

## Capital One: What's in your API wallet?



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### How application programming interfaces (APIs) are helping the innovative bank “refresh and unlock” its potential.

Banking has traditionally been conducted at branch locations, but Capital One is anything but traditional. The financial titan is actively working to “re-imagine the way customers interact with their money.”

“In a digital world, you can’t expect customers to always come to you,” says Joshua Greenough, senior director of technology innovations at Capital One. “You need to go where they are conducting business.”

That’s one of the primary goals of Capital One Labs, the innovation engine of an innovative bank. And the latest fuel for the engine has been APIs, which allow developers to create new programs and services that connect to and extend existing applications.

“We’ve been exploring non-traditional channels for a couple years,” says Skip Potter, vice president of Technology Innovations at Capital One. “APIs are very interesting because they allow us to create new digital experiences that are horizontal across all of our service areas, from banking to credit cards to lending. They are a catalyst for change; not just for our customers, but for us and how we do business.”

#### Learning on the fly

While the approach may be novel, the goals are conventional: reach new markets and expand the distribution and adoption of Capital One’s services. In spring 2013, the company launched two APIs that extend the reach and value of its loyalty programs. The Digital Deals API helps Capital

One affiliates earn money by delivering personalized deals to the right customer at the right time. The Rewards API allows customers to “pay with points” on certain websites and applications.

Both were developed using API management technologies from Mashery, an Intel® company. The Mashery platform enables PCI-compliant, cloud-based global delivery of APIs. This kind of built-in regulatory compliance across APIs can help facilitate integration between finance and retail partners such as Capital One and its affiliates.

“We wanted to find areas where we could add value in the marketplace, without impacting our core services or programs,” Greenough explains. “APIs are very new for us, for our partners, and for our customers, so we wanted to crawl before we walk and run. Starting with our loyalty programs gave us a chance to test, explore, and learn.”

A number of Capital One affiliates are already utilizing the APIs. With the first two a resounding success, the bank is working to incorporate additional partners and bring new APIs to market.

“We developed the first two APIs ourselves, but the greatest value will come when we allow our partners to iterate and improve them,” says Potter. “Our partners are often closest to the customer, and know how to enhance the customer experience within their channel or application environment.”

# Unleashing IT



## Internal momentum building

In addition to positive partner and customer adoption, Capital One is experiencing a “surprising” amount of internal momentum surrounding its API development and initiatives.

“This stuff is brand new, and we’re in an entrenched industry. That said, there has been an unexpectedly high level of energy and interest internally,” says Greenough. “Our business groups have seen the value and are asking for more. It’s safe to say APIs are pushing the envelope for us, throughout the company.”

While the current APIs are focused on consumers and shopping experiences, Potter sees a tremendous opportunity to use APIs in support of Capital One’s small business and commercial customers.

“We think APIs can help us integrate our services with ERP, payroll, and financial applications in ways that help small and medium companies run their business,” he says. “And we can do it quickly. It only takes a few months to get a new API to market and let our customers start using it. Then we can learn from it, improve it, and leverage it in new ways.”

“In the beginning, all of this was theoretical and aspirational, but it’s quickly becoming reality,” Greenough adds. “APIs are helping us take a fresh look at banking and unlock the potential of this promising technology.”

## API management

To learn more about Mashery’s API management platform, see a demonstration at: [www.UnleashingIT.com/API](http://www.UnleashingIT.com/API).

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