

CASE STUDY



Channel Banking Innovation

IndusInd Bank launch 'Indusnet' anytime, anywhere banking

In 1997, IndusInd Bank introduced 'net.bank', an information-only online banking facility which was very popular with customers. In September 2001, the bank approached CR2 to extend this offering by making it transaction-enabled, thereby introducing an anytime, anywhere banking service called 'Indusnet'. Indusnet, with CR2's assistance, was to become a '360-degree' banking service for IndusInd Bank's customers.



CASE STUDY IndusInd Bank

Customer Profile

The Indian financial services sector has been undergoing significant transformation as a result of the economic reforms process, which began a decade ago, allowing financial institutions to be privatised. Established in April 1994, IndusInd Bank Limited (IBL) is the first venture of IndusInd Organisation (part of the Hinduja Group), in the financial services industry in India. The bank was formed by the organisation to appeal to the non-resident Indian community with the aim of collectively contributing to India's economic and social development. Started with a capital base of Rs.1000 million, the net worth of the bank for the year ended on 31 March 2002 stands at 5620 million, an impressive increase in the bank's first eight years in operation.



Since its establishment, the bank has undergone substantial growth, focusing on private and commercial banking and is highly regarded for its expertise in Forex and Treasury operations. The bank is now considered as one of India's fastest growing private banks and aims to expand its network to 100 outlets, including 25 offsite ATMs by the end of 2002.

IndusInd Information Technology Limited (IITL), also part of the Hinduja Group, has been responsible for conceptualising, driving and supporting the IT initiatives of IndusInd Bank. IITL subsequently became a partner of CR2 and assisted in the implementation of IndusInd Bank's channel banking service.

Challenge

To create an anytime, anywhere banking service - 'Indusnet'

"We have embarked on an aggressive retail drive, which includes branch development and the development of a top-of-the-range portfolio of activities and services. Indusnet is the first of these services. Today's customers are evolving rapidly and are becoming more and more sophisticated. Indusnet is a next generation internet banking product which is well poised to respond to the needs of this evolved customer, and will raise the bar for current as well as future players in this market."



Mr. Bhaskar Ghose,
Managing Director, IndusInd Bank

As a relatively new financial institution, IndusInd Bank has been a pioneer in the introduction of technologically innovative products and services. Since its inception in 1994, it has established a low-cost branch network of 41 outlets. These consist of a combination of branches, ATMs, and offsite or convenience outlets as an important part of its service-channel strategy. The bank has plans to increase its branches to 90 by the end of 2002.

In 1997 the bank introduced 'net.bank', an information-only online banking facility. The service was very popular with customers. In September 2001 the bank approached CR2 to extend this offering by making it transaction-enabled, thereby introducing an anytime, anywhere banking service called 'Indusnet'. In effect, this was to be a '360-degree' service to customers.



The challenge for CR2 was to implement a range of online services over various touch points required by the bank, including an upgrade of their net.bank service.

In addition, the bank also had a number of other objectives for the channel banking project:

Customer care

In December 2001, IndusInd Bank launched their 'Care at Every Stage of Life' initiative, to address the continuous change of customers' needs. When introducing a channel banking platform, IndusInd Bank wanted to ensure a superior transactional experience coupled with enhanced convenience for users. In addition, the bank had to be able to cost effectively select the mix of channels suitable for their customers' and to decide which products and services to make available over those channels.

Consolidated view of the customer

In order to provide the highest customer service standards, it was essential to have a consolidated and consistent view of their customers activities and transactions across all channels in real time. This would allow IndusInd Bank to be more responsive to their customers' needs and present more targeted products and services. This customer-centric approach to relationship banking with personalised communications would enhance the bank's capability to provide a 'human touch' to its services, and thereby increase customer retention, loyalty and ultimately, profitability.

Integration of emerging delivery channels

As a technologically innovative financial institution, the platform selected would have to be an open system using open standards, which would allow the bank to integrate any additional banking channel software or BankWorld's own channel specific software in the future as required.

