking experience that truly values each individual.



Are you **Ready?**

To Enter the

World of $N = 1$,

Where Every **ONE** Matters!

About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

For SALES Query

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June, 2023

Sources:

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