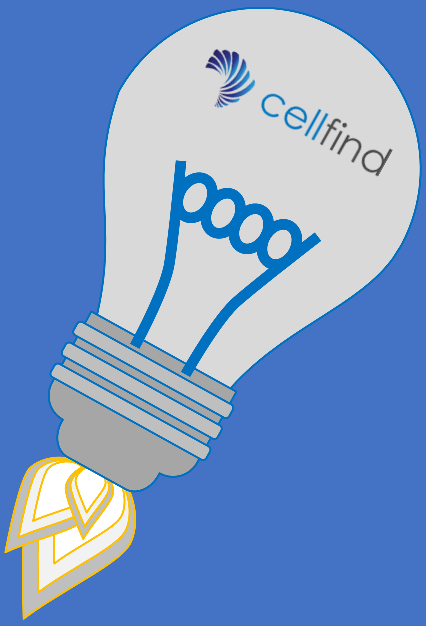


Leveraging Smart Messaging Solution in the Financial Services Industry

An eBook by Cellfind

CONTENTS

SUMMARY

We endeavored in this eBook to explore both the difficulties and opportunities for banks and other financial institutions attempting to keep pace in a modern world entirely altered by technology. We illustrate how the pioneers in this exciting new world economy are those striving to personalize and modernize their mobile messaging communication strategies and products.

“We're witnessing the creative destruction of financial services, rearranging itself around the consumer. Who does this in the most relevant, exciting way using data and digital, wins!” as global Fintech and business leader Arvind Sankaran wrote. Banks have become more modern in recent years, but not necessarily at the same speed as their customers. Consequently, whilst bricks-and-mortar banks have oftentimes failed to meet the demand for the fast, easy, always-on services tech-savvy consumers demand, other, more agile vendors have been able to provide such services.

Twenty-First Century consumers hold financial institutions to much higher standards when it comes to service levels, and the timeliness and personalization with which a service is delivered. These levels of attention have been tricky to deliver in a cost-effective manner in the past. However, technology can help to provide answers: Customer journey automation and Artificial Intelligence can power chatbots, for example, helping to compliment traditional channels.

As can be expected though, privacy and security remain extremely important for customers. While clients may feel at ease interacting with banks over chat apps, they will not tolerate their personal business affairs being made public, or any other issues with security.

Despite any such concerns, however, there is a growing demand for simpler, more convenient banking — especially via mobile devices. New “online-first” companies offering unprecedented levels of user-friendliness and accessibility are fast becoming commonplace and hampering the opportunity for banks to sell some of their services — unless they react quickly. Several financial institutions have stepped up to the challenge, promoting state-of-the-art new services that disrupt traditional practices.

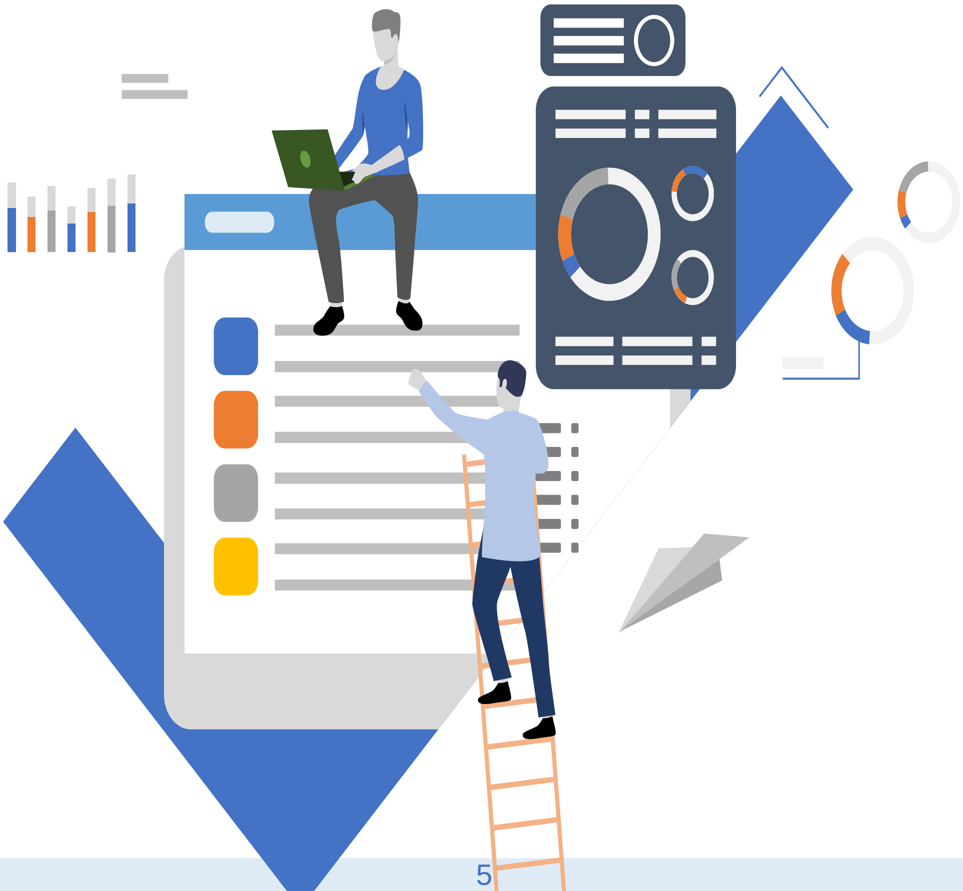
More open banking will allow banks to provide an improved customer experience. It will gauge customer requirements more precisely and lead to better decision-making. From a messaging perspective, these sorts of benefits can be enabled through Cellfind’s API’s and integrative product suite.

By utilizing technology to become active listeners, financial institutions are able to respond to the specific wants and needs of their clients better. In addition to improved communication via existing channels, financial institutions will also need to further expand their offerings into novel, modern methods of customer interaction as they embrace an innovative omnichannel model, such as our Flow-Builder platform.

These new channels will be complimented with improved in-person communications, empowered by data. Such complimentary efforts are essential to acquiring and retaining millennial (and, older Gen Z) clients, who have more choices than in days gone by, and who tend to opt for the most convenient solutions.

Exciting interactions for banking and other financial services customers will be driven by technology and persistent communication platforms, but technology is not the only piece to this puzzle. Improved relationship building, service delivery and client satisfaction are the crucial components for sustained business growth for banks and other financial institutions.

Cellfind helps a wide range of businesses communicate better and more proficiently, though smart messaging solutions. Find out more about how we can help your financial services organization to better engage with your customers.



Financial Services: A Quick Historical View

In the not too distant past, consumers had to contend with “banking hours.” Getting service meant hurrying to make sure you arrived at the closest branch before closing time. Thankfully, this dated way of thinking is slowly shifting, and financial institutions are experiencing the same disruptive ideas as every other sector challenged by fresh business models and expanded consumer expectations.

Competition has shifted and can now come from unexpected places — a super agile fintech start-up, an online-only bank, or even digital behemoths like Amazon or Google, both of whom are exploring banking products. This evolution has led to the rise of a term unheard of in the financial services industry just 10 years ago: disintermediation.

Disintermediation is usually defined as anything that eliminates the middleman. It also tends to be closely linked with disruption in the financial services environment. A Blockchain influencer once described disintermediation as “reduction in the use of intermediaries between producers and consumers, for example, by investing directly in the securities market rather than through a bank.”