"Banks, which blend technology with good service and innovative products will continue to thrive in this competitive environment. By implementing a channel banking infrastructure we are creating operational efficiency, the improvement of information we have on customers and the cost effectiveness of introducing new services across additional touch points. We expect many of our customers to take advantage of the new services we have put in place in the next year."

Mr. Bhaskar Ghose, Managing Director, IndusInd Bank

Scalability

As a growing financial institution, part of the bank's criteria in selecting a solution was scalability for an increasing number of users as more clients sign up for online services. It was essential that the solution implemented would also be robust enough as the bank expands internationally and provides additional services.

Solution - BankWorld

IndusInd Bank chose CR2's BankWorld solution as its channel banking platform for its aggressive expansion. The bank has selected CR2's range of business related modules to manage its retail, corporate and relationship banking online services.

CR2's advanced technology platform, BankWorld, manages the complexity of delivering financial products and services across multiple banking channels. BankWorld consists of dedicated software solutions for each banking channel including Internet, Mobile, ATM, POS, call centre and phone banking, each of which is supported and integrated by a core channel manager, enabling the bank to get a whole view of the customer relationship.

IndusInd Bank have chosen to implement the following BankWorld modules:

BankWorld Channel Manager

This module allows IndusInd Bank to actively manage their customers' experiences across each delivery channel. It presents a holistic view of the customer, with synchronised information across all channels giving the same complete and real-time view of transaction data and products and services used by the bank's customers. This enables IndusInd Bank to execute a highly effective Customer Relationship Management (CRM) strategy to actively meet the needs of its customers, delivering appropriate content, products and marketing information to each customer in real-time.

BankWorld Internet

BankWorld Internet provides an integrated banking environment for secure and reliable Internet banking, 24x7. The solution supports a comprehensive range of banking products and services and enables IndusInd Bank to create and manage the delivery of personalised, tailored financial products and services over the Internet.



BankWorld Internet's interfaces are easily customised, offering tailored branding for customer groups and increased brand loyalty.

IndusInd Bank has chosen to implement various routine transaction services such as account statements, history, funds transfer etc. However, in addition, an extended range of services such as multiple authorisation for certain transactions, secure email between the personal banker and their designated clients, generic transaction design wizards and secure message attachments have also been implemented.

BankWorld Relationship - Personal Banker

As IndusInd Bank's client base consists of many high net worth individuals to whom the bank wants to extend a more personal approach to online banking, the bank has decided to implement CR2's Personal Banker concept. This is a service whereby a designated person from the bank is assigned to particular groups, whom clients can mail for personal help and financial advice.

The Benefits of Implementing BankWorld

Multi-Currency and Multi-Lingual Capability

IndusInd Bank will now be able to support both local and international banking practice due to the multi-currency and multi-lingual nature of BankWorld. BankWorld is fully UNICODE compliant and enables IndusInd bank to offer their online services in any language, or any combination of languages at the same time.

Flexible Branding

Using standard web tools, IndusInd Bank can customise its service to match its brand and to suit as many different customer group profiles as needed. Different styles can be created for IndusInd Bank's retail, corporate or high net worth individuals or for different regions and countries. IndusInd Bank is very strong in the private banking sector, thus it was important that the bank delivers a front-end look and feel that appeals to their high net worth customer base in line with the services they are offering.

Comprehensive Security

BankWorld is designed to take full advantage of existing Internet standards for secure web transactions. These include Secure Sockets Layer/Transport Layer Security (SSL/TLS) for data encryption, multiple authentication technologies including username/passphrase over SSL, secure tokens from third party suppliers such as RSA SecureID and integration with a Public Key Infrastructure.

IndusInd Bank has chosen SSL (Secure Sockets Layer) with 128-bit session-key encryption to protect confidential data during transmissions between BankWorld and customers, as part of a HTTPS browser session. SSL can provide server authentication, secrecy, and data integrity and optionally client authentication. IndusInd Bank will use a Verisign Global ServerID digital certificate to secure its BankWorld web server.

