



Why payment methods need to be the focus for BFSI transformation

"The customer is king!" - How many times have you heard that statement before and actually believed it? In this episode, Tu Duong - Country Sales Head of KMS Solutions - will analyze the affective, sensory, and behavioral consumer responses during all stages for Banking

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TECH ON MIC

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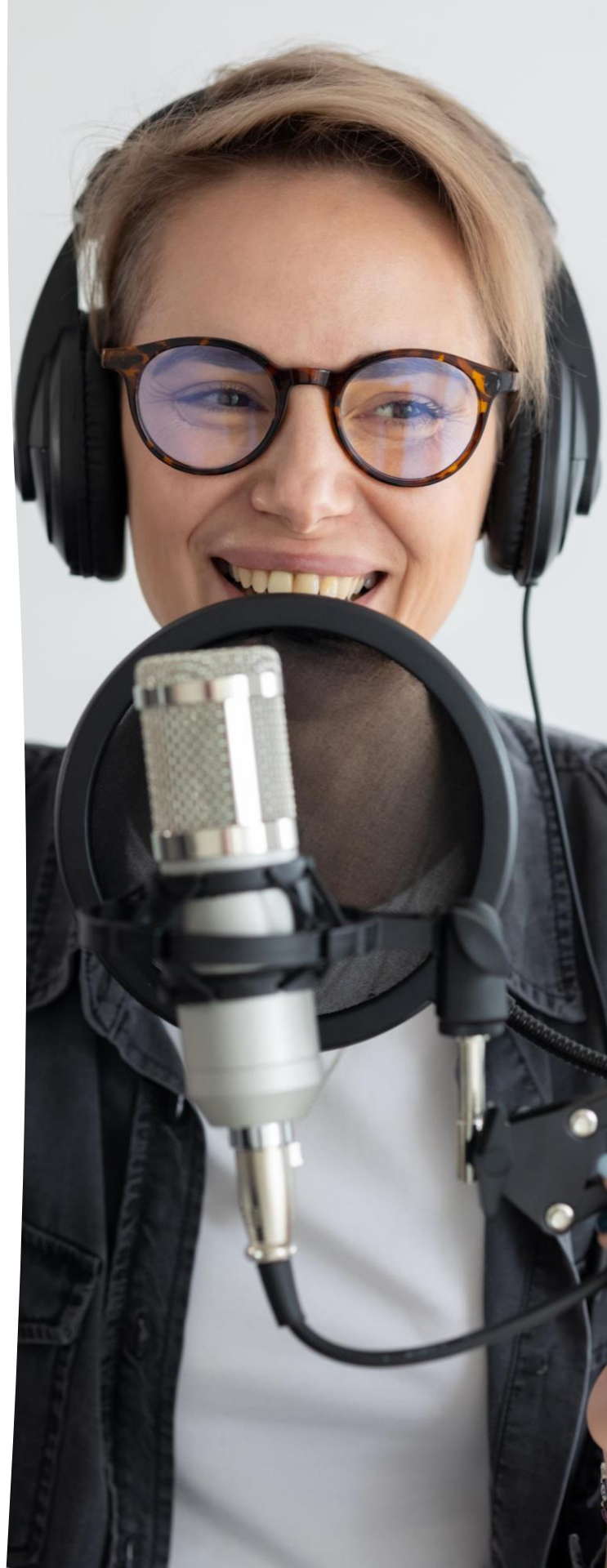
Who should listen

Top executives, leaders of business and tech; C-suite in companies; innovators and tech evangelists leadership, business and technology



KEY POINTS

- ✓ Methods to help banks measure the quality/ROI of CX across the entire journey in Banking
- ✓ How to integrate customer data with CRM and other systems like CDP to capture a holistic customer journey (touchpoints, physical, digital, social)
- ✓ Strategy to improve digital experiences to drive profitable growth
- ✓ A case study of Super App for Bank
- ✓ Recommendation from the expert for SMEs, Large Corp, Business Banking, Retail Banking for better CX strategies and investment





Jewel: Hello everyone, you are listening to Tech On Mic - a podcast series that keeps you updated with all the trends and topics in Digital Transformation. I'm one of your hosts, Jewel, and let's welcome my very first honorary guest speaker - Mr. Tu Duong - Country Sales Head of KMS Solutions.