Disintermediation and disruption have altered the modern banking world. The industry is now fraught with competition and the tech generation, having grown up with familiar platforms like Google, Facebook, Amazon and Netflix, are beginning to demand uber-responsive service in all their online interactions — including when considering which bank account, loan or other financial service to sign up for.

It’s no different when considering the physical interaction experience. When clients visit a bank branch to open an account or deposit funds, they assume they will receive the same level of convenience, customer service and effortless transaction processing as when they visit a grocery store or coffee shop.

This is the reason why certain financial institutions are opening kiosks in establishments like supermarkets and post-offices, embracing the appeal of marketing themselves to millennials and other busy niche groups who seek a smarter in-store customer experience.

Turning Tradition on Its Head

Traditionally, obtaining a new client meant that they tended to stay with you for life. **These days, however, the annual churn rate for banking and other financial services customers is rather significant, both in the first year and in years to come.**

Research from an online business community platform recently estimated that acquisition costs for new retail banking customers vary quite significantly and that in certain instances, customers generate less revenue than what these costs are during their first year, meaning it can take some time for banks to reach a break-even point in terms of each respective new customer.

Losing customers can be costly. Knowing that they receive competing offers through a wide range of online methods, banks must engage with current, lost and potentially new customers in whichever mobile friendly way they want to be engaged with.

Your customers are aware that they can shop around. Research has shown that 75 percent of customers called on more than one bank when considering a loan. 25% enquired with several banks. If that potential customer had a difficult experience via one of the various channels of engagement, their opinion of the bank is negatively affected, perhaps irreparably.

The Always-On Opportunity

Customers tend to use diverse channels for different reasons. Banks must ideally deliver an omnichannel communications experience — one that's personal, interactive, private, built by iterating on feedback and provided over each individual customer's favored channels.

Omnichannel communications need to provide consistency and responsiveness, no matter the medium. Communication should be persistent — whether the consumer is using an SMS, a LiveChat widget or a chat app like WhatsApp— and should be consistent and personalized throughout all channels, including social media. Consumers can interact however they want and for those who elect to go to a bank branch, that feeling should be reinforced in the physical environment, too.

Financial Institutions should see convenience benefits to the customer experience as a potential retention tool (and not a useless cost) because they can meet their customers where they are. Repetitive transactions can occur online, freeing-up tellers and other staff to serve customers and handle more-profitable, higher-complexity transactions, like loans.

When client's fee more at ease, they are more open to committing to a decision — and signing on the dotted line.

Superior customer experience drives sales, and improved communication is a key component when thinking about how organizations can excel at providing these experiences.

Overcoming the potential hurdle of Security and Compliance

A word about privacy and security: Banks can't just jump into the virtual deep end of the technology pool and hope everything works out fine.

Communications solutions to enable this omnichannel experience must be secure, firewalled, and flexible. Whilst there may be regulatory issues to be negotiated, millions of people born into the millennial generation have grown up in the digital realm and expect adaptable, responsive and simple communication in their daily interactions.

Privacy and security are very important, but they are not a reason to remain stuck in the past.

This eBook will explore the reasons and research that make novel omnichannel communications and better customer experience in banking so urgent. We'll delve into success stories, and the recommendations for emulating that success —using the Cellfind suite of products— and show real-world examples along the way.

CHAPTER 1

A NECESSITY FOR PERSONALIZATION

Customers' expectations of the brands they do business with are higher than ever. In its 2017 Global Consumer Pulse Report, consulting group Accenture found that 48 percent expect preferential treatment for being a good customer.

Failing to deliver on these expectations can have disastrous consequences. Of those individuals surveyed who had terminated their relationship with a business, around 33% said it was because that business failed to deliver on personalization. And only 22 percent believed the service they received was personalized to their needs or personal situation.

The financial industry is used to relying on the idea that customers stay with the same bank for life: This now incorrect assumption has made the financial impact of poor service much less apparent.

A reluctance to change is much less prevalent with millennials, however. People born after 1980 now form a sizable of most populations — and will continue to become more influential for obvious reasons. More than 80% of millennials are open to the idea of switching banks, given sufficient incentive to do so. More than half of all millennials abandon brands every year, with a quarter of those considering doing so after a single bad experience. Give them three bad experiences, and 82 percent in this age range are likely to switch.

A continual loss of customers is far from inevitable though and can be avoided if banks and other financial services companies search for and leverage all possible differentiators that generate positive equity.

Among these, banks might invest in their brand through marketing, or extend their offerings to allow more flexibility for customers. They might invest more in some aspect of their technology to improve responsiveness or other parts of the customer experience. At the top of the list, though, must be adopting and exploring all aspects of **personalization**.

A Noteworthy Impact

A rise in personalization has reoccurring, supremely valuable, direct-to-the-bottom-line benefits for banks. This idea carries unison among a prevalent

number of analysts, though Boston Consulting Groups explains the benefits precisely in its release, The Power of Personalization:
We trust that the effect of personalization in retail banking will be climatic, producing a 30 percent to 40 percent increase in sales in some product domains, dropping the rate of customer churn by 10 percent to 30 percent, and rising customer appeal scores by a 200 to 300 percent.

To look at each of those areas:

> **A 30-40 percent rise in sales** is achieved from conveying messages to clients that are appropriate to the specific customer's target, instead of a vast burst of promotional activities that depicts the products the same way to every customer. Impersonal marketing and advertising will be overlooked, and this sort of wrong communication would ruin the reception of many future messages, irrespective of the channel.
>
> **Churn rates can be lowered by 10-30 percent** if banks can proffer meaningful measures to their existing customers, that confirm that they recognize the customer, respect their value and offers personalized services in any way.
>
> **Customer engagement,** which points to the degree to which people consider or think about their service provider, can be multiplied up to three times with the aid of personalization. As will be addressed in succeeding chapters, this is a scarce commodity and one that banks and other providers of financial services focus more on. Considering that progress in their area has the promise of yielding sizable rewards, it is no difficult to see the reason.

Personalization can begin with little steps. Just replacing “Dear Sir/Madam” with “Dear Mrs. Smith” in your letters can do a fantastic job in terms of the effect it creates. “The bank is speaking to me, about the situations surrounding me,” is the instant effect. Small things like this are able to go a long way; however, more extensive measures will be needed to meet up with the demand as a result of the competition and get the result mentioned above. Using enterprise technology like Cellfind's Flow-Builder and activating customer profiling assist in making adoption less time-time consuming through the use of omnichannel communications automation.

Personalized services are important for the banking sector. The subsequent chapters will encompass the most befitting methods for personalization, the limits for implementation and the rivalry offer from fintech interventionist.

CHAPTER 2

THE CONTEMPORARY AGE OF INTUITIVE COMMUNICATION

In a bid to secure their steady relevance, banks have been gradually turning to Artificial Intelligence (AI), and specifically chatbots. An extensive 2018 report on AI in the banking sector taken from the world economic forum is wary of some applications of AI and Machine Learning in the transacting and investment areas of banking, but accept that it can promote better service to customer and build new USPs for finance institutions:

As previous methods of differentiation fades, AI offers an opening through which institution can escape a plunge in price competition by injecting new ways to differentiate their brands to customers.

Banks are in a distinct position as opposed to other organizations, having the ability to combine the power of the newest AI advancement with exceptional understanding of their customers, bother at the induvial level and the collective level.

The prospect of AI for creating the latest financial services and enhancing existing services to be more profitable is wide, and this is applicable when discussing the case of customer service and the throng of chatbots been developed to assist bank customers.

