

Tech-Driven Hyper-Personalisation in Asia's Wealth Management Markets

Wealth managers and private banks need to 'democratise' their service and product offerings to a wider audience of affluent clients to compete and grow in the new hyper-digital world, and tech-driven hyper-personalisation is at the core of fulfilling this concept. In Asia's dynamic wealth management markets, this drive to hyper-personalisation has a relatively young, tech-savvy and rapidly expanding mass affluent market that are increasingly drawn to the world of investments, but who wants a seamless, interactive, and tailored offering that is highly relevant to their lifestyles, their needs and their aspirations for the decades ahead, and importantly, deliverable online or mobile. The experts on our panel at the Hubbis Digital Dialogue event of November 18 mined down into how the wealth management incumbents in the region can deliver the necessary tech-driven hyper-personalisation, what this really means for the providers and for the clients, what the risks are of not pursuing this mission, and how internal and external strategies and protocols must adapt in order to stay at the front of the wealth management pack in Asia in the years ahead.

SPEAKERS



RITESH GANERIWAL
Syfe



KARSTEN KEMNA
CREALOGIX



DAMIEN PIPER
InvestCloud



JITENDRA TEKCHANDANI
DBS Bank

PARTNERS



[CLICK HERE TO VIEW WEBINAR ON DEMAND](#)

[CLICK HERE TO VIEW OUR DIGITAL DIALOGUE
SERIES HOMEPAGE](#)

Setting the Scene for a Dynamic Discussion

Personalisation and hyper-personalisation are, of course, also highly relevant for the RM-served upper mass affluent and HNW categories of clients, more and more of whom are increasingly comfortable with 'smart' wealth management delivery, even if they also spend time connecting personally to their bank or EAM advisors. As the new generation of tech-savvy, wealthy clients, with a high demand for seamless digital services, become much more deeply involved in the world of investments, there is a huge opportunity for wealth managers that bring high-end, hyper-personalised wealth management services to this affluent segment. Armed with the right approaches and the right technologies and with their talent continuously honing their skills, the leaders will be able to deliver highly personalised ideas, products, advice and solutions at scale while addressing the specific needs of this new affluent clientele through a balance of industrialisation, innovation and individualisation.

If the banks and wealth management firms playing their trade in Asia's wealth markets do not democratise and elevate their propositions, they risk losing market share and failing to capitalise on the profound, digital-led transformation of the sector. They will also have failed to appreciate and react to