

A background image showing a close-up of two hands shaking in a firm grip over a desk. On the desk are several documents with charts and graphs, a pen, and a laptop. The image is overlaid with a dark purple diagonal band that contains the title text.

Advanced Retail Banking: Digital Technologies & Future Growth Plan

Retail Banking Technology: The Smart Way to Serve Customers

Over the last few years, with the proliferation of technology and digital channels (mobile and social media) as well as growth in innovative technologies like AI, chatbots, and robotics, Retail Banking has changed drastically. Driving more value from expensive physical networks and matching pace with the key trends under strict monetary control, builds extreme pressure on banks. It is therefore of prime importance, to equip bankers with sufficient knowledge and expertise, to deal with concerns like credit and risk issues, political challenges, inflation, and dealing with growing populations demanding more services.



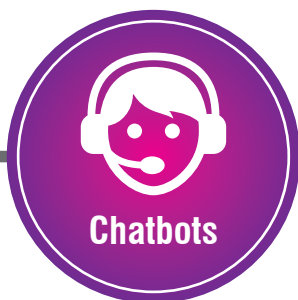
1 How Digital Technologies Will Change The Face of Retail Banking?

Topics To Be Covered:

2 How To Plan For Future Revenue Growth?

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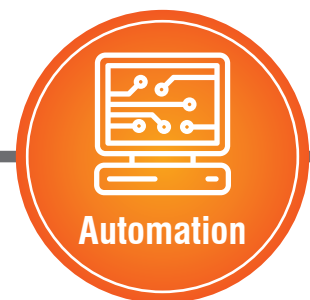
Topics to be Covered:



Chatbots

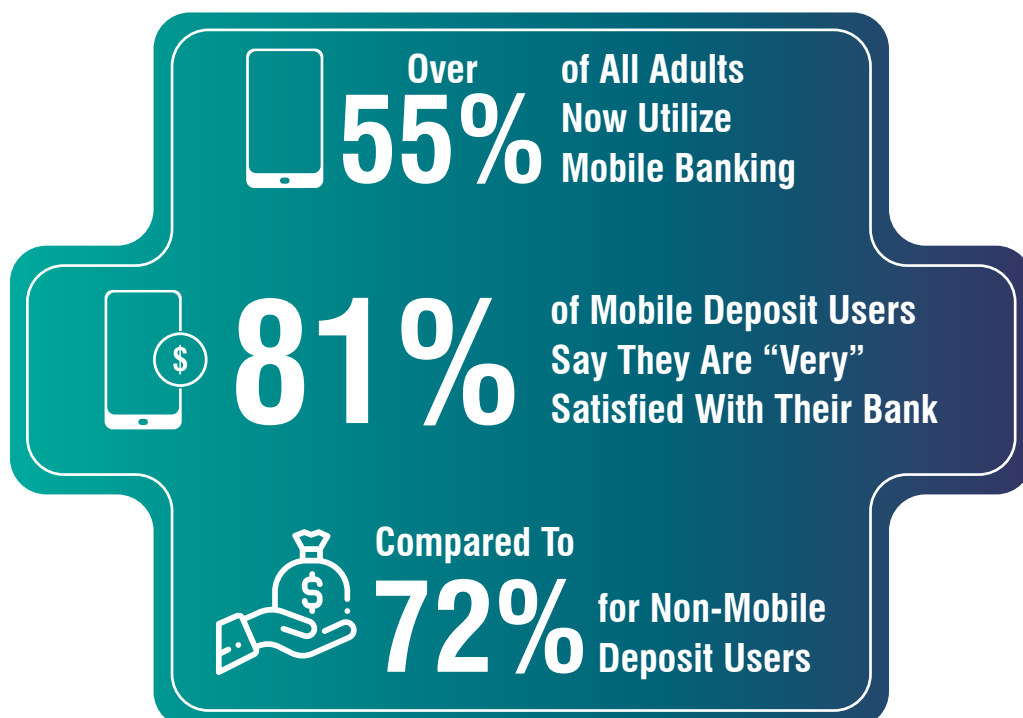


Fraud
Detection



Automation

Artificial Intelligence (AI) has impacted Retail Banking industry more than any other. For keeping up with their competition, it has become extremely important for organizations working in the banking industry to increase their standing as an innovative company. The below graph depicts 6 reasons for financial services using AI-powered solutions.