Ally Bank was among the first banks to pioneer the use of a chatbot known as Ally Assist, that was provided for clients who use the mobile banking app of the company in 2015. Ally Assist can be commanded using both voice and text to complete payments, deposits, person-to-person transactions and transfers. Spectacularly, Ally Assist is able to now help customers examine their spending and integrates machine learning to predict customer inquiries with assistance that is specifically created to utilize each customer transaction history.

Chatbots can increase productivity and reduce the queues at on-site bank branches. However, the purpose of their installation can also be reasonable, more refined. Bank of America initially launched Erica in 2016, alongside all the potential around all forms of transactions that would be anticipated.

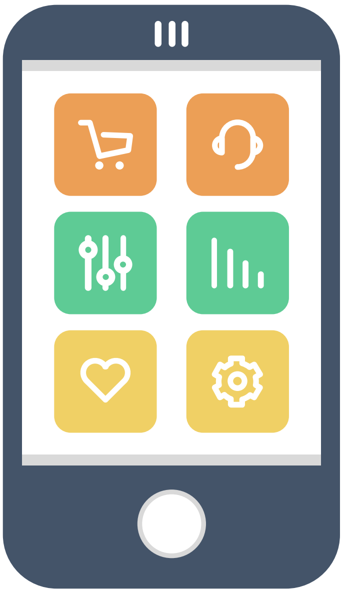
It went on to offer customers financial advice. Interpreting customer's transactions history that is not in line with the Bank's Offering, Erica is also able to recognize deals that will offer them additional rewards and allows them to save more money.

Recapturing the Personal Touch

This second stream of digitalization Erica signifies is increasingly letting brands to go back to the degree of individual service and personalization that has been considered to be lost over the former decades of centralization and automation. Bank of America has declared that part of the objectives for Erica is to increase the type of personal service and guidance only available for the customer that are top priority to the general clients.

Increasing the range outside its domestic app, Citibank has been a pathfinder in using a chatbot on social media platforms like Facebook, used for customer service. The app was released in Singapore in 2017, and it has now reached Hong Kong, the company Citibot utilizes natural language processing. These technologies allow computers to process and create normal, human speech, to assist the customer with account inquiries and Citibank has revealed the aim to let transaction to be carried out using the service.

However, while mobile apps, AI and bots are recording a significant success like virtual banking assistants, doubts, and barriers need to be conquered. Banks have a large communication role in assisting the customer in understanding how chatbots and AI support them in creating more flexibility and power over the customer's finances more than they had in the past. They also need to efficiently lower the level of anxiety usually associated with advanced technology: danger to their security and privacy, which is the topic of our next chapter.



CHAPTER 3

MAINTAINING PRIVACY IN COMMUNICATION

Appeasing customers to reduce their anxiety concerning mobile banking is the key to ensuring long term success. The main barrier is that several people are worried that mobile apps will raise the chances of them being victims of identity theft and many other forms of financial fraud. At first, the level of adoption of the mobile banking apps went up quite fast. Still, then the rates started to slow down in recent years because the remaining clients that did not adopt mobile banking become more prone to be part of the group that suspect technology more generally.

In a 2016 survey that includes those that have to embraced mobile banking apps, it was discovered that about 73 percent mentioned security fears as their main reason for not utilizing such apps. This concern is discovered to be most profound among those that also invest less in technology in other parts of their lives, but identity theft and financial scams are part of the wider population's top life-issues, even in broad terms. In FICO's 2017 report, 44 percent of customers classify identity theft and financial fraud as the top reason for their anxiety. Likewise, in 2018 research from Finserv, revealed that 81 percent were concerned about data breaches at financial institutions.

Strikingly, four out of 10 online bill payers in the Finserv Research, revealed that they did not see internet security as very reliable for…. paying bills. The statistic observed tallies with individual's contradictory behavior to internet security vaster, and it implies that most people are ready to accept some part of the online risk to benefit from the convenience that it offers, exactly as they do when crossing the street or getting in a car.

For example, tracking the news in 2018 showed that Facebook had sold entry into user's data to Cambridge Analytica, the poll revealed that about 28 percent of user's trust that companies cared about protecting the information. However, 22 million more people entered the platform in the first quarter, and together the number of users entered a round figure of 185 million. It was a quarter that lagged for Facebook's standards, and obviously few users left the platform as a result of their alleged distrust.

Likewise, consumer anxiety concerning internet security does not seem to have any effect on their continued use of very weak password or omitting the installation of security patches for their operating system and software.

So, even though their sworn distrust and concerns, it is quite surprising that customer appetite for mobile banking is rising fast around the world. A good percentage of adult's use of banking apps consistently. And this number grows when the countries spread across Europe is considered. Nearly two-thirds of adults use their mobile apps to look at their balance and stay informed of the status of their finances.

Mobile is Compulsory

Meanwhile, research into Bank of America's 2017 trend showed that 3 out of 5 adults now utilize the use of mobile banking, and 83 percent logs into Their banking apps at least once per week. That's a pattern set to go on for quite a long time: Younger individuals have a greater desire to be engaged on mobile digital and mobile platforms with financial sectors, than older people.

Through the lens of this perspective, despite a demanding security landscape, banks have to keep investing in mobile banking, intelligent chatbots and several other developments. The areas where they have a choice is the speed of absorption of new technologies and the methods they do so with. The management seeking the counsel of the firm Accenture, concluded in its current study of mobile banking security, and it found gaps in their security that exists in almost 30 banks that was part of the survey, with careful words;

Banks have to balance innovation and security. Aligning each of the two using their organization's appetite for risk and its threshold levels.

All of this can be used to draw up three inferences.