Welcome, Mr.Tu. We're glad to have you today.

Tu Duong: Thanks, Jewel. It's great to be here. I've been waiting for this topic, so I'm super excited about what we're going to talk about.

Jewel: I have to say that I'm so excited, that this episode is very special, as it is the very first one in the **Tech On Mic** podcast series.

Tu Duong: Woa, I hear a no pressure in this episode (laughing)

Jewel: Haha don't let it pressure you. Yes, actually we have been doing a lot of activities to give people the best way to devise their digital transformation strategies, such as the TechTalk video series, Blogs, Whitepapers, or Webinars. But it is now, KMS Solutions decided to convey messages about technology trends through a new platform to reach a wider audience - podcast.

Jewel: In this episode, I hope you're gonna share your knowledge of

[How to win customer hearts with new Banking Platforms](#)





Jewel: Most physical banking touchpoints have now been transformed into digital touchpoints. Customers' expectations, already high before the pandemic, have gone through the roof.

Think about it - what is the quality of CX, what's your professional opinion? Mr.Tu, head over to you.

Tu Duong: Yes, the way the financial services industry, and in particular, retail banks, have reacted to the challenges posed by COVID-19 and its impact on customer experience deserves ample recognition. Then, drastic shifts in consumer behaviors during the crisis led many banks and credit unions to radically change to deal with uncertain circumstances.

Banks were shifting the way they delivered products and services to consumers, staff transitioned to working at home, digital and virtual services have been made available. The most significant CX trend is the shift to digital.

The future of CX will depend on how much a company can simplify financial transactions for its customers. If they can maintain and optimize this momentum with these customer experience trends in banking in 2022, they have a huge opportunity to move even closer to their customers and even further away from their competitors.





Jewel: Banking Customer Experience is the sum of customers' collective experience across various touchpoints, am I right? It includes in-branch interaction, digital banking systems, customer services, emails, online ads, and even social media posts.

So, how do you ensure that you are providing consistently outstanding performance at all these points?

Tu Duong: Nowadays, most physical banking touchpoints have now transformed into digital touchpoints. Your customer experience is the sum of ALL interactions that a customer has with your brand. This includes browsing your website, filling a form, talking to the support team, using your banking app, surveys, ads, and many more.

Now is the time to make investments in the technology and platforms required to deliver an outstanding experience at all banking touchpoints. Creating and maintaining data-driven programs that analyze and anticipate customer needs will empower banks to quickly respond during times of crisis.

To capture all customer data to obtain a 360° view of the customer journey, we have to observe their behavior across different touchpoints and channels or integrate these data into your CRM to obtain detailed customer insights.





Jewel: If there's one thing that 2020-2021 has taught us so far, it's the importance of digital channels and remote services. Everything changes daily: customer behaviors, new technology, new ways to approach people,... what is the most important thing banks need to keep an eye on when digital banking customer experience challenges are escalating every day?

Tu Duong:

The most important factor is providing diverse, quality, and tailored services to customers on one platform. It's called a super app in general.

For financial services, customers often have to make payment transactions, then the super applications share information between entities, from which the bank will analyze and make business decisions or provide a suitable new service package to compete with Fintech companies. Banks also need to explore open data architecture and API to expand their ecosystems.

By having an impressive amount of data about customers, super apps use data analytics and business intelligence to improve customer experience and make it more relevant, personalized, and valuable.





Jewel: Yes, as today super apps are so well known that many banks are on the run to create a finance ecosystem within an app. Therefore, they are trying to add many online services and features to go within a platform but still maintain a smooth experience for the customers. Then to your expertise, what functions or services that banks should focus on transformation?