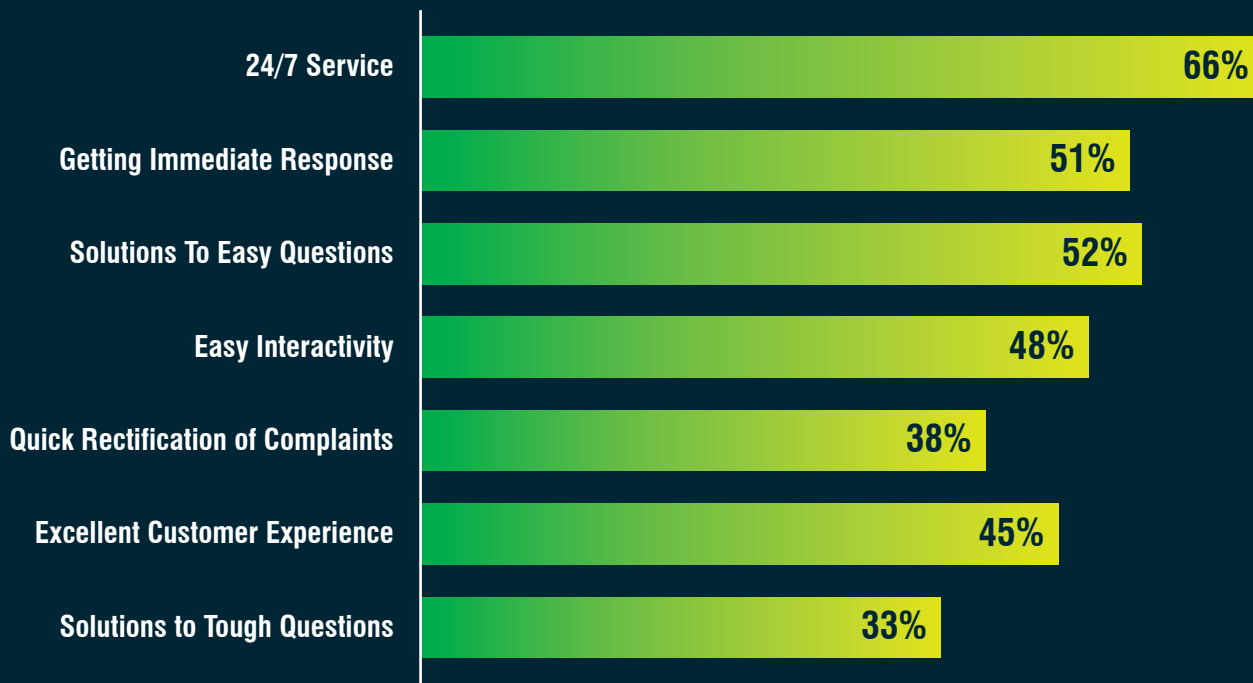
Why Should Financial Services Firms Use AI-Powered Solutions?



1. Chat Bots

Chat Bots work on principles of AI and simulate human chats without the need of any human intervention. They give automated replies by discerning the emotions and context in the text chat with a human. As time passes, these chat bots learn the habits, style, routine, mood, and needs of the end human user by collecting huge volumes of data. This helps the chat bots to interact in a more personalized way and helps build a relationship with the user. In the banking industry, Chat Bots are already being used to elevate customer relationship management at personal level. “Erica”, a virtual assistant built by Bank of America, will soon be available to its customers that will help them to improve their financial affairs.