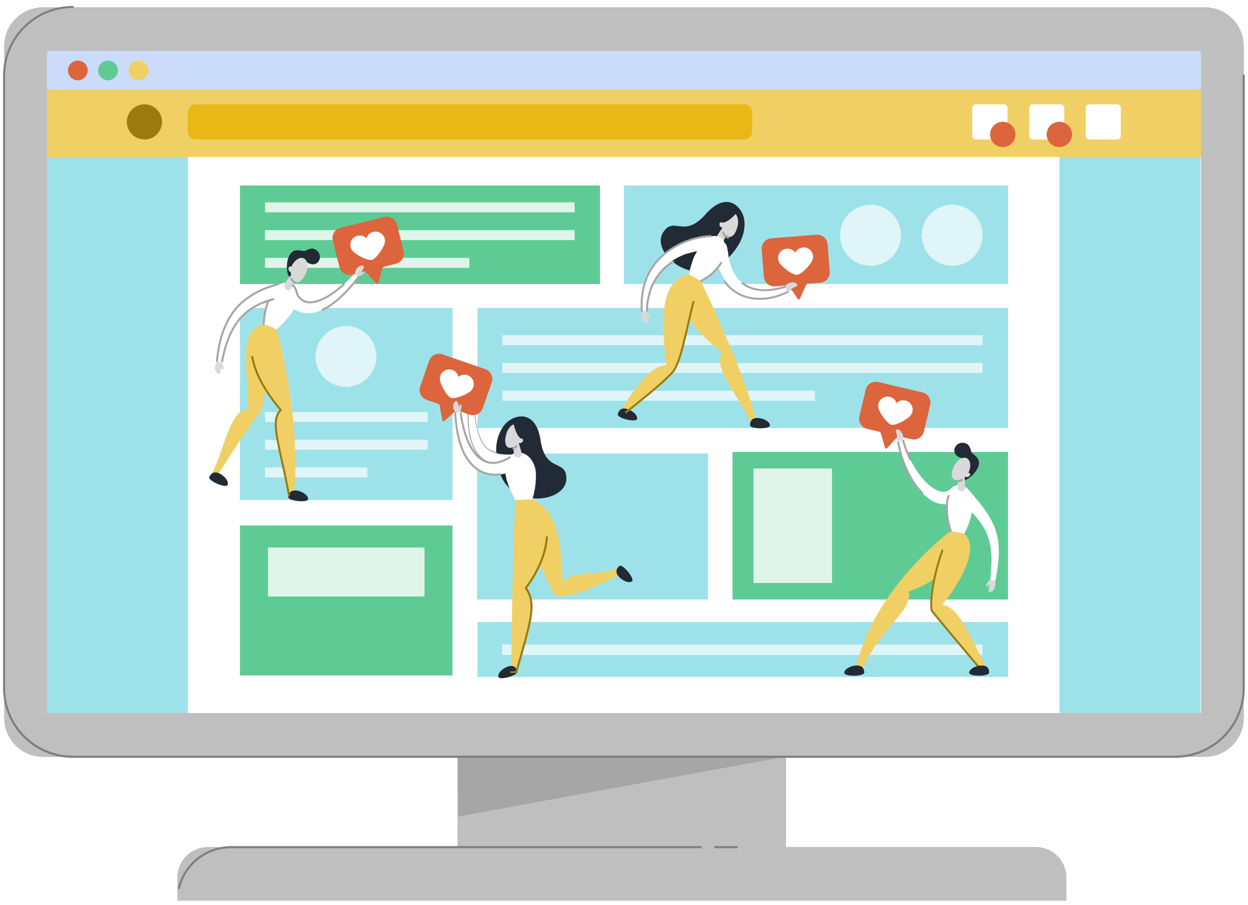
> **First, all advancement has to meet the best standards available,** and banks need to keep evolving standards with the growing landscape. The principle of the open web application security, its guideline and verification testing are indicated as a staring pointing the paper presented by Accenture firm.[30] simultaneously, institutional standards concerning their utilization of consumer data, and their representatives,' has to be totally understandable and defensible.

> **Second, its neither compulsory nor pleasant to achieve everything at once, nor to leave it everywhere, at once**. The Citibank bot that was mentioned in previous chapters is still limited to just two cities. The Erica of Bank of America that was announced in 2016 was present 9in just one city for the first month and extended to other customers in other regions only later in

May 2018. Considering functionality, providing non-transactional services with the aid of chatbots, such as balance information, budgeting assistance ad alerts, would be useful as well as an abrupt risk starting point relative to payments.

Lastly, the use of third-party programs, chat apps – **such as WhatsApp, Facebook Messenger or Viber** – and third-party agencies looks better. Those third-parties – at programs and agencies – will normally have top qualified mobile security professionals, a tough skill set to employ, like sticking to the vital security standards.

Better commitment and personalization proffered by new technology is essential for lasting in this sector. However, banks have to be rational and careful when it comes to the uncertainty that arises alongside.



CHAPTER 4

CIRCUMVENTING DISINTERMEDIATION BY ADOPTING IT

Bank transactions between persons have a history of been clumsy to handle. In previous times, refunding the person who organizes a group trip was a logistical and social ordeal, but somehow that has been mitigated in recent times.

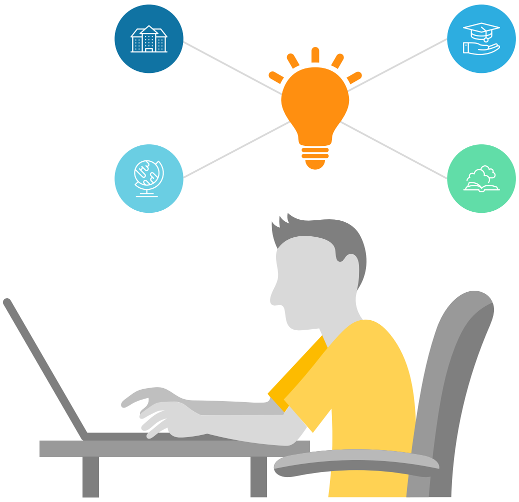
The leader has to work out precisely everyone debt, and this results in getting checks at various times. The compensation for the hard work of planning was being taken care of themselves for an extended period, and they would have to chase down that friend that always forgets, plus many of the trips to the banks.

The increase in the use of mobile banking apps have assisted considerable, but it is a sector that tech startups have penetrated - Venmo, circle pay, square cash, amongst others.

Venmo started from PayPal in 2009 and can be said to be the most successful in this category, with more than 12 billion dollars in transactions made on the app in the first quarter of 2018, which was an 80% jump from the number of the previous quarter. Thirty-one similar to others in this category, this app removes much of the effort that relates to sharing the cost, by relating to contributions made by each individual which could be anything required from a group meal to a weekend vacation, and it also sends a notification and collects the proceeds.

The unique thing about Venmo is that transaction made in it, appears as a social feed, with all the common extras like emojis and short personal message. This is done in a bid to move away from the tradition serious appearance of many banking apps. This has helped to make payment easy in Venmo and also make the app more social and fun.

Savvy banks and other institution in the financial sector are also aware of the need to reduce the clustering, friction and sluggishness that is characteristics of their previous service. Above 30 leading banks joined forces to take in Zelle in 2017, for example, and many more have started to do the same.



Zelle supports the immediate payment and bill splitting on Venmo, however, with the support and relations of the established banking institutions, which for a lot of users supports their sense of security and confidence concerning transactions. eMarketer forecast this relationship – with the marketing power of their banking partners will let Zelle move ahead of Venmo in terms of fame by the year's end.

From App to Platforms

But Zelle and Venmo as independent apps could be part of the last of their kind.

Increasingly, platforms that support transactions are heading towards chat apps, already functionals on the smartphone of potentials users PayPal, America Express, Mastercard and Visa possess payment bot accessible through social platforms like Facebook Messenger. With the introduction of WhatsApp Business (an app owned by Facebook); more channels are beginning to make payment social. The service started with top banks already among its leading clients, with more in line to join.

There are many great choices when it is about making money mobile, basic, social and amusing. Passivity is not an option. Looking eastward and we see the emerging of china's WeChat, which provides an object lesson on the consequences of banks not been quick to innovate.

Created in TenCent in 2011, WeChat currently has more than one billion users, with the main concentrate of this number located in china and its surrounding nations. Although it may look like other chat apps including Viber and WhatsApp, at first glance, WeChat special recipe for success is financial integration.

In China, everything users want to do online can be down on WeChat. The many options include shopping, individual businesses, getting a doctor's appointment, ordering a taxi or even food, playing trivia's and games.

Business can create their stores inside the app, as micro-apps. **In 2016, the amount of money sent by users through mobile-based Wallets on WeChat or its major competitor Alipay was more than $2.9trillion, which is the value equivalent to about half of the consumer sales in China.** The largest cities in the region went from cash-only directly to mobile payments, ignoring bank products as they went along: Just 2 percent chose credit cards.

And banks do not deduct any charges for payment and financial transactions done on WeChat's wallet facility. If it was possible to have their salary paid straight into their smartphones, then there would be almost no convincing reason for modern Chinese consumer to think about opening a bank account.

In the west, this disruptive innovation also threatens to disintermediate banks from many financial transactions, specifically by the disruptive innovator. But this would happen only if they choose to remain complacent about the imminent change.

