

UNDERSTANDING THE RETAIL BANKING CONSUMER FINANCIAL SERVICES - RETAIL BANKING

Customer Lifecycle Optimization

A guide to foster corporate innovation and digital transformation

The GrowthEnabler InFocus reports uniquely address the top priorities for technology leaders and their teams; by recommending potential solutions, in the context of business growth. Each business priority is broken down to point level/function-specific solutions that are further linked to technologies with a list of vendors. Business Solutions are sourced from GrowthEnabler Pii, our intelligence gateway to over 525K high growth tech companies. This report is designed to navigate the ever-changing technology landscape, and enable more informed, and quicker, decision making.



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How can banks decode the dynamically changing Retail Consumer?

AN INTRODUCTION

Developing a deep understanding of consumer behavior to create customer centric processes is the linchpin of a successful digital transformation endeavor. Rising consumer demand for personalized products and services is driving banks around the world to adopt technologies that can accurately measure consumer behavior and analyze their preferences. The ongoing channel proliferation has shifted control of the buying process from the banks to the consumers, making a seamless omnichannel experience indispensable to ensuring customer loyalty. As the consumer preference for digital banking reduces human touchpoints, banking marketers are being forced to develop holistic campaign strategies which can integrate multiple channels to account for the reducing attention span of the new digital consumer.

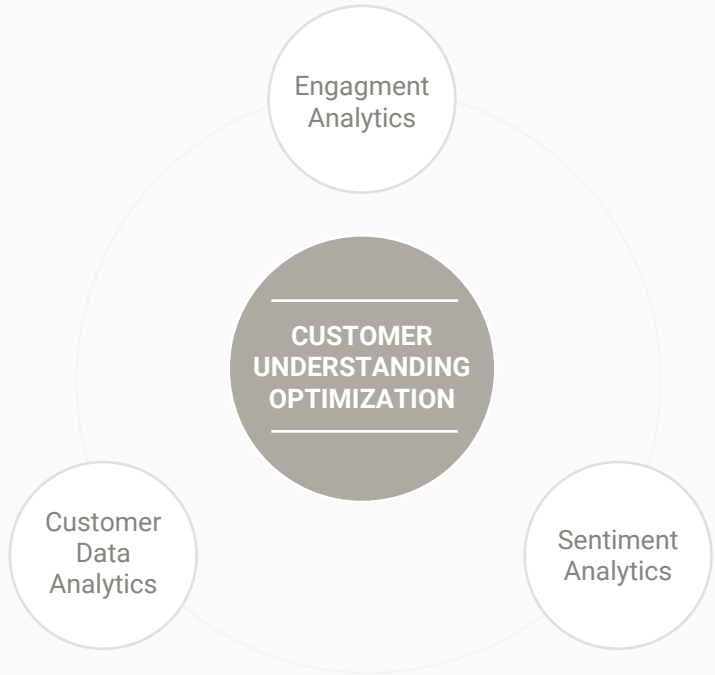
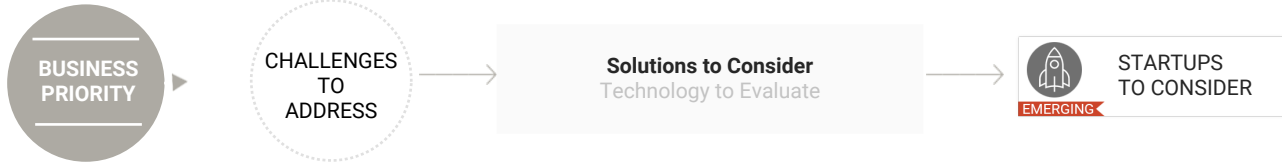
The diversity in consumer choice of services is also increasing rapidly with new 'digital born' Fintech startups creating commoditized products, reducing the wallet share going into banks. Consumers driven by convenience are spreading their banking needs across multiple providers, pressurizing banks to develop holistic customer relationships to improve cross and upselling opportunities. Banks should also be cognizant of the threat from technology firms like Google, Apple and Alibaba as they take significant strides into the Financial services domain. For instance, Alibaba's payments product Alipay claims to have over 500 million monthly active users, creating a rich database of customer spending information which is being used to create personalized product offerings.

