

Customer Profile

European Financial Group

Customer assurance leads to plunging costs and climbing profits

Acceleration

“RSA SecurID® has enabled us to underpin our drive to increase loyalty and grow our customer base. It has provided the reassurance customers need and associates us with the ultimate in safe online banking. In turn, this helps us accelerate our business even further.”

Head of Online Banking

AT A GLANCE

Business challenge

- The organization needed to guarantee customer confidence in order to ensure adoption of online banking services
- Failure to do so meant that realization of operating cost reduction and customer growth would not materialize

Solution

- It deployed RSA SecurID tokens, which also includes RSA® Authentication Manager software that enables rigorous and easy token management
- The technology was initially rolled out to 60,000 employees and then to 700,000 customers

Results

- The deployment proved to be so successful that within five months online transactions increased by 31 percent
- The technology was then extended to a further 850,000 customers, leading to 1.5 million users, far beyond the number originally envisaged
- As a result, customer loyalty increased, branch operating costs fell and profits grew

This company is one of the largest financial organisations in Europe with 40 million customers, over 10,000 branches and an operating profit of over \$5 billion (\$7 bn).

BUSINESS CHALLENGE



When the organization decided to launch an online banking service for its high net-worth customers it had several goals in mind: to provide easy, anytime access to accounts in order to increase loyalty and grow the customer base, and to reduce back-office administrative burdens and branch operating costs.



The service included transactional elements such as setting up debit and credit advices, making payments and ordering foreign currencies.



However, shortly after launch, the bank surprisingly noted that take-up of the service was relatively low. An analysis of online traffic revealed that the majority of customers were only using the service to

view their statements and weren't engaging in transactions. This was not only puzzling, it also threatened to undermine the group's plans to attract more customers and reduce operating costs. However, a customer survey soon revealed people weren't engaging in transactions as they were afraid of falling victim to online fraud such as phishing, pharming and keystroke logging. In short, the perceived dangers had undermined customers' trust in the Internet as a medium for conducting banking transactions.



The Security Division of EMC



SOLUTION

The organization began exploring the value of adding an authentication solution to its online banking service. Potentially, this would address the problem of 'customer reluctance' by ensuring that the identity of each online user was established before accessing the online services. However, any such technology would need to be reliable, easy-to-implement, easy-to-manage and above all scalable.

The Head of Online Banking had previously utilized authentication technology from RSA, the Security Division of EMC, to access email while on holiday. While this was used within the context of a clearly limited pilot, enough information was gleaned to ensure that RSA was invited to tender for an authentication management solution alongside a smaller vendor.

An extensive evaluation was then carried out in both the bank and customer environments. This revealed that customers were comfortable using the RSA SecurID two-factor authentication tokens - they provided the confidence that was previously missing. Importantly the management of the tokens, via RSA Authentication Manager software, was straightforward while the technology was also clearly scalable.

As a result, RSA was awarded the contract. Another critical factor, given the large number of branches it has, was the logistical and support provided by RSA. Ease of deployment was also extremely important and actually led the company to broaden its roll-out plans to include employees - to bolster intranet security.

RESULTS

The organization had initially opted for RSA Authentication Manager and RSA SecurID tokens to assuage the concerns of its customers and ensure its plans to enhance customer loyalty, build the customer base and cut operational costs would be realized.

These objectives were clearly met. For example, the technology was rolled out to 60,000 employees and then 700,000 customers and within the first five months there was a 31 percent increase in online transactions, a reduction in operating costs, and a fall in labour and staffing costs. In turn a profit increase was eagerly anticipated.

However, it also exceeded expectations and in recognition of its efficacy and the ease-of-deployment, the technology was expanded to include a further 850,000 users, leading to a total of 1.5 million. What's more, the Head of Online Banking found himself promoted.



"We believe that only RSA can help us provide our customers with the confidence needed to transact online... as online threats increase, security is increasingly important and will increasingly affect the choice of bank for customers. In order to differentiate ourselves we selected RSA as our partner."

Head of Online Banking



RSA Security Inc.
RSA Security Ireland Limited
www.rsa.com

The Security Division of EMC

RSA, the RSA logo, and SecurID are registered trademarks or trademarks of RSA Security Inc. in the U.S. and/or other countries. EMC is a trademark of EMC Corporation All other trademarks mentioned herein are the property of their respective owners. ©2003-2009 RSA Security Inc. All rights reserved.
EurFin_CP_o809