There are many right paths ahead: the only option that is obviously wrong is not moving at all. Prominently, the financial brand reads "WeChat provides a vision in the future of banking."

CHAPTER 5

OPEN TO INNOVATION: STRATEGIES FOR BANKS TO STAY AHEAD

A lot of the fintech innovation, like those that were discussed in the former chapter, caught the banking sector by surprise: startups provided not only digital-only banking, but they also became focused on customer-centricity. Banks began to embrace communication on various channels to communicate their ideas to their customers.

The aim is to come down to the customer's level – even that is the street corner. One of the banks, called Idea Bank, allows their customer to call for a car specially summoned with an ATM for those moments when shopkeepers and their other customers have to deposit cash. Also, Germany's Fidor Bank let its clients log on to the bank through Facebook connect. The interest rate given to savings account depends on the number of Likes gotten on their Facebook page.

Throughout the world, there is mounting pressure – and not only on utilizing Uber-style ATMs and social media. In a report by KPMG, 43 percent of CEOs for Banks participating in its survey agreed they were worried about their ability to stay in the race, as more fast changes keep hitting the industry.41 They understand that the next generation desires extremely convenient service.

Digital natives crave it all, and pervading discovery is confirmed by the FICO millennial banking insight and opportunities report, that states "consumers desire the most convenient service, and with so many options, banks have to be alert, flexible and able to adapt to any shift in behavior."

Should We Break the Bank?

The modern mode of operation is for banks to create innovation centers (or assemble teams for digital transformation) so they are not overwhelmed by some unforeseen disruption. Axis Banks reserves one, which is called Thought Factory. Deutsche Bank maintains many of this all over the world. Several others like Wells Fargo also have them.

Capital One's Lab stated that it is set to "break the proper glass" due to the fact that "nothing is too reserved to break." Commands for these innovation centers are very inclusive: to assist banks to assess and utilize rising technologies. They are discreet, (of course – they do not have to reveal their deserving ideas) but it is recognized they are looking into the potentials that come with the use of IoT and blockchain. The aim is to take baking to more clients with the help of better customer experience.

Does that suggest banks should embark on this project and introduce an innovation center? The data has not been established, but the innovation centers could become something that will be valuable and a central part of the banking sector.

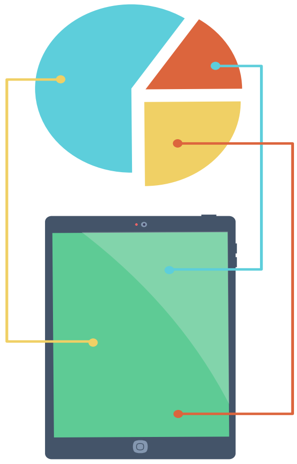
Whether or not the bank decides to build an innovation center, it has to build a culture accessible to new, convincing ideas that can originate from anywhere – it does not matter if it is from an employee or a vendor (third-party) with an already prepared, established product that is basically plug-and-play.

An ingenious culture has to be encouraged, starting from the top to the bottom. The aim is to concentrate on the customer and to remove silos – silos that exist inside and outside the bank. Maintaining an open conversation with the professional is compulsory – anywhere that they may be – not only the typical suspects.

Innovation must examine what clients need. Proffering omnichannel solutions - such as SMS voice, email, notification, IoT, chats and chatbots – is basic, but has to be how the customer chooses to communicate.

Innovation is plausible – while retaining the security of the environment for everyone. The idea that innovation can come from anywhere is the unique awareness that manager's needs – from the employees or another business on another part of the world.

Staying ahead entails being creative with a focus on the client and comprehension of the disrupter – whoever they are.



CHAPTER 6

PSD2 — AND HOW BANKS CAN DISRUPT THEMSELVES

It's a bit difficult to state when it happens, but customers now expect their banks to grant them the same level of instinctive ease that is gotten from "FANG" – Facebook, Amazon, Netflix, and Google. Customer-focus in vogue and the competition is ongoing for banks to provide digital satisfaction.

Clients require better customer experience – thanks to the EU banking regulation PSD2 (Revised Payment Service Directive, starting from September 2019), they are able to take it in any way they would like, by using other providers. India might just be following closely with similar regulations, with Canada joining the train[45], along with Mexico.

Known as "open banking," clients will soon have the choice of making P2P transfers with third-party apps, that is not connected to the banks. And these apps will have the ability to track customer's spending and keep their money in their regular bank accounts at the same time. The duty of the bank is then to give these third-parties with access to customer's account with the help of open APIs (application program interfaces).

Industry leaders like Google, Amazon, Apple, Facebook, will enable them to compete on the bank's base territory. The banking industry now needs to compete with its own services if they desire to remain ahead. The tech industry has the capacity to be tough competitors as they have a large user base, but banks possess some advantages, too, like their already founded reputations and client base. Also, it looks as if appointment at physical branches will still be the first choice for many customers that desire mortgage advice and budget planning.

Open banking is unavoidable.

PSD2, without a doubt, will drive other business worldwide to meet up. Banks can move ahead of the competing industries and start by disrupting themselves. They can give third-parties access to their APIS to quickly and efficiently innovate. Granting access to their APIs will let banks render services that assist them in listening to their customers – and conclusively anticipate what they need.

According to The Financial Brand, there are three types of APIs, and they are;

Private APIs: Homegrown, they are created to improve operational efficiency.

Partner APIs: created in partnership with explicit third-party partners, they extend product lines and outlets by leveraging outside expertise.

Open APIs: in a totally extreme deviation from the norms, the bank allows its data to be used by third parties, with whom there is no formal alliance.

In the U.S. where PSD2 is not (yet) a requirement, Wells Fargo, the second-largest bank in the world, is enthusiastic about private and partner APIs. It says, “Some of the APIs in production are in the payment space, such as ACH and foreign exchange APIs. Other APIs enable sharing information. Our locations API is one example: It lets customers see branch and ATM locations, including special details such as notary or foreign currency services available or various languages spoken at that location, in real time.”

Open APIs are causing excitement (though also worry, frankly — with open APIs, banks must be doubly assured there are no security concerns before they go live). Wells Fargo and JPMorgan Chase have a deal with financial software company Intuit: Upon customer approval, customer financial information is automatically loaded into their Intuit software products, such as QuickBooks Online, Mint or TurboTax Online.

McKinsey & Company points out that Barclays and Santander have also built open API infrastructures that deliver a suite of services. McKinsey regards the open API as inevitable. In fact, its eBook on the topic ends on an insistent note: “Banks are better served getting ahead of and defining the trend rather than waging a futile battle to repel it.”

Cooperation offers opportunity. There are hurdles, of course: Security cannot be breached, because in some places, PSD2 is not yet implemented, Wells Fargo, which is the second-biggest bank in the world, is excited about the partner and private APIs. They state that “A portion of the APIs being created, are in the payment section, like ACH and foreign exchange APIs. Some other APIs allows allowing access to information. Our API is an example: It allows customers to see ATM locations and branches, including unique details like notary or foreign currency services accessible or numerous languages used for communication at that location concurrently.

Open APIs are also causing enthusiasm (but also anxiety – with open APIs, the bank should be able to greatly convinced that there would be no breaches in security as they go live). Wells Fargo and JPMorgan Chase struck a deal with Intuit, a financial software company: As they got customer approval, client’s financial information is automatically entered into the intuit software product, like Mint, QuickBooks Online or TurboTax Online.

McKinsey & Company indicated that Barclays and Santander also created open API facilities that perform a suite of services. McKinsey sees the open API as unavoidable. In fact, its eBook about the subject finishes with an insistent note: “Banks are adequately suited moving ahead if and dictating the pattern instead of pursuing a futile battle to oppose it.”