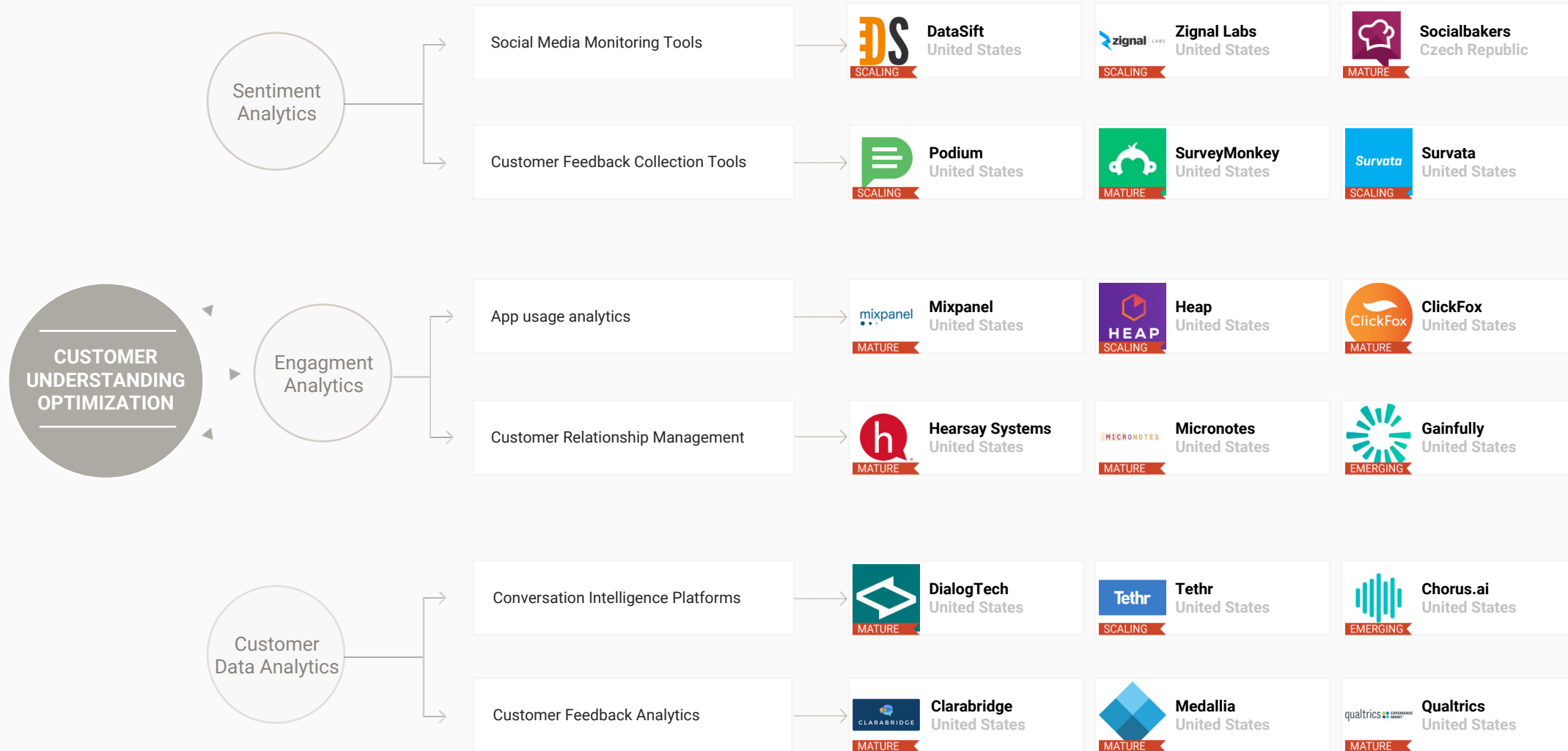
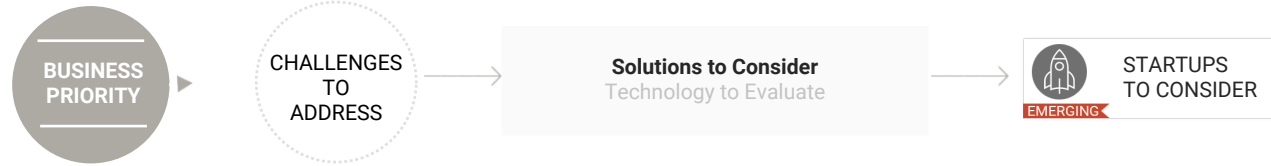
This new era of dynamically changing consumer preferences and demand for specialized products offers a significant opportunity for fast movers to create competitive advantages in engagement and distribution models by leveraging emerging technologies like Big Data analytics and Social Media. Personalization at an individual customer level can be achieved by coalescing multiple data sets to create 360 degree consumer profiles which can be utilized to build tailored products designed to enhance user satisfaction and reduce attrition. Machine learning models can be implemented to improve behavioral prediction patterns and create innovative products like financial advisory through digital channels resulting in increased loyalty and increased market share.

