

Cisco Systems Brings World-Class Online Banking Solutions to State Bank of India

Executive Summary

CUSTOMER NAME

State Bank of India (SBI)

INDUSTRY

Financial Services

BUSINESS CHALLENGES

- Enhance competitive positioning in consumer Internet banking
- Increase customer satisfaction
- Push users to Internet self-service

SOLUTIONS

- Create new Internet banking site
- Offer world-class customer usability experience
- Provide modern, clean look; coherent navigation; and customer service functionality

BUSINESS RESULTS

- Upgraded online banking portal will allow more people to do self-service banking.
- Further channels of service will increase customer satisfaction.
- Increased customer acquisition/retention will bring SBI's brand into the global market.

The State Bank of India's (SBI) reach within the country is unparalleled. With a network of more than 14,000 branches—the largest in India and more than double that of the largest bank in the U.S.—and more than 5,500 ATMs spread throughout the country, SBI has a long and distinguished history of providing financial services, contributing to the economic development of rural India since the 1920s. With the creation of its online banking portal in June 2001, SBI effectively extended its banking services channels to Internet users, including Indian expatriates abroad. In February 2005, the Cisco® Internet Business Solutions Group (IBSG) provided the strategy for a much-desired revamp of the existing online banking portal, setting the stage for SBI to become a world-class online financial services provider.

BUSINESS CHALLENGES

The 1990s saw a large number of private and multi-national banks embrace technology in a big way, setting the stage for widespread adoption of IT in India's financial services industry. State-sponsored banks were quick to provide their own offerings, and SBI was no exception. The launch of SBI's online banking portal, "OnlineSBI," in 2001 was greeted with favorable response. In little more than a year, SBI had more than 18,000 registered customers across 150 of its branches, dispelling the belief that customers of public sector banks would not be open to Internet banking.



Prepared by Cisco Systems, Inc.
Internet Business Solutions Group

SBI has long been a proponent of the use of technology to help reduce costs and extend service delivery channels to all parts of the country. Its ATM network, located in 1,721 centers spread across the length and breadth of the country, allows customers to conduct regular, self-service banking transactions. Along with OnlineSBI, customers are able to access their account information and initiate transactions on a 24-hours-a-day, 7-days-a-week basis. Internally, SBI's [wide-area network \(WAN\)](#) connects 385 Indian cities and hosts in-house business applications.

Greater Functionality but Reduced Usability

The development of [OnlineSBI](#) has been gradual, implemented through a series of add-on functionalities, originally beginning with the need to meet customers' information requirements. Subsequently, enhancements were made to add fund transfers, bill payments, purchase of railway tickets, and the ability to receive bank balance alerts via Short Message Service (SMS).

Although SBI was a first-mover among public sector banks to provide such services, the focus was more on provision of features and less on site usability. As a result, even though the services were enticing, the complex usability experience actually deterred customers. A cluttered, repetitive, and text-heavy interface made it difficult to locate the functions they needed to use. The average SBI customer profile may also have contributed to low usage of the site. Typically, public sector banks deploy branches to reach smaller towns and remote villages, where Internet connectivity may be less available. In these areas, customers have less exposure to the Internet and would find the online banking interface challenging to navigate. OnlineSBI's deviation from industry best practices resulted in an online banking experience that, even to a seasoned Internet user, would not be easy to operate.

To realize its objective of becoming a world-class bank, SBI decided to undergo a major revamp of its online banking portal. After attending a regional seminar for Indian financial industry players, SBI met with representatives from [IBSG](#) about solving its online challenge.

“SBI SEES E-BANKING AS THE TRUE SUCCESSOR TO ALL TRADITIONAL FORMS OF BANKING, ESPECIALLY WITH THE CREATION OF LARGE-SCALE TECHNOLOGY INFRASTRUCTURE IN INDIA.”

A.K. Purwar, chairman, SBI

SOLUTIONS

SBI engaged IBSG to provide direction for the planned revamp of OnlineSBI. In order to show the value that Cisco could bring, IBSG demonstrated a prototype of a new and improved OnlineSBI. This gave SBI a glimpse into the possibilities and benefits, and sealed the deal for SBI. “The Cisco team showed their commitment to understanding our business requirements,” says A.K. Purwar, chairman, SBI. “The demonstration proved to us that we would be working with a true partner and not just a vendor.”