Partnership creates opportunity. There are obstacles, of course: Security must not be compromised, due to the fact that the banking sector is too basic to our society. Nevertheless, new APIs is able to transform the way that business is performed – in inconceivable ways. Service performed through open banking could be a way for banks to distinguishing themselves. Service is what places banks on a different level from each other.

Take a look at the smartphone. Through the years, the technology defined as smartphones have continued to fascinate users, but what is most intriguing is the way apps are utilized. The apps have opened up the world. APIs are this way: they are the motor that conveys service to the consumer as they demand it. The result is usually decided by the marketplace, and by the governing environment, however, PSD2 ensures that open API remains a reality, globally.

Banks need to look into the open banking benefits, immediately – what the competitive “home field” benefit is still on their side.

CHAPTER 7

ENHANCING CUSTOMER EXPERIENCE BETTER WITH DIGITAL LISTENING

Technology is able to make banks better listeners, creating a stronger bond between them and their customers. It can permit them to grow their customer relationship past older, transactional models built with no requirement for loyalty.

Choosing the right technology is very important, but, when clients associate with banks with the features like rich communication services (RCS) messaging or chat apps – that could be seen as a mixture of iMessage, WhatsApp, ad Facebook Messenger on a single platform – they want a stress-free experience, through receptiveness through the use of native apps, without the need for downloading, just like SMS. Also, it will have productive media characteristics like Viber, WhatsApp, and other chat apps.

Recently, all businesses are required to succeed in presenting an amazing customer experience: When questioned, respondents to research generally quote “customer engagement” as the trait that they desire the most for business.

When institutions fall short, clients do not feel heard – and they start to look somewhere else.

All companies – including banks – should be able to stand the competition in the digital realm. As McKinsley & Company starts in a recent study: every company that holds their customer in high esteem needs “a fresh operating model that places the customer’s wants and needs at the top of their digital transformation plan, facilitated by redesigned customer experience and agile delivery of service and insights.”

Become an Active Listener

Putting the needs of customers first is the major point of a customer-centered institution – and continuous listening, through the use of scalable technology with protected, secure characteristics. App interface should be easily accessible to user’s, but not intended only for the sake of design.

While nobody is willing to create an ugly digital storefront, an undeniable tendency exist to create apps that are beautiful rather than useful. Looking back at the McKinsey study, this is an error: 70 percent of those who use apps stated that they fancied added functionality to the aesthetic of the app. Paying attention leads to iteration. And addressing the desires of customers will have a huge effect on the bottom line.

Customer centricity is confirmed to have monetary value: in A group study by Temkin, it is discovered that a bank having $1 billion in revenue will probably expect to grow that amount by $852 million in over three years – a 27.5 percent increase – just by enhancing customer service at a 10 percent rate.

Listening has to be done on every medium – whether it is during a phone call to evaluate offerings, using an in-branch visit to get a complex loan or a fast tap on the smartwatch to get account information. Customers require all medium to be in agreement.

According to PwC, such services is what is desired by big-ticket customers: “Home borrowers rate lenders that uses digital tools in association with professional advisors, very high.”

The capacity to provide customers with online tools and direct physical advice is active listening. Seams in the digital fabric will be seen as a failure to listen and interact. And this is the place where plug-and-play omnichannel becomes very useful. IoT-enabled devices, Think Chatbots, personalized email, and two-factor authentication.

CHAPTER 8

CREATING NEW CHANNELS OF COMMUNICATION

The abundance of the desired marketplaces has created a level of Vision-Critical service quality demanded by customers both for delivery and experience. Cloud-based intelligent platforms, predicts that in 2020 and beyond, price and product status would be overtaken by customer experience as the major key to brand distinguisher.

Clients will demand nothing but the best service that meets their desires, when they demand it and how they demand it. Brand-to-customer interaction is the secret to being competitive. Banks have to stay ahead by making sure that they have the proper communication mediums that can reach the customer wherever they are and assist them in getting where they want to be. This has to involve smart assistant and wearables. As stated earlier, bank of America's AI-powered assistant, Erica is a great example of efficiently taking advantage of new channels of communication.

Smart technologies are one of the features that have transformed industries – from the production sector and healthcare to marketing and retail, and costume devices will produce the next wave. Gartner predicts that the international wearable electronic gadget market is going to be more than a $50 billion market in 2021. Smartwatches are required to top the unit sales for wearables in 2021, rising to a potential 80.98 million devices sold. Another prediction made by Gartner states that 30 percent of people would have bought a smartwatch instead of a sports watch by 2021, which will be a rise from the 10% seen in 2016, indicating the rise in fame of smartwatches.

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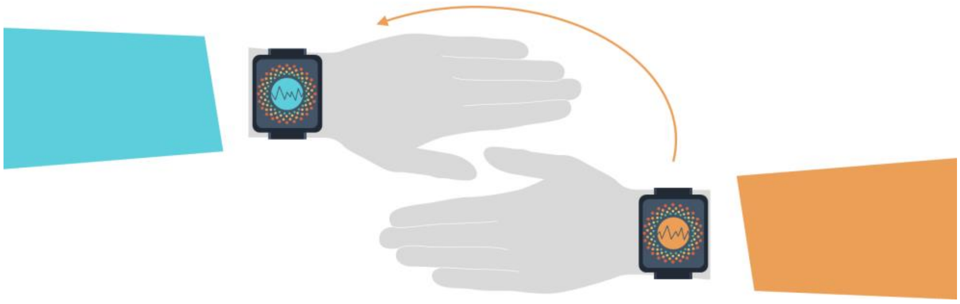
Developing Communication Platforms

For banks, interacting with customers through wearables and smart technologies like home assistants and various voice-activated technology created a new channel for communication between banks and their clients. **With customers putting on data-collecting gadgets, banks are able to assess more information than ever before, allowing them to modify communication directly to their prospective customers.**

Smart assistants and wearable also propose ways to make complex information simpler and make them realistic. For example, remote financial advising, video conferencing and on-demand customer service create new ways to bring banks together with their customers at a place and manner that it is most convenient for them.
Uninterrupted access to customer support is also administered through the use of wearable technology. Customer can talk directly to conversational UI (Voice Chatbots) with the help of smart glasses or earbuds. Decreasing delay, voice-activated technology is able to help with banking and purchase roles.

Allowing mundane processes with the help of smart technologies presents them as more attractive to customers and reveals a bank that recognizes their needs.



CHAPTER 9

OMNICHANNEL IS THE FUTURE OF BANKING

Bank Financial services and banking cannot avoid the impacts of digital revolution, and they are leveraging technology to assist them in building their own and measure up to the latest standards. According to Gartner, the banking industry all over the world is going to spend $519 billion on IT in 2018, which is an increase of 4.1 percent yearly from 2017.

The necessity to innovate in order to digitally remodel involves both virtual and regular banks. While physical banks, must consciously work to becoming digitalized, online banks already work with the digital model - even the ones naturally built in digital channels – has to improve their communication strategies.

Maintaining pace through improved Communication

Communication is vital to customer experience, and this experience holds high importance to the overall business prosperity. One method of making sure that secure two-way communication is achieved via platforms is by utilizing omnichannel solutions.

Omnichannel allows banks to interact with their customer using different messaging platforms, producing custom text messages and content-rich SMS, chat apps, voice, notifications, email and Facebook. This tailored communication enhances the quality of service that companies deliver to their prospective clients.