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STEPS TO ACHIEVE BUSINESS PRIORITIES







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RECOMMENDATION

Tools that can capture and analyse customer behavior can help banks develop a first-hand understanding of audience perception of the brand and their services, in addition to insights on changing consumer demands. Creating channels for efficient collection of public opinion from multiple channels coupled with analytics tools to generate insights from this data is imperative for banks to stay relevant in the digital age.

- 1 Utilize Artificial Intelligence based conversation intelligence tools to record and analyse promotional and support calls. Call analysis can help personalize outbound campaigns with context based on the mood of the customer in real-time. Detecting and adapting to the customer sentiment and tone in real time can help in churn reduction.
- 2 Introduce feedback collection and survey tools to enable timely collection of relevant data from consumers on issues and suggestions which can be managed in System of record platforms that combine data from the plethora of customer touchpoints and analyse it to generate a comprehensive picture of an individual customer. The central database should be in a bi-directional sync with various sales and marketing mechanisms to ensure data utilization across the customer lifecycle journey.
- 3 Record and analyse customer clicks, searches and page visits to build comprehensive customer journey maps and integrate them into feedback loops for optimizing campaign design. In addition to improving customer support, mining this data can help banks innovate products and their engagement mechanisms in sync with changing customer needs.

HOW TO WORK WITH STARTUPS ?

FINANCIAL SERVICES

Startups bring critical innovation, problem solving and the potential of entirely new markets to Corporates. Innovation is high on the CIO agenda today; however partnerships that drive this innovation are becoming harder to find. Creating real change by fighting against static bureaucracy as one such stumbling block in the success of startup-corporate collaboration. The heavily regulated and slow-to-change nature of the Financial Services industry has slowly eroded profitability over the years and has made the market leaders particularly prone to disruption from Tech giants like Google, Amazon, and Facebook.

It is time for incumbent players to adopt a collaborative approach with emerging fintech players to renovate their business models especially in the fields of digital payments, lending, and money-transfer. Most Startup-Corporate collaborations fail due to multiple challenges from a cultural and technological standpoint. It is imperative that expectations from both sides be well-defined and corporates should leverage their existing expertise in dealing with regulations in collaborative projects with startups. A transparent approach about the scope and metrics of the project along with well-defined deadlines can help build a critical foundation for a successful proof of concept. A sandbox approach, by providing safe environments for developers to extensively test their products internally before the final release can help determine the propensity of success without the regulatory challenges.

The dynamically changing customer requirements and rise of the digital consumer are driving banks to expand their product portfolio and invest heavily in customer engagement. Constant innovation in product offerings is a monumental task which makes embracing a platform based approach critical for banks. Developing an ecosystem of digital partners who can augment their core offerings can prove to be a major competitive advantage. Introducing a platform where customers have the ability to access multiple services from a single platform can drive exponentially better customer engagement in addition to generating additional revenue streams for banks. Creation of Open APIs along with a strong focus on driving network effects can help create a win-win situation for both banks and fintech startups.

GROWTH ENABLER RESEARCH METHODOLOGY

Proprietary Research

INTRODUCTION

GrowthEnabler uses its proprietary research methodologies to analyse the business impact of disruptive technologies and digital innovations on the future growth of large corporations and their industries. GrowthEnabler applies its deep-data analysis tools, scoring logic and algorithms to create intelligence that enables senior executives to make informed business

STARTUP TECHNOLOGY LANDSCAPE & ANALYSIS

The Startup eco-system is built using an exhaustive primary and secondary research analysis model, led by dedicated team of tech analysts and subject matter experts (SMEs), who

Primary Research: The Primary research data is sourced directly from GrowthEnabler Market Surveys, RFI's with Startups, One-on-One Interviews, Calls and Product briefings, including Startup and Client Registration Information available on the GrowthEnabler Pii platform

Secondary Research: A team of Machine Learning and NLP experts scan thousands of private and public data sources using data scraping and crawling methods to extract relevant secondary data, which is then validated and verified using GrowthEnabler automated data-cleansing methods, industry and technology segmentation taxonomies and

The major source of secondary research are:

1. Global Startup Websites
2. Data Aggregator
3. VC and Investor Portfolios
4. News Feeds
5. Industry Reports
6. Regional Company Registration Websites
7. Social Sources (Social Sites, Blogs, Articles, Media Sites)

ANALYST VALIDATION: A team of Analysts and Subject Matter Experts validate both the primary and secondary data while using internal peer reviews to substantiate core assumptions and data points, and external discussions with senior decision makers to assess business relevancy, timing and need

A total of 100 data-points and parameters are applied in analyzing and predicting the growth potential and health of a Startup, including:

1. Company Information
2. Leadership Team
3. Business Model
4. Financial Strength/Funding/Acquisition Data
5. Product & Innovation
6. Customer base
7. Social Media
8. Business Traction and Progress

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