Tu Duong: There are so many functions that banks need to pay attention to such as Digital Onboarding, Digital Transaction Approval, Instant Payment, Accounting Integration, Digital Saving Accounts... Therefore, banks have to carefully consider and have a clear action plan to make sure it's aligned with their strategy. Especially when more and more new financial services and solutions appear such as Buy Now Pay Later, Digital Lending...

In which, Buy now, pay later is not something new; They've been around in the form of credit cards for decades. Many financial companies, such as Paypal, have been involved in the BNPL market for a long time. This service ensures a high purchase conversion rate and increases sales because the customer's payment pressure is divided several times with a smaller value, and the average order value of the customer will increase.

Another service that banks focus on exploiting is revolving credit - where the customer pays a commitment fee to a financial institution to borrow money and then is allowed to use the money as needed. Financial institutions consider a number of factors about the borrower's ability to pay before granting revolving credit. For an individual, factors include credit score, current income, and job stability.





Jewel: So how do banks know what factors should be considered?

Well, typical examples are overdrafts or business lines of credit, credit cards, bridge loans, or invoice financing. These are typically short-term loans - often revolving credits - which are repaid partially or fully upon a certain event, for example after salary receipt, payment of invoices, or the sales of your home.

Tu Duong: Depending on the customer segment, the duration of the credit, and the type of loan (revolving versus installment), dozens of loan products have been invented to support these different types of financing objectives.

Jewel: I think to the audience here today, some of them might believe that transformation in banking is just developing a new app - a new platform and adding new features. But clearly, digital transformation in banking has banks of all sizes scrambling to adopt new technologies and services across the board.

However, adopting new technologies and changing the whole core system is not a 1 day 2 days work. So how can they accelerate this transformation without data risk and ensure the quality at all channels?

Tu Duong: For fast and efficient transformation, one of the ways banking businesses around the world is moving towards is the application of Scaled agile in the enterprise, especially in the software development process.





Tu Duong: As the world's leading framework for business agility, SAFe helps enterprises build agility into their culture so they can quickly identify and deliver customer value, capitalize on emerging opportunities, and improve business outcomes.

While it is a clear way for big companies to adapt to their digital transformation journey, there are still many challenges at a large full-service bank.

Jewel: Having said that, what amazes me is how rapidly technology changes in the BFSI industry. Let's dive a little deeper into Financial Super Apps as it's a pretty hot topic. Now, the concept of super apps is gradually becoming familiar to users.

Super apps have grown tremendously in the Asia Pacific, ranging from payments, utility payments, ticketing, financial services, and food delivery services over the past few years. How can digital banks and other FinTech companies move from discrete “banking solutions” to unified “financial platforms”?

Tu Duong: To be honest, it's a great question.

Nobody can deny that technology has taken the banking sector to a whole new level, digital banking has started to make an impact across all domains. For a traditional consumer, digital banking means sending/receiving payments, making bill payments, and checking account balances. However, with next generations, especially gen Z, banks can create a new source of profit by providing the financial services they frequently use on a single unified platform.





Tu Duong: Here's where a Super App can act as a one-stop-shop, that banks offer to their customers all financial services needs, and wants. A Super App provides banking services along with shopping, insurance renewals, bill payments, electronic wallets, travel services, and entertainment services.

In the past, only banks and card issuers could handle a huge number of transactions. Today, super apps like We chat, Momo, .. have rich data and can handle an equally large number of transactions by getting banking services embedded into the platforms. Hence, banks can access their customer financial records and provide financial services to these customer segments.

To answer the question of how banks can shift to a single unified platform like Super Apps

First, banks can adopt embedded finance, leveraging partner products and services to appeal to a larger customer base, across geographies and ages. Penetrating new markets that provide services to a wide range of businesses leads to a potential spike in full-year revenue.

Second, Banks also can leverage partner products & services to capture a larger customer base. They can build a platform to launch new services and products to cater to the varied customer base across geographies and age groups. Penetration into new markets offers multiple business lines, resulting in a potential surge in the year-on-year revenues.





Tu Duong:

Third - To scale up, banks can build APIs and data flows to connect to third-party products and apps.