Smooth integration of communication assists in making sure an easy, new purchasing and consuming experience for a brand’s consumer base.

This allows online banks to profit on the on-demand type of digital designs and allows conventional banks to get to their target audiences in modern, comfortable ways.

Capturing brand-to-customer communication a (mandatory) step further, a perspective of omnichannel solution banks can utilize application-to-person (A2P) SMS messaging — generally called “enterprise” or “professional SMS.” This enables a direct interaction, authentication of people using online services and conveyance of time-sensitive alerts.

Banks can make use of automated and event-based information on a broad range of messaging medium through omnichannel solutions, dispensing notifications like balance statements, anti-fraud alerts, withdrawal notifications and payment reminders in a quick, comfortable and secure way.

Transferring mobile information from a business application to a mobile user allows banks to engage customers where they’re typically actively messaging.
A 2018 Banking Industry Outlook Report from Deloitte shows that – mobile is surging to the frontlines in consumers’ banking practices and choices. The mobile channel is gradually substituting the branch as the center of the banking experience, obtaining participation even surpassing that of online banking.

Both conventional and online banking needs to take advantage of this change to a mobile-centric world by building a robust mobile offering. Providing regular access and real-time personalized communication and notifications, virtual banks are enticing to modern always-on-customer.

Conventional banks can leverage the numerous benefits of virtual banks by tapping into omnichannel solutions and executing A2P messaging, allowing them to maintain pace with the opposition and improve communication with their intended audience.

While conventional and virtual banks assist in specific plans for their target audiences, the two of them can be improved by utilizing omnichannel solutions and A2P messaging. Selecting solutions that share personalized messages and are produced at the right time via the proper channels will enhance customer activity and communication efficiency, eventually leading both online and conventional banks into the future.

CHAPTER 10

ENHANCING IN-PERSON COMMUNICATION AT BANKS

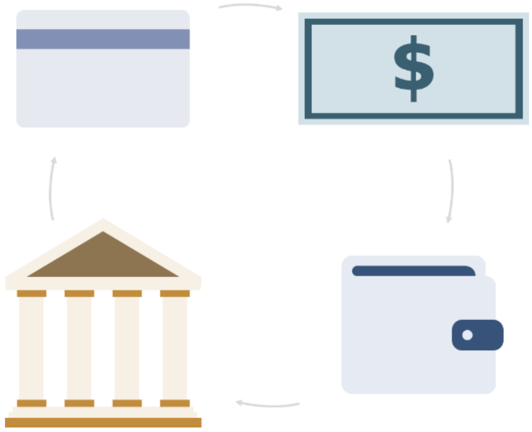
While virtual banks possess their fair portion of advantages — always-on, accessible, automatic, and effective—researches reveal that many customers still desire the choice of visiting a local office to manage specific financial decisions face-to-face. Clients still esteem human communication and advice when making financial judgments.

As discussed in chapter 1, personalized service is essential and financial advice is an important feature of in-store banking as customers make big decisions. Tracing this trend, by 2020, PwC predicts advisers and product specialists to be available in branches all over the world, either in-person or virtually from centralized advisory offices.

The PwC 2018 Digital Banking Consumer Survey, reveals that greater than 60percent of participants reported an inclination for access to a domestic bank branch. Even though most of the respondent shares this perspective, many of them preferring a local branch for select service is not always enough to maintain the physical establishment.

Statistics from global outsourcing firm Intelenet Global Services showed that there would be an expected increase in the number of bank branches closing down by 2020. How is it possible to manage this disconnect? The answer dwells in enhancing person-to-person communication at banks and encouraging customers to attend local bank branches.

This translates to creating the ideal environment for customers seeking advice to make critical financial decisions. Banks should remodel business tactics and plans to support new customer behaviors on a universal scale. For example, a Deutsche Bank in Berlin, Q110 Die Bank der Zukunft or “bank of the future,” grants customers new ideas and concepts for the prospect that retail banking brings.



The bank has an urban garden, coffee shop, bar and gift shop. Not only does this remodeling create a stress-free, casual environment for people that might be tense regarding banking and financial decisions, but additionally, it creates a place that people want to visit. While some customers come for banking purposes, others come just for the experience. Designing an incentive for people to come to the bank assists in generating additional customers and improves engagement from confirmed clients.

However, this concept needs to become more popular if local bank branches are to remain in business for a long time. In a study by Walker, Customers 2020: A Progress Report, by 2020, customer experience will overhaul price and commodity as the principal brand differentiator. Such strategies are especially important for interesting millennials.

Experience-Driven Models Attracts Millennials

A quarter of the global population are millennials. People in this category are very likely the most slippery generation. They work, play and consume differently. Also, their attitude and choices set trends that determine the thinking of other generations.

This digitally inclined population group have raised its spending power and is fast becoming the most crucial target customer — intensifying the need to get to them.

While a lot of millennials take advantage of the benefits of digital banking, the requirement for an in-store experience is still present. That's, partially, the reason formerly mentioned Capital One Cafés was founded. This innovative concept in banking reveals how local branches and online banks are able to select strategies and actions from one another. Both on-site branches and virtual banking have a role in the future. Building an innovative in-store community will assist these local branches in creating a competitive advantage, and ensure they stay ahead in the next phase of customer engagement.

CHAPTER 11

FROM COMMUNICATION TO CASH

Enticing younger customers is crucial for banks, for two purposes: Millennials could be likelier to change banks than former generations68, and, in acknowledgement to Open Banking programs in some regions, it's much simpler for them to change.69 Nevertheless, most individual stay with the bank they created their original account with till there's a strong reason to switch. It's definitely not a precedence for most individuals to fish around for a new bank. A young bank client is prone to be a regular customer.

Second, young people seem to have more extensive financial needs than the older generation. They're mapping out their life designs, collecting their first mortgages, becoming married and having babies, which is a strong reason for banks to focus significant energy on young people.

By 2022, people born within 1980 and 2000 – the millennials – will consist of 27 percent of the global population, more significant than any past named generation, with about two billion individuals carrying the label. Before 2030, Millennials and their junior colleagues will be the distinct majority of workers.

Financially, life is already difficult for millennials. In many places, young adult workers today do not earn **up to their counterpart some years ago,** back in 1989. Their average net wealth is less than their predecessors'.72 They're also burdened with debt (these figures are not unconnected). The average millennial owes a lot of money spent both for academics and personal upkeep.

These somber figures, and a range of banking pressures that arguably set everyone but those guilty out-of-pocket, have left millennials disillusioned with banks.

Millennials Distrust Banks

Looking at statistics published by the American Bankers Association, "71 percent of millennials prefer to go to the dentist instead of listening to what banks are saying." Greater than 50 percent of millennials don't believe their bank suggests anything unique, and 68 percent think that some sort of financial transformation is at hand, that "the method we use to access our money will be completely different in 5 years."

The higher percentage see fintech's presenting this transformation for their future needs: A research from Viacom discovered, "73 percent of millennials showed more interest in getting financial services from a tech firm than a bank, and one-third of this same group doesn't anticipate to need a bank for any reason by 2020."

The banking and financial services sector is on the verge of a communications disaster, meaning, the people it relies on for survival see it, at best, as unnecessary. There is a considerable probability of losing a generation of clients, at least.

To ride this issue out and scale to the other side, banks need to make significant efforts to revamp themselves, utilizing the best systems of communications specialists when a dilemma emerges: authenticity, clarity, pace, agility and innovation.