Combining industry expertise, knowledge, and experience, IBSG helps Global 500 companies quickly identify and implement technology solutions and services that offer the greatest business impact. Working closely with senior executives and officials as a trusted business adviser, each IBSG expert improves the ability for customers to react quickly to challenges in their specific area.

“We chose IBSG because we were impressed with their capability to address business issues, and not just technical ones,” says Ashok Kini, CEO, SBI Retail Banking. “IBSG’s recommendations for OnlineSBI promised to transform the current landscape of Internet banking channels in India and set the standard for other global banks.”

IBSG and SBI Benchmark OnlineSBI with Global, Best-of-Breed Internet Banking Sites

A joint project team, consisting of members from Cisco and three to four representatives from SBI, worked over four months to evaluate OnlineSBI against 12 world-class online banking sites from leading U.S., European, and Japanese banks. OnlineSBI was compared against global online players such as Chase-JPM, Bank of America, HSBC, ICBC, INGDirect, National Australia Bank, Bank of New Zealand, Hana Bank, Citibank-Korea, and Citibank-Turkey. In this survey, SBI’s existing site fared poorly in customer usability (one out of five), but scored adequately in service features.

As a result of this survey, IBSG produced a report in February 2005 proposing several significant changes that SBI and its outsourced developers could implement based on customer usability design best practices. The consumer online banking site was revamped based on these recommendations and released to the public in December 2005. Among other things, the revamp reduced clutter in page layouts, improved the intuitiveness and consistency of navigation, simplified access to functions driven by customer scenarios, and updated the aesthetics and branding consistency.

“Cisco was able to mobilize a team of six IBSG consultants from around the world to work on this project,” says Syed Shahabuddin, chief general manager (IT), SBI. “Consultants had both a global perspective and also a solid appreciation of the local India banking environment.”

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BUSINESS RESULTS

OnlineSBI is now a world-class online banking portal to be emulated. Best practices in Web design have been applied to OnlineSBI to reduce reading fatigue, guide the customer’s eye to key messages, place focus on transaction-based (instead of explanation-based) navigation, and provide only one major area of execution per screen per page.

The new OnlineSBI also provides a more linear flow to carry out banking transactions. Rather than having all possible transactions occupy screen space, simpler drop-down menus have been incorporated to enable customers to drill down for further detail. The result is a navigation system that does not interfere with the main body of the page.

SBI’s partnership with IBSG has provided benefits in other areas as well. One such area is SBI’s IT security. “IBSG took it upon themselves not only to make SBI aware of security with regards to the online banking portal, but also to highlight the importance of network, physical access, and data security,” says R.N. Ramanathan, deputy managing director (IT), SBI. “I was pleasantly surprised that their expertise extended beyond just networking hardware.”

Ravi Kaul, general manager, ATM, SBI, agrees. “Cisco is able to demonstrate the ability to provide practical advice for both business and technical issues. SBI has the largest and most successful ATM network in India, and I see the revamp of OnlineSBI matching that success,” he says.

Management associates Subrat Panda and Tenzin Thargay were also suitably impressed with IBSG’s technical expertise in online usability design for banking portals. As B.S.R. Prasad, deputy general manager, Internet Banking, SBI, says, “IBSG consultants are world-class, knowledgeable, and friendly. They were very open and willing to share what they know. With what we have learned from IBSG’s direction for the online banking portal, even the corporate Website now provides an improved experience for visitors.”

Next Steps

With the launch of the revamped OnlineSBI, the bank will be a first-mover in providing innovative banking services with added online security features in the country (for example, virtual PIN pads and second factor authentication via SMS). It is SBI’s hope that its customers will now be able to experience a new world of banking convenience, right at their fingertips.

“We’re pleased with the results so far, but the project is not over yet,” Purwar says. “We plan to make continuous improvements, both to enhance the customer experience as well as to push the boundaries of services that OnlineSBI can provide. In October 2005, I met with Cisco CEO John Chambers and am confident that our partnership will be long and fruitful.”

MORE INFORMATION

The Cisco Internet Business Solutions Group (IBSG) is a global consulting team that helps customers transform their organizations by strategically applying business process innovation and advanced technologies. A unique combination of industry experience and business and technical knowledge enables IBSG consultants to serve as trusted advisers to many of the world's top organizations.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



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