BankWorld's distributed architecture allows for a layered security model, where web components that are accessed directly by a user are separated from the transaction logic and database systems, reducing the risks of security compromise.

BankWorld also provides a comprehensive logging and auditing mechanism that audits changes to the system, allows programmatic errors be tracked down, and allows the health of the system to be determined. All transactions and status changes are stored for future reference and security auditing information is held in the BankWorld database.

Delivering products across touchpoints 24x7

By seamlessly integrating to IndusInd's back office systems, the Channel Manager acts as a central platform to consistently deliver products and services from disparate back office systems to the selected mix of delivery channels. The BankWorld Channel Manager provides its own layer of banking logic, ensuring continuation of services whenever a back office system is unavailable.



IndusInd Bank is the only bank in India that allows customers to consult a personal banker online on queries surrounding their accounts.

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Implementation

CR2 and IndusInd Bank segmented the project into multiple phases. Implementing in this manner has allowed the bank to spread their investment and also indicates a pro-active approach to their customers. The service is continuously being enhanced with new features and services added.

Implementing in phases has also meant that the service was up and running quickly which gave the bank quick time to market during which time the Development team at CR2 was already preparing enhancements for the next phase.

IndusInd's new online service was delivered to user acceptance testing within 6 months. After the first phase of implementation, the bank has gone live with CR2's **BankWorld Channel Manager** and **BankWorld Internet**.

The bank is now able to offer their customers the following online services:

- **Funds Transfer**
- **Bill Payment**
- **Credit Card Payment**
- **Cheque Book Request**
- **Standing Order Request**
- **Notification of Lost or Stolen Cards**
- **Foreign Currency Remittance**
- **Multiple Authorisation**
- **Secure Email with Personal Banker**



BankWorld Internet's interface showing foreign exchange rates against the Indian Rupee

Integration with the Host System

The installation of IndusInd Bank's online service involved integration with the bank's back-office system, Equation. CR2 has developed standard APIs, which are open and flexible with Back Office Integration Services (BOIS) developed by third parties for specific back-office type integration. This approach allows for quick and easy deployment and gives the bank a choice as to whether the integration work is carried out by the bank itself, CR2 or a third-party.

For further information about CR2 or the BankWorld and CardWorld product ranges :

Tel: + 44 (0) 20 7251 1777

Email: info@cr2.com

Web: cr2.com

Achievements

Introduction of Online Services

Using CR2's BankWorld channel banking platform, IndusInd customers now have round-the-clock access to bank accounts and financial information, allowing customers to perform balance enquiries, view and print statements, monitor transactions, conduct international and local payments, account transfers and authorise payments.

Increase in Customer Numbers

Since IndusInd Bank has begun to service customers through more automated service channels, retail customer accounts rose by 102,449 to 128,264 in 2000-2001. IndusInd Bank has registered for 10,000 users and is already exploring the possibility of applying for more users.

Enhancement of Corporate Image

By incorporating the latest emerging technologies, IndusInd Bank is continuing to add to its corporate image of a technologically innovative and forward looking financial institution. As a relatively new bank, this is important to the company's strategy of increasing market share.

Extension of Personal Banking Service

Through the provision of an array of online services, including the personal banker concept, IndusInd Bank has had the ability to provide greater customer care and an extended service range to their private banking clients, who form a large percentage of their customer base. IndusInd Bank is the only bank in India that allows customers to consult a personal banker online on queries surrounding their accounts.

The Way Forward

CR2 and IndusInd Bank currently have development plans in place for the next phase of the project to implement CR2's web-based foreign exchange trading module, which will enable online foreign exchange management for the bank.



Mr Rajesh Juriasingani, Regional Sales Manager, CR2 (centre) at the launch of IndusInd Bank's Indusnet service in August 2002 with Mr. Bhaskar Ghose, Managing Director (far right) and Mr Pradeep Gupta, Head of Retail Banking (far left) from IndusInd Bank.