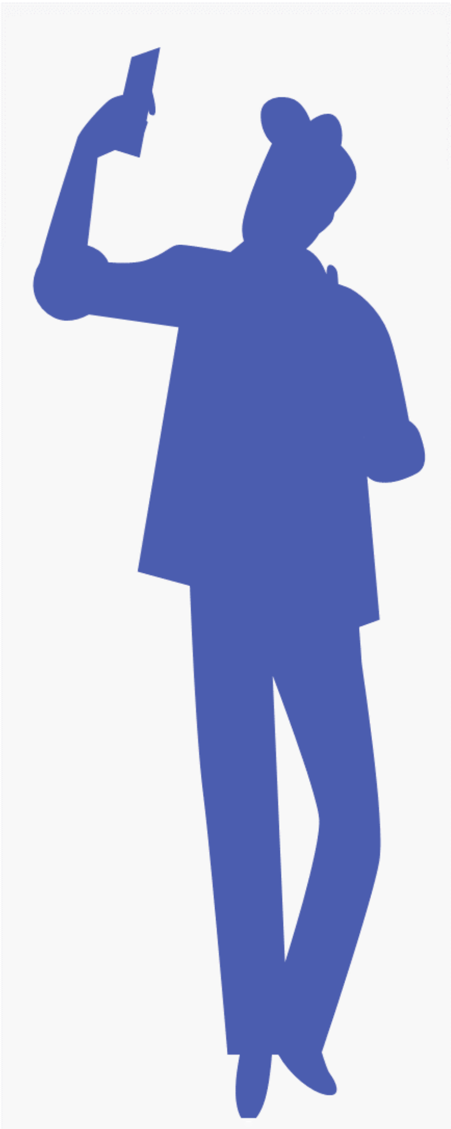
First, as explained in the preceding chapter, they need to intensify efforts to combine new communications, not just for promotion and marketing, but for the basics of banking: quicker, more-agile and urgent channels that attract this audience. "Fish where the fish are," as the old promotional adage goes, and get a new bait if your former one isn't working.

Second, they need to select a fresh tone of idea for this messaging purpose, to communicate with a generation that demands authentic, clear language, honesty and relatability. The latest U.K.-based internet bank Monzo has issued its personal style rules based on these policies that should incite envy in some of its rivals. It's a basis for using the language customers would use, instead of financial jargon, and this is an especially critical point.

Third, while we offer many rationalizations about millennials, each of them is a person, with various preferences. **Banks must endeavor to tailor each of their channels for each of their customers, utilizing omnichannel advocacy and availability.**

There are simply no options. Better, intuitive communication is not just cash:

It's a life or death circumstance for banks.



CHAPTER 12

EMBRACING THE FUTURE

This eBook explains the technology and omnichannel communications; however, to be precise: Technology for its sake must never be the intention. Omnichannel communications, is not a platform to show of the latest tech, instead, it's about setting a framework for communication and discussion — and remaining open to the desires of customers.

Omnichannel communications isn't always bothered with executing the sale. Rather, it's exhibiting your bank as an entity that listens and communicates.

It's allowing them to understand the information on mortgage rates — at any time of the day. It's providing customers access to details on chat apps like Viber, WhatsApp, or chatbot. It's attending to customer's inquiries via their chosen mediums and effectively interacting with the customer. It's all about supporting urgent questions at any time. It implies giving customers admittance to pre-approved credit options over their mobile app or other channels at the time they're present in the store and contemplating a purchase.

Omnichannel communications isn't a cliché; it's the powerhouse that spurs on the customer journey.

Think About the Journey

Mistaking the customer journey is simple. Too frequently, we consider each distinct visit to a channel being prosperous only if a user has done a specific, desired action. If the user checked mortgage rates and then left not

demanding to be called — was that visit a disaster? Not necessarily.

We fail to remember that customers mostly like to begin their journeys on one channel — and then end someplace else. That implies that potential clients could utilize their smartwatch to learn the fundamentals of a bank's offers — and then switch to their phones to match mortgage rates in more comprehensive details. During lunch, that same client could go to a branch and talk to a loan officer physically. Every touchpoint — moreover there could be several of them — was just part of the journey, and not the end in itself.

As McKinsey & Co states: “To magnify customer gratification, businesses have long stressed touchpoints. But this action can turn attention from the more pressing issue: the customer’s whole journey.”

The paper goes on to state that customer journeys can go on for weeks.

That hypothetical person who examined your bank on his smartwatch could have waited for weeks before checking you out his phone. To understand this sluggish journey, think of your buying habits.

When you contemplated getting a car or any other pricey item, maybe you checked out cars online. Then paused and discussed it with family and friends. And perhaps you checked more cars in several color and size on your phone. You pondered over the options while having lunch, on your desktop — and then went to see some auto lots on the weekend. The concluding purchase may have been done online or in person. No part of this process felt strange to you as you did it; it seemed to be the normal way you purchased items. The same is what happens with your banking customers.

Customers require access to all touchpoint due to the fact that they desire that full FANG (Facebook, Amazon, Netflix and Google) customer experience — and not proffering it to them implies falling behind. Nevertheless, a principal social media site observes its common user use just below an hour on its application, every day.

A foremost global bank, however, communicates with its ideal customer for below a minute a day. As PSD2 allows bank clients to employ third-party providers to handle their finances in the EU, individuals will settle their bills in styles not yet envisioned.

Therefore, be creative with APIs, however, do it securely with rock-solid firewalls. It will improve the customer journey — which in turn will inspire customer loyalty. Be understanding because the aim is to get a customer while also decreasing churn. Be prepared to engage customer where they are — even if it involves converting a bank branch into a coffee shop or packing an ATM into a car — if that’s something your clients say they want.

Recognize that customers are always in command of their journeys. You can’t get them to do anything they are reluctant to do. That implies you must be understanding, or the customer may look to your competitions, who will. Set the foundation for a beautiful customer journey — and be available anytime they demand your attention. Omnichannel communications manage customer journeys. Let it also help you serve customers better.

ABOUT CELLFIND

Cellfind is a leading mobile communications company enabling YOU to easily and effectively communicate and engage with YOUR customers through multiple communication channels via one integrative provider.

Communication channels

- Messaging services: B2B
  - BULK SMS, USSD, LIVE CHAT, SHORT CODES for mobile messaging campaigns.

- Value added services: B2B
  - MOBILE PAYMENTS & PAYSLIPS which are legally compliant.
  - LOCATION BASED SERVICES for the approximate location of users and/or incidents.
  - MOBILE IDENTITY for preventing SIM-swap fraud.

- Mobile applications: B2B2C
  - MIASSIST (digital panic-buttons, emergency services, service providers)

- Omnichannel communication: B2B
  - FLOWBUILDER enables you to communicate with your customers on their messaging channel of choice to create a unified customer experience throughout all your digital messaging campaigns.

THE CELLFIND VALUE PROPOSITION

Your leading mobile communications partner enabling you to:

- Communicate and engage with your customers quickly and efficiently, on their preferred device.
- Deliver your messages on time, every time, at the preferred time.
- Use the correct mobile partner in delivering your message.
- Easily leverage and customize our white labelled solutions and market them as your own, without the expense of development costs.
- Boost your business by adding our products to your digital messaging product lines – Hello resellers!

Cellfind draws on a strong base of technical skills and locally-owned intellectual property to create innovative mobile solutions to a wide range of industries including, banking and financial services.

Reach out to us at sales@cellfind.co.za and let's chat about how we can be of service.

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