



Future-ready Customer Experience Management (CXM): Trends Driving the BFSI Industry

June 2024: Complimentary Abstract / Table of Contents

Market Report
Customer Experience Management Services



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- ▶ Oracle Services
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- ▶ Payer and Provider Information Technology
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- ▶ Pricing Analytics as a Service
- ▶ Process Intelligence
- ▶ Process Orchestration
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- ▶ Recruitment
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- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
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Focus of the report

The report provides insights into Banking, Financial Services, and Insurance (BFSI)-specific CXM services, with a focus on subsegments such as banking, insurance, and cards, and payments

The primary objective of this study is to explore the dynamic landscape of the BFSI CXM market, which holds significant prominence, contributing approximately 20-22% to the overall CXM outsourcing revenue. In 2023, BFSI enterprises spent US\$23-24 billion on CXM outsourcing. Understanding the evolving needs of enterprises within the BFSI vertical becomes crucial. To comprehensively understand this vertical, we divided it into three segments – banking, insurance, and cards and payments. We then conducted a detailed analysis of each segment to gain insights into the key drivers of outsourcing, market trends, challenges faced by enterprises, technological innovations, delivery landscape, and industry-specific use cases.

This report is a pivotal asset for BFSI enterprises aiming to navigate the CX outsourcing landscape effectively. It furnishes insights into industry-specific service offerings,

prevailing technology trends, and geographical delivery distribution, thereby empowering enterprises to make well-informed outsourcing decisions.

Moreover, it amplifies the awareness regarding the prospective applications of generative AI technology within the BFSI sector. Additionally, it empowers service providers to grasp enterprise pain points, thereby aiding in the refinement of their strategic approaches and investment initiatives to seize lucrative business opportunities.

In this report, our focus is on:

- Analyzing global CXM services market trends in BFSI and identifying key factors influencing the growth
- Understanding industry-specific trends, including enterprise challenges, technological tools, provider solutions, delivery trends, and potential generative AI applications across segments including
 - Banking
 - Insurance
 - Cards and payments

Scope of this report

Geography: Global

Industry: Banking, insurance, and cards and payments

Services: CXM services

Source: this report is based on primary and secondary data collection, conversations with market participants, and fact-based research.

Summary of the report



Banking

- The banking CXM outsourcing market crossed US\$11.5 billion in 2023, driven by banks' increasing demand for outsourcing CXM services to achieve cost optimization, flexible service delivery, and access to specialized service offerings
- Banks are forming strategic partnerships with providers to deploy tailored banking solutions, aiming to enhance process efficiency, bolster user security, and address specific needs such as fraud prevention, process automation, and digital banking solutions



Insurance

- In 2023, the CXM outsourcing market in the insurance vertical hit US\$7.1 -7.3 billion, fueled by insurers leveraging providers to outsource claims processing, sales services, and policy administration to achieve cost reduction, global scalability, and access to specialized skills
- Insurers are also exploring generative AI technology to employ bots for personalized assistance and enhance risk management with predictive analytics and fraud detection



Cards and payments

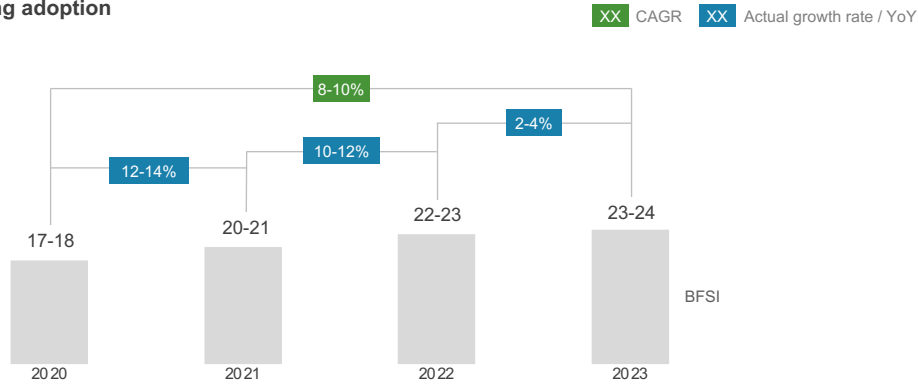
- The CXM outsourcing spending in the cards and payments industry reached US\$4.5-4.7 billion, driven by the demand for outsourcing services in dispute management, transaction screening, fraud detection, and chargebacks
- Enterprises are investing in data security, fraud prevention, personalization, and advanced customer analytics, aiming to enhance overall CX delivery, provide tailored support for financial activities, and fortify transactions with heightened security measures

