

# Leading European Bank Moves to Customer-Centric Pricing Strategies with SunTec



Staying ahead in the banking sector today calls for some ground-breaking innovation. Legacy systems and platforms hold banks back from coming up with truly unique products and services. One of the top 10 European banks wanted to revamp its operational strategy and move to a more customer-centric model.

There is no doubt that the business of banking is not what it used to be. Global disruptions, changing customer demands and rapidly evolving stringent regulations are just some of the factors pinching banking bottom lines. Revenue and profit growth remain a top priority and banks are keen to explore new innovative opportunities for growing their income. Getting pricing strategies right is now more important than ever, as customers increasingly look for relevant and differentiated pricing options. Just a 10 percent improvement\* in pricing strategies can result in a 25 percent increase in profits.

A leading European commercial bank wanted to accelerate its digital transformation initiative to ramp up its innovation quotient and offer customers new and value-driven services and personalized pricing strategies. The bank had an extensive branch network across the country and a large customer base. They also owned two of the world's most innovative online banks. They wanted to revamp their pricing strategy to put customers at the front and center of their future roadmap.

## Putting the Customer at the Heart of Banking

Customer expectations have undergone a sea change over the last couple of decades. Modern customers are demanding hyper-personalized products and services and a level of engagement that was previously unheard of. And banking is not exempt from their demands. Fintechs and technology giants are already delivering customer-centric, value-driven banking options and traditional banks are now feeling the pressure to transform their strategies to offer customer relevant on-demand and personalized services. The bank wanted to modernize their core business strategies and move to a completely customer-centric model. However, the legacy systems in use were not agile or scalable enough to support the kind of analytics required for drawing usable insights on customer behavior from reams of data.

As a result, the bank was not able to revamp their pricing and billing strategies or come up with personalized products and bundled services. In fact, disparate pricing and billing systems across the organizations made it impossible for the bank to consolidate customer data for a unified view of their engagement. With these objectives in mind, the bank wanted to replace their legacy pricing systems with more scalable modern platforms to offer greater personalization, better bundled offerings and centralize pricing, deal management and billing. They also wanted to eliminate manual processes, reduce dependence on IT and plug revenue leakage. Above all they wanted to offer a holistic, seamless customer experience with a new value-driven strategy.

*Differentiated pricing strategies are crucial for banks to engage more effectively with customers. This large European bank wanted to modernize their platforms to offer customer-centric, relationship-based pricing models.*

The bank handled large volumes of financial transactions including international wire transfers. The system handled pricing, transaction processing invoice management, booking processes, non STP classification and Relative Incentive Credits. With over 6000 customers, and processing 200,000 daily peak volume of transactions and up to 6 million monthly transactions, they could handle about 550 monthly bills. SunTec was handed over the responsibility of upgrading this system to improve efficiency without any major disruptions.

## The Transformation Journey

SunTec helped the bank implement a high-performance system that could be easily integrated with their existing legacy system. The modules implemented included Customer Account, Transaction processing (Consolidation & Pricing), Invoicing, Payment, Email with PDF attachment. The new platform helped the bank implement differential pricing models with flexible pricing rules, effective bundling strategies, personalized offers, and a consistent price governance in the market. It also ensured the capability to price transactions generated in SWIFT formats. By enabling a fully configurable and easy to maintain solution with a highly intuitive and web-based interface, SunTec helped the customer ensure a seamless uniform experience across markets. The bank was able to get a unified view of customer engagement across verticals, which helped in further finetuning their personalization strategies.

### SunTec Xelerate helped the bank:

- Significantly reduce operation costs
- Gain a unified view of customer engagement to finetune personalization strategies
- Carry out real-time charge computation in under 10 milliseconds

The solution automated key pricing and invoicing functions including RIC. It was flexible enough to offer multi-currency e-invoices and handle timely and accurate calculation and invoicing of related banking transactions including volume discounts and cashbacks. The bank witnessed a significant reduction in outstanding collections from correspondent banks thanks to automated and efficient tracking and reporting processes. The system could interpret bank-specific proprietary SWIFT format with additional info/tags and carry out real-time charge computation in under 10 milliseconds resulting in greater operational efficiency.

By comprehensively automating processes, the bank was able to significantly reduce cost of operations and ensure Return on Investment within a year.

\* Source: [www2.deloitte.com/ch/en/pages/financial-services/articles/pricing-for-the-banking-industry.html](http://www2.deloitte.com/ch/en/pages/financial-services/articles/pricing-for-the-banking-industry.html)