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New technologies are fostering new forms of cooperation between industries

First impact of new technologies is on the way the bank is acquiring and serving its clients : Banks are responding to new customer expectations as digital players set new standards, and also to increasing concern for security :

- Choice: customers want to be able to rapidly compare and subscribe to online financial solutions
- Simplicity: customers expect simple & clear journeys
- Personalization: customers expect their Bank to use the huge quantity of data it holds, for their benefit and security : take into account their personal context, demonstrate anticipation, protect them against fraud, and be relevant
- Immediacy: 24/24 7/7 becomes the new normal as well as instant payment
- Security : customers expect their bank to protect not only their money but also their data and privacy. This concerns becomes more and more critical as cyber-criminality develops along with usage.

Customers positively react to these innovations : More clients are onboarded digitally, most of usual operations such as transfers, card limit management are done digitally - 89% of French people who have downloaded a bank app (55% of French people) check their app at least once a week.

Second, this digital transformation enhances the “human part” of advisors’ role while digital channels play a big part in day to day finance management. This shift in advisor role is helped by :

- More time to focus on value-added services as some tasks are handled by customers themselves or drastically eased with RPA or AI for instance,
- A better customer knowledge through real time and comprehensive information
- New platforms for contact management that allow to understand clients requests in natural language and address them to the most relevant available person, independently of its location.

Third, Digital Transformation is about transforming skills, mindset and culture, IT architecture as well as ways of working for everyone from front to back office including functions, it implies for example :

- Fostering an end to end process culture, with a strong focus on operational excellence,
- Developing in big numbers digital and data capabilities across the organization
- Upgrading IT architecture and infrastructure to be able to fully leverage

new technologies in particular Cloud and AI.

- Expand Agile ways of working across the whole organization to be able to adapt faster and better to customers’ rapidly evolving expectations and have happier teams. It is the necessary shift from product- to customer-oriented organizations so that teams are actually centered on understanding consumers and designing products and services around their needs.

Finally, what goes for the retail banking industry regarding digital transformation is also true for all industries. As each industry becomes centered on delivering an end to end digital experience in a specific set of needs (such as my home, my mobility , my health etc..) , the question of who are you competing or cooperating with, becomes crucial : Big techs, Fintechs but also other incumbents from various ecosystems together such as energy, retail, mobility...

Retail banks collaborate with Fintechs or integrate GAFA services into theirs (eg Apple Pay or Google Pay). Retail banks have specific competitive advantages:

- Strong banking expertise in all financial areas (consumer finance, investment...) and strong relationship with institutions and corporates
- Loyal customers
- Secure their customers’ sensitive data

These advantages, combined with the ones of the players and incumbents from other ecosystems using digital-enabled technologies can create unrivalled propositions for consumers. This is what happened in the mobility ecosystem in Italy for instance, where BNL has created a partnership with Telepass to create a new app allowing consumers to access to all their transportation and shopping services and manage associated payments, all through a single access mobile gateway.

What we see happening for banks is new cooperation across industries in order to design innovative, simple and outstanding new services. ●