Banking case study

An Post Money builds new digital bank

An Post engages Cognizant to architect and build a transformative digital ecosystem and customer-facing channels to become a preferred consumer financial services provider.

An Post, the commercial semi-state provider of mail logistics and delivery solutions, together with omnichannel retail and financial services in the Republic of Ireland, grew from providing essential letter and parcel delivery services to driving the logistics and delivery fulfillment of most of the country's online retail operations. Now a backbone of Irish e-commerce, An Post:

- Employs 10,000 people
- Manages 930 retail branches
- Reaches more than 2 million delivery points
- Administers €20 billion of State Savings, managing more cash than any other organization in Ireland

A restructuring created two world-class businesses within the company: An Post Commerce and An Post Retail. Commerce grows the e-commerce and mails businesses while maintaining high-quality delivery. An Post Retail and the An Post Money brands are meeting the challenge of anticipating and meeting the rapidly changing needs of retail banking customers. By creating an ecosystem of best-in-class products and customer experiences, An Post Money aims to disrupt the market and become the preferred financial services provider for the Irish consumer.

At a glance

An Post Money, the financial services wing of the Republic of Ireland's postal services market leader, transformed its digital ecosystem and customer-facing channels to become a preferred financial services provider. Phase one sets the foundation for new products and services and is expected to:

- Increase customer acquisition by 25% year-over-year
- Grow digital onboarding of new customers by 50%
- Multiply active digital customers multifold
- Improve Net Promoter Score and app review ratings
- Generate incremental revenue though new products and cross-selling of existing products

The challenge

As part of its plan for customer-centered growth and success, An Post committed to a digital transformation that would reinvent its post office network and under the An Post Money banner, provide the technology required to deliver the innovative customer experiences, products and services expected by its customers.

As one of the largest companies in the Republic of Ireland, An Post is and has long been tightly woven into the fabric of the country. As a large part of the Irish landscape, An Post Money realized that its future business success in a cashless economy required a digital transformation to reinforce a one-to-one relationship with each current and prospective financial services customer and leverage the extensive Mails and Parcels customer base.

Creating a new customer-facing app

A successful transformation required a complete rethink of their customer-facing mobile and web applications. In addition, the platform supporting them had to be fit for purpose to enable new customer experiences and allow for rapid expansion of the product ecosystem while ensuring secure access to data and services by customers and external platforms and providers alike.

Because existing standalone An Post Money applications were often branded versions of off-the-shelf products that lacked integration, it was difficult to leverage the equity of the An Post brand, and the disconnected offerings made it challenging to deliver a seamless customer experience. A modern technology platform was required to deliver on the business's large-scale and revolutionary vision.

An Post Money engaged Cognizant to:

- Validate existing and identify new propositions to capture significant market share
- Embed a process for customer-centric design and rapid innovation into the business
- Create a future ecosystem roadmap of An Post Money and other An Post offerings
- Create a best-in-class user experience across new mobile and web customer applications
- Lead by bringing together multiple technology providers and platforms to create a robust and extendable ecosystem

The approach

An Post and Cognizant partnered to transform An Post Money with market-leading, differentiated customer experiences to enable it to leapfrog incumbent banks and effectively compete with fintech challengers in the rapidly evolving Irish financial services market.

Debbie Byrne, managing director of An Post Retail, says, "We want to be the primary account into which customers pay their salary, while also accessing a range of new financial services. Customers will have the trust of the An Post brand, a superior online user experience, and the flexibility of a retail network in 930+ post offices."

Building the customer base

Cognizant led the engagement and worked with An Post Retail to identify opportunities to drive customer acquisition and retention as well as create opportunities to cross-sell An Post products and services. The team created effective, differentiated products and experiences that met customer needs and allowed An Post Money to position itself as a serious contender in the retail banking space.

"We are particularly proud to now offer post, parcels and banking services, which reflects our vision to play an important role in Irish financial services," Byrne adds.

Human-centered, transactional banking products such as current accounts will maintain and reinforce engagement while simultaneously generating data to help the company cross-sell profitable products like mortgages, loans and foreign exchange.

To support these opportunities and provide the ability to create new products and services—and new revenue streams—Cognizant designed a strong, flexible digital ecosystem approach, built in phases.

Our team included experts in digital, cloud, artificial intelligence as well as industry experts from Cognizant Digital Business, Cognizant Digital Engineering, Cloud Infrastructure Security, Integrated Process Management, AI & Analytics and Quality Engineering. Working in pods, these teams designed the products and experiences and then built the apps and supporting architecture using Agile methodologies. This enabled constant user testing and feedback, allowing for rapid speed to market and high levels of confidence in the new user experiences.

A cloud at the heart

The An Post Retail technology environment is now centered and supported by a new An Post Money digital ecosystem that we built during phase one of the engagement. It leverages a platform-as-a-service (PaaS) approach on a secure Microsoft Azure cloud platform.

Within the digital ecosystem are current account, foreign exchange and credit card services that communicate via application programming interfaces (API) with external industry platforms and the redesigned customer self-service channels on the web and the An Post Money mobile app.

The human touch

User-friendly financial services are a touchstone of the An Post Retail digital transformation. The redesigned app and web experience are part of an omnichannel platform that will help the company engage, acquire and retain customers as they consume the An Post Money offerings. Our product and experience design team employed a human-centric design thinking process to create smart, simple and straightforward experiences that support the brand vision that An Post is human about money.

Phase one of the app overhaul revamped core current account functionality and features such as account view, transaction history, payments, transfers and card management. Customers can also easily connect their current account to industry-leading contactless tap-and-pay vendors via their phone or smartwatch.

The team also created a rich youth account product, paving the way for lasting relationships with these new customers, with simplified account features and sturdy parental controls baked in from the start. The youth accounts offer easy to understand views for a younger audience and gives parents the ability to assign and track jobs related to pocket money as they teach their children responsible money management. Providing emergency access to money if a child is in need, as well as allowing parents and grandparents to top up a child's savings easily, are some of the innovative features developed.

Both account types feature an innovative savings mechanism called "jars" that helps customers set and work toward specific goals and save faster by rounding off spare change as they spend. This also formed the basis of more advanced budgeting features being developed for future releases.

Agile execution with advanced data

Another win for the implementation was the use of a pure Agile, phased approach. In phase one, we built an entirely, new banking platform that targets Current Accounts and new Youth Accounts, putting An Post Money in a great position to create new innovative products and services. In phase two of the transformation, we expanded the banking platform to deliver Forex and open banking, along with a state-of-the-art smart money platform built on the machine-learning algorithm and data science concept, which uses advanced analytics and data insights.

Business outcomes

Phase one of the multiphase transformation sets the foundation for a number of new An Post Money products and services and puts An Post Retail on the path to becoming the Irish consumer's preferred financial services provider.

The initial phase is expected to:

- Increase customer acquisition by 25% year-over-year
- Grow digital onboarding of new customers by 50%
- Increase active digital customers multifold
- Improve Net Promoter Scores and app review ratings
- Deliver increased revenues via account fees and product cross sell

Continuous digital transformation

Additional features in the pipeline for An Post Retail customers include smart budgeting with a financial fitness program, credit card and Foreign Exchange integration into the core banking app, plus travel support. These features, as well as the ability to connect to third-party accounts via Open Banking Technology, are expected to provide even more benefits to An Post Retail in the near future and beyond.

Under its five-year plan, An Post Retail plans to increase the 250,000 customers across its current accounts, credit cards, loans and foreign exchanges business to one million active customers by 2025.

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