

FINANCIAL SERVICES

Banks need to accelerate digitalization for seamless CX

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Banks and wealth management firms need to be more customer-focused. Image credit: Clarfeld

By SARAH RAMIREZ

The financial services sector will have to move in a more customer-focused direction as consumer expectations have evolved.

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During a *Financial Times* webinar, banking experts discussed their predictions for the future of the industry. While the banking industry is working to meet a consumer need for more seamless experiences, cybersecurity cannot be overlooked.

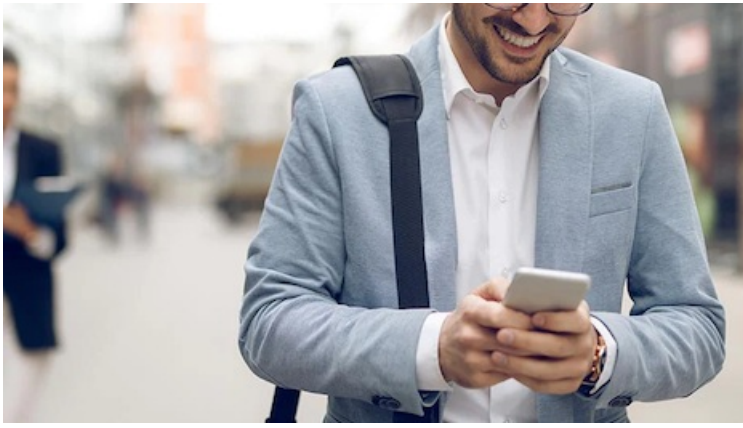
"I think where the secret sauce is how you're leveraging data and the power of data," said Michael Rutledge, chief information officer and head of technology services at **Citizens Financial Group**, Boston.

"It's really how can you personalize the type of advice you'll give it to customers, the type of offers to customers, how are you making sure that the data is secure?" he said. "It is so critical because of the customer privacy."

Future of banking

The COVID-19 pandemic accelerated digital transformations across industries, and banking was no exception. As customers' needs changed, they began transacting online more leading banks to prioritize mobile-first, cloud-based strategies.

According to Mohit Joshi, president of financial services and healthcare/life sciences at **Infosys**, there are three trends driving the banking industry.



Banking is embracing digitalization to meet consumer needs. Image credit: Infosys

The first is industrializing banking by digitizing manual processes, simplifying the application landscape and relying on the cloud. The result is a more cost effective and efficient industry.

Second, prioritizing seamless experiences can give clients customer journeys that are consistent and intuitive.

Third, banking organizations themselves need to transform to be more agile. This is especially important as more organizations embrace hybrid work models amid the pandemic.

Underscoring these trends, however, is changing customer expectations.

Prior to COVID, there was still a significant population of consumers who were hesitant about online resources. Banking mobile apps were primarily reserved for checking account balances.

This has shifted with the pandemic acting as a tipping point, and now a growing number of clients use digital tools for more complex services. Innovative companies such as Apple and Amazon are also driving customer expectations.

Banks and other organizations should be prepared, as consumers are increasingly likely to switch loyalties if they experience challenges or difficulties.



Lifestyle changes are impacting the banking industry. Image credit: Engel & Volkers

"The threshold for a poor consumer journey or consumer experience or UI or whatever we want to call it is absolutely at its lowest," said Gayemarie Brown, founder/CEO at **Wintam Place Consulting**, Boston. "The expectation is we will get a great consumer experience."

Ms. Brown recommends organizations engage with clients and expand their service offerings. Customers will also gravitate to banks that have trustworthy reputations.

"Perhaps there are ways we can do more convergence of products, services and solutions and have a more solution service mindset versus a siloed product mindset," Ms. Brown said. "Consumers now especially in financial services, where there's insecurity and where there's been challenges they are actually will gravitate toward brands that they perceive as trusted."

Digital assets

Digitalization in banking does not only apply to services, such as wealth management. Digital currencies are also becoming more popular among affluents.

In March, President Joe Biden signed an executive order addressing cryptocurrency, spurring a federal review of economic, regulatory and national security issues relating to cryptocurrency and digital assets the first step to potential regulation in the industry.

While cryptocurrencies, including bitcoin and ethereum, remain largely unregulated, the digital asset ecosystem continues to grow. The executive order outlines the groundwork government agencies need to do to set policies and regulations on digital currencies ([see story](#)).

Recently, global investment banking and securities firm Goldman Sachs partnered with blockchain and cryptocurrency financial services provider Galaxy Digital to develop an over-the-counter crypto transaction.

Developed and executed in the form of the Bitcoin-derivative non-deliverable option (NDO), this marks the first over-the-counter crypto transaction by a major U.S. bank ([see story](#)).

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