

Financial Services has always been a leader in exploring new technology. In the beginning, the banks and then the NBFCs have look towards technology in acquiring, on-boarding and servicing customers. However, it's been observed, in the past decade the pace of consumer preference is out pacing the technology.

On one hand, the consumers are experiencing a hyper media targeting leading to an extremely fragment attention span, and on the other hand, hyper competition, coupled with non-differentiated products is taking a toll on market share and profitability. The business task at hand is to engage the customer so that they stick around long enough with a bank/NBFC to make their stay profitable.

Going forward customer will be increasingly pressed on time which will lead to a demand for do it yourself (DIY) products and services tailored to an individual's need. Services too will have to be made available at the customer's door step rather than expecting them to pay visit at designated location. Digital evolution, in general, has killed any mass marketing activities and 'segment of one' is the new buzz word. To stay visible, competitive, and ahead of the curve one must ensure they set their priority right.

Create Disruption by Inventing New Operating & Business Model

The epicenter of disruption is not coming from the traditional players, but from new age players like Bank Bazaar or Zerodha. Even Mastercard, a traditional player with a long legacy, is shedding its traditional roots to innovate their business model to becoming a digital wallet. Fintech are targeting the most profitable elements of the value change from payments, lending or insurance. Providing the customer with choice and a frictionless transaction environment. They are focused on doing one thing with brilliance and targeting the customer's decision fatigue syndrome. Through the use of clever data mining, they offer a high degree of control to the customers. Customer can now define the experience they want and not get entangled to efforts sucking processes of traditional banking, thus leading to higher degree of engagement.

Simplifying Legacy System & Active Adoption of SaaS to Generate Actionable in Real-Time to Delight Consumer, 24X7 Service Availability: Customer intelligence will be the most important predictor of revenue growth and profitability. Most



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NEED TO INVENT THE ONLY SOLUTION FOR STAYING AHEAD OF THE CURVE

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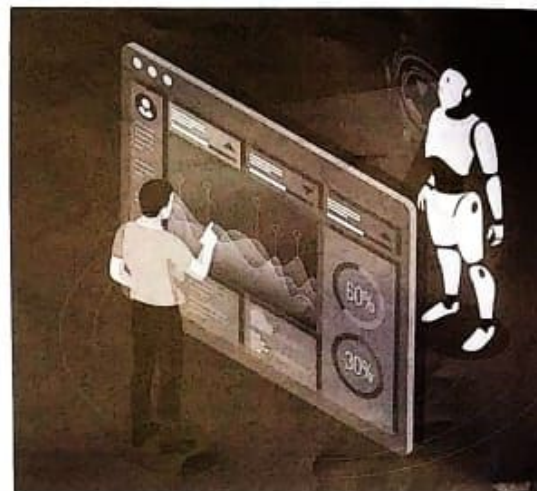
legacy financial service player has data in their soiled system and lacks the necessary incentives to change. We believe revenue pressures will force Financial Services (FS) players to look at customer data more closely. The focus will, and should, change from acquisition to retention which will eventually be a function of the experience with the FS brand, primarily led by digital interventions. CRMs, one of the most neglected pieces of digital technologies will have to be coupled with ML/AI technologies to service the customer faster. Active use of voice screening technologies may also lead to a higher degree of service available to the customer.

Digital Architecture Will Lead to Differentiation: Consumer these days are less likely to walk in to branch and demand for service. The mandate for service or product can come at any point of time. Data from our own 'digital lending platform' shows that demand for home loans starts from seven in the morning and lasts till about one in the night. This coupled with the fact that customers are now demanding our product not only when they are stationary, but also when on the move, and while being connected through various devices. This fragment customer journey has to be addressed through the use of rule-based technologies and connected devices all rendering a similar experience which appears frictionless. This can only be made possible through the use and transfer of data, such that the system can recognize the customer quickly and offer the services as demanded.

FS firms have only looked inward to create product offerings from the inside, with new set of employees the opportunity is ripe to create product offering which are more aligned to the customer's need

For long, customer intelligence used to be based on assumptions, built from focus groups interviews and market surveys. These were proxies for real world consumer behaviour, and the results were based on best guess. Now, technology advances have given businesses access to real transactional data on what users do and behave. This

creates an opportunity for analytics led companies to unlock the information inside, give customers what they really want.



Rethink Talent Acquisition Strategy: To quote the famous quote 'what got you here, won't get you there', the FS category must from time to time review the kind of people they require to perform and excel. Technologies now touch every aspect of a company's working and requisite skill set are required to perform in this 'new normal'.

To maintain an effective digital channel, in today's day & age, numerous teams are required to work in sync. Starting from marketing, operations, sales, underwriters, risk, ORM, and customer service will all have to intervene at appropriate times to provide a frictionless onboarding and servicing experience. All these team of today are enabled by technologies. For example, a marketer of today has to not only know his core marketing fundamental, but also should have a very good understanding of technologies landscape to enable digital products and use of targeting tools.

Also, an important point to note that India's changing demographics is also leading to new values system being injected into the work space. This is a blessing in disguise. Over the years, FS firms have only looked inward to create product offerings from the inside, with new set of employees the opportunity is ripe to create product offering which are more aligned to the customer's need. ■