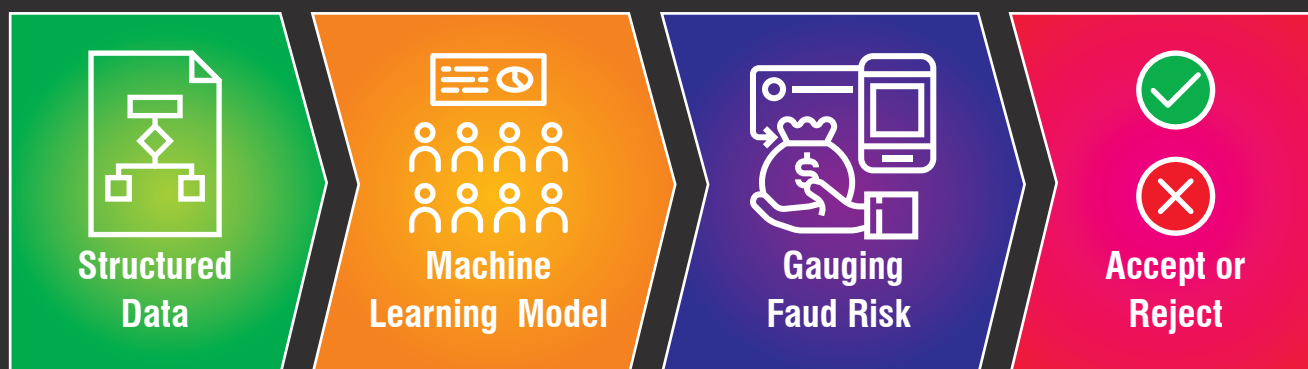
Potential Benefits of Chatbots



2. Fraud Detection

Machine Learning (ML) techniques can be used to detect a fraud at the earliest. It can process large data sets and detect thousands of patterns in the purchasing journey of a user by applying cognitive computing technologies to raw data. ML systems can accept or reject transactions at lightning speeds and Neural Networks update its models to reflect the latest trends. Also, as the scale of transactions increase, ML systems gather the ability to differentiate between genuine and fraudulent transactions with ease. ML systems also help identify fraudsters who use malware and phishing mails to obtain the personal and financial details of a customer and thus, help reduce instances of such frauds.

Successive Steps for Fraud Detection



3. Automation

With the need to improve digitization, implement faster transaction systems, and institute new cost efficiency methods, banks need to explore new Robot Process automation (RPA) systems that are fast, accurate and efficient. Robots record and elucidate applications to manipulate data, process transactions, and interact with other digital systems. RPA, mimics humans and executes monotonous and repetitive tasks using huge volumes of data, algorithms and rules-based decision making. RPA will play a major role in the banking industry in the future, as it will allow the skilled employees to take over tasks that require a high level of cognitive ability and perform repetitive tasks itself.

Advantages of Robotics Process Automation



How to Plan For Future Revenue Growth?

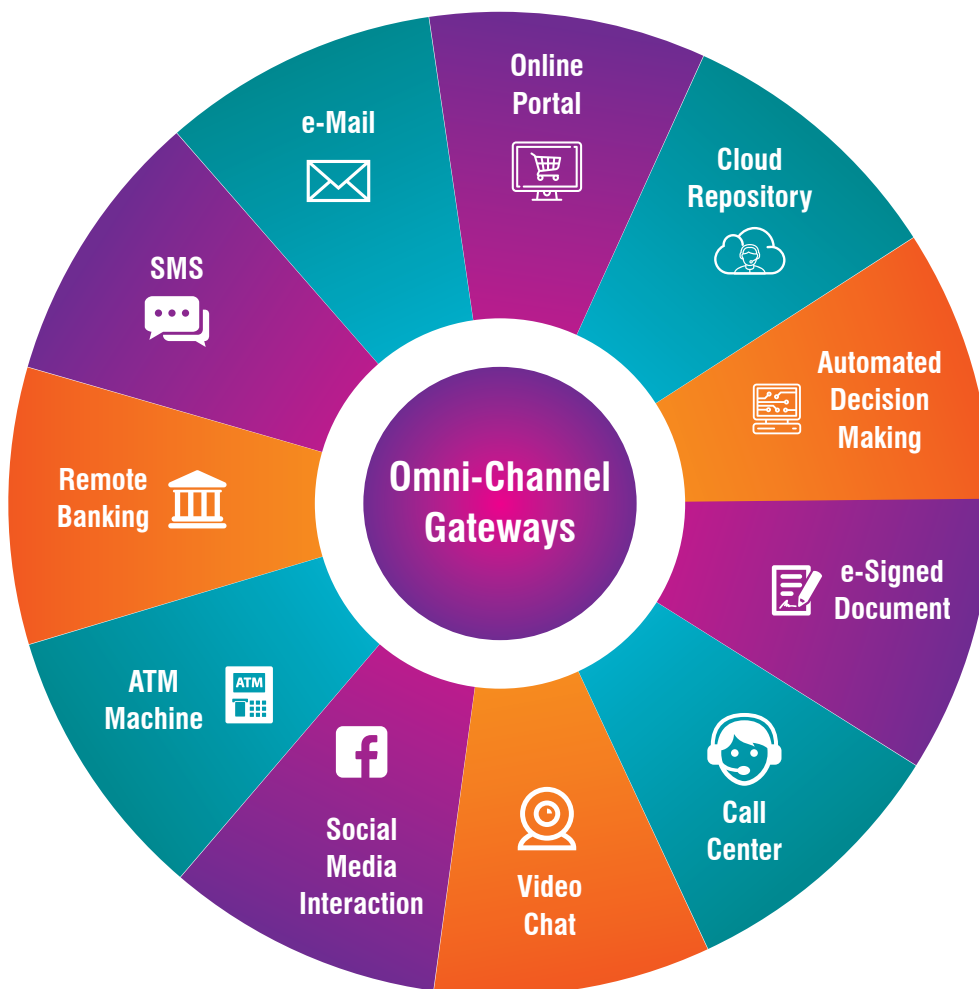


Banks of the future will have myriad revenue streams subject to correct structural planning, product offerings, empowering the employees and learning from non-banking industries. Customer satisfaction is one of the most important key area, where banks need to focus. But are banks placing the right people for the right jobs? Are they focusing on creating long lasting relationships with customers? Are they offering their products across all channels? Let's explore that in detail.

1. Omni-Channel Product Offering

In the present digital world, cross-channel convenience is one of the most important area where banks need to focus. A multi-channel business platform helps market, sell, and serve customers in a way that creates a consolidated and unified customer experience. Gone are the days when customers could only interact with their nearest bank branch or call centre for their everyday banking needs. Omni-channel gateways include transactions through online portals, e-signed documents, ATM teller and interacting through video chats and social media posts. Also, due to increased internet connectivity, banks are also reaching rural area to increase their customer base. Banks are coming up with techniques like branchless banking, remote banking, and mobile banking so that rural people can connect with the banks through the comfort of their homes. Easy to use banking apps, social media accounts, SMS notifications, and active chat support are some of the many channels through which banks are trying to reach more people even in the remotest of areas.

There Are About **4.77 bn** Mobile Users in The World
& About **50%** Come From The Rural Areas



2. What Can Banks Learn From Non-banks?

Both internally and through external ecosystem collaboration, banks will continue to evolve their capabilities in support of their digitization agenda. Below are three things that banks can learn from FinTech Innovation.

1. Simplify: To support an enormous inventory of applications, infrastructure and processes, banks have a fairly sizable technology and operations organization. This takes a toll on their agility in delivering new services. Banks will be able to become more flexible when they simplify their overall IT operations. This is where FinTechs can help them. FinTech can modernize traditional banking systems by replacing domain capabilities with best of breed SaaS solutions. This will not only redirect the cost savings for digital transformation initiatives. But will also create an impact for both, bottom-line and top-line optimization.

2. Integrate: In the coming times, banks will need to become an active participant both as a consumer and as a provider of financial services. With the advent of sharing economy ecosystem, Open technologies based integration platform will lead to an architecture led transformation that will focus on driving speed and agility of integration. This architecture will consist a combination of microservices, API, and SOA services based on utilitarian grounds. It will help banks to externalize its services and product offerings through API enablement and engage more with their customers.

3. Scale: Banks can learn from FinTechs on how to increase their scale of operations. A hybrid IT architecture with a Cloud first principle will simplify applications, processes, and infrastructure platforms for banks. Migrating to such platforms will be of utmost importance as it will reduce infrastructure costs exponentially and will make the data readily available at any given point of time.



44%

of Consumers Across Industries Globally Say They Would Consider Products & Services From Companies That Are Not Generally Considered Part of Traditional Industry Definitions

Conclusion: In order to connect with customers on a large scale, banks need to implement economical techniques. They need to collaborate with FinTech companies and come up with secure IT technologies that will help customers integrate with the banks with ease. Also, banks should embrace new technologies that will speed up operations, make the bank more agile, and open to customer's needs. There is no doubt that robots are the future and banks need to implement them to increase their cost-efficiency, accuracy, and time conservation. Moreover, banks need to embrace omni-channel offerings through which they can reach masses even in the remotest of areas. Thus, a mix of technology and collaboration with non-banking sectors will help banks to realize their true potential and go way ahead of their competition.