And... Last but not least, banks can build omnichannel strategies to maximize reachability to customers such as mobile apps or web apps to chatbots, wearables, and voice.

The future of financial services depends on **data-driven capabilities**. Banks will have to invest time and resources in building an optimal user-centric solution.

Customer Journey Analytics, Channel Analytics, and Transactional Analysis can help banks devise and optimize the best experience for their customers and prospects.





Jewel: Obviously we have to admit the fact that Mobile banking increasingly shapes customers' relationships with bank brands, and improved digital experiences drive profitable growth. However, consumers, especially those from younger generations, want to use digital tools like mobile banking apps but often get frustrated when completing transactions because they must perform too many steps. So when customers are using applications, how to optimize the customer experience?

Tu Duong: A lot of banks today use promotions to attract new customers such as cashback for consumers, and gifts. However, when customers use the service for a while, they switch to other applications.

So to understand the customer experience, we don't just play their part to experience the product, thereby improving it continuously. Besides that, we also need to understand the metrics and growth hack to retain customers. For example, when customers use the bank's application, with the support of the customer data platform, the bank will know which services customers use most often, which accounts have not been logged in and made transactions in 30 days, Which accounts have registered but have not logged in, what promotions are attractive to each customer through tracking calls to action on apps.

From these data, the bank will tailor the service accordingly to make customers more satisfied. Or try new versions to enhance the customer experience as companies like Apple constantly innovate their operating systems.





Jewel: Last but not least, based on your experience, do you have any recommendations for the audience here today?

Tu Duong: The best advice I can give to bank leaders is to focus on the happiness of customers. Customer-centricity requires banks to re-evaluate what they know about their customers and to better understand who their customers are, what interests them, what they value, and what drives them.

A way to pair strategy and technology for greater customer-centricity in banking is predictive analytics. You can use predictive analytics to create a more customer-centric banking model to deliver product and service offerings tailored to the customer's specific needs and interests. Predictive analytics not only presents your institution with valuable upselling and cross-selling opportunities — it also allows for greater customer-centricity because it makes customers feel as though you've accurately anticipated their needs.

Banks also have to challenge themselves and work to keep pace with the digital environment at large. That means pushing through barriers to implementation and incorporating more advanced technologies to automate and secure the digital customer experience.





Tu Duong: Accelerating the adoption of disruptive banking technology today, such as open banking, cloud, artificial intelligence, deep learning, Open API, blockchain, etcetera... with customer-metric. will enable banks to build a future-ready foundation easing the business model transformation. These technology solutions need to be carefully researched and customized based on Banking Industry, even SMEs or consumers (such as Business Banking or... Retail Banking).

In a nutshell, the customer experience in the banking ecosphere holds massive untapped potential for growth, from meeting the day-to-day needs of consumers and focusing on preparing for disruptive future technologies.

Talking about digital transformation, overcoming implementation challenges depends on your choice of solutions providers. They must have the ability and experience to implement and understand industry regulations.

Always remember, your customer is ready, solutions are out there... [It's time to move fast.](#)

Jewel: Thank you, Tu, this is a really helpful sharing. Hope these insights will be useful to everyone. Unfortunately, I have to say that's all for today's podcast. It's great to get a chance to 1-on-1 talk with an expert to understand what's happening inside the technology landscape. Thank everyone for listening to the podcast series of KMSS - a company specializing in providing and consulting technology solutions for enterprises in APAC. I hope you enjoy today's topic. And see you next time, on Tech On Mic.



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About KMS Solutions

KMS Solutions is a member of KMS Group, specializing in consulting and providing modern and advanced technology solutions to digitalize business, optimize business operations, improve competitiveness and grow sustainability in the digital age.

Through its global reach and strategic partnerships with many of the world's leading technology companies such as GoodData, Katalon, Mambu, Kuliza, Airome, Scaled Agile,... KMS helps develop, deploy, integrate, optimize and operate solutions according to international quality standards. KMS Solutions' success is ultimately measured by the positive impact that it makes on the client's business

For more information about KMS Solutions,

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