Source: Everest Group (2024)

This study offers five distinct chapters providing a deep dive into key aspects of BFSI CXM market; below are four charts to illustrate the depth of the report

BFSI CXM outsourcing market overview

BFSI CXM outsourcing adoption
2020-23, US\$ billion



Gen AI use cases in banking

[NOT EXHAUSTIVE]

Loan approvals
Banks are exploring gen AI models to analyze customer credit profiles, transaction histories, and financial behaviors to assess creditworthiness and make informed lending decisions.

Early fraud detection
They are utilizing gen AI algorithms to analyze transaction patterns and identify suspicious activities, thereby enhancing fraud detection capabilities in banking.

Voice biometrics
Banks can implement voice biometrics powered by gen AI to authenticate customers during phone banking transactions, thereby enhancing security and user experience.

Personalized financial advice
By integrating gen AI and customer analytics, banks can offer personalized financial advice and product recommendations through various digital channels.

FAQ bots
FAQ bots can efficiently handle tasks such as checking balances, managing funds, setting up payments, streamlining customer service, and enhancing the overall banking experience.

BFSI CXM delivery trends

BFSI CXM delivery landscape
Delivery locations



Future outlook

- More investments in generative AI technology**
The BFSI sector will experience a surge in generative AI investment, revolutionizing risk assessment, fraud detection, customer service, and financial planning. This technology integration will streamline operations, boost efficiency, and offer personalized services, thereby meeting the evolving customer needs.
- Emphasis on industry-specific services and digital solutions**
In the digital era, BFSI CXM providers will see increased demand for industry-specific services and digital tools addressing the banking processes such as collection, lead generation, and customer verification. These efforts aim to deliver seamless, personalized, convenient, and secure banking experiences.
- More propensity toward offshoring**
With the ongoing globalization trend and the pursuit of cost-efficiency, the BFSI industry is expected to demonstrate a greater propensity toward offshoring. It will provide access to diverse talent, ensure lower operational costs, and sustain competitiveness in a dynamic market.

Research calendar

Customer Experience Management Services

	Published	Current release	Planned
Reports title	Release date		
Achieving Digital Customer Experience Management's (CXM) Full Potential with the Generative AI Revolution			December 2023
Conversational AI – State of the Market Report 2023 – Update			December 2023
Customer Experience Management (CXM) – Provider Compendium 2023			December 2023
Strategic Keys: Unlocking the Potential of Customer Experience Management			February 2024
Customer Experience Management (CXM) Services CXO Insights: Key Issues Report 2024			February 2024
Generative AI in CXM: Assessing Enterprise Readiness for this Disruptive Transformation			March 2024
Lead with Empathy: Handle Care with Care			May 2024
Future-ready Customer Experience Management (CXM): Trends Driving the BFSI Industry			June 2024
Consumer Readiness for Generative AI Adoption in CXM			Q3 2024
Navigating AI Adoption: Transforming CX in Regulated Industries			Q3 2024
Conversational AI Products PEAK Matrix® Assessment 2024			Q3 2024
Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024			Q3 2024
Contact Center-as-a-Service (CCaaS) PEAK Matrix® Assessment 2024			Q3 2024
Customer Experience Management (CXM) – Provider Compendium 2024			Q3 2024
Conversational AI – State of the Market 2024			Q3 2024

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