What are the benefits to banks who are proactive in the digital revolution?

ALAN MCINTYRE: Being proactive in a digital revolution means being able to compete in a more unstructured world. Banks are losing their preferred place in the economy, and they’re going to have to be competitive with both other banks and nonfinancial institutions.

On what does a bank’s competitive edge hinge?

AM: The competitive edge is going to be through embracing technology as a way to reshape not only their business model, but how they interact with their customers going forward.

STEVE WESTLAND: I think the banks’ competitive edge going forward is going to be about how they use their technology. There is so much new technology coming together in a huge combination. What technology you’re going to pick and what technology you’re going to invest in to make customers’ lives better.

What are the key issues bankers need to know regarding Technology Vision Trend 5 – The Uncharted?

AM: Banks are going to need to be proactive in shaping regulation, particularly around customer privacy issues. We are going to want frictionless transactions, but we’re also going to want secure transactions, and banks have a role to play in shaping that regulation.

What’s a good example of a “new bank rule of engagement”?

SW: So, banks have got to deal with the combination of regulation coming around the corner, plus technologies that will enable new and innovative solutions to those. You’ve got to look at PSD2, GDPR, BCBS 239. All of those affect how you deliver data to customers. You need a solution which is going to work for all of those. Otherwise, your estate will become horribly complicated.

What are the key issues bankers need to know?

SW: You can see banking platforms starting to appear in the industry. Those platforms are going to bring together offerings from outside banking and banking products together into one story for customers. That’s going to be so interesting for customers that customers will flock to those platforms. The difficulty is which platform will win and what will banks do in order to be a part of a platform—or build the platform themselves. There’s a real business model decision at the core of that.

AM: We need to move to a world where banks think of their boundaries as being fluid. Banks are going to need to plug in and interact with customers through all manners of digital platforms, whether that’s messaging platforms, or digital commerce platforms. Banks need to be ready for a far more open and competitive environment.

Trend 1 – AI is the New UI: How is AI revolutionizing the banking industry?

AM: AI is going to elevate and personalize the interactions between customers and banks. Customers are going to go back to a situation where they feel as if the bank truly understands their personal situation and their needs.

What are some good examples of ways banks can use AI to create more interaction with their customers?

SW: You can see what Accenture’s been doing with their Collette mortgage interface. We’re trying to sell mortgages through an AI experience. Customers are going to want to interact with it. It’s easy, it’s flexible and it’s just like interacting with a human being, but you can guarantee the quality of the advice that the customer is receiving. That’s got to be compelling for both the customer and the bank.

What do you consider the key take-away for bankers from the Banking Technology Vision 2017?

SW: For me, the biggest takeaway was the disconnect between how banks saw their offerings and how customers saw those offerings. Those appear to be divergent to me. Banks need to make a step change in the sorts of offers they’re making to customers and bring those two back together.

AM: Our Banking Technology Vision shows that advanced technology will not only help banks deliver their existing customer propositions better, they will also open up opportunities to deliver far wider ranges of propositions to the customers and to make those more personal and to make it far more about the human interaction, not just about the interaction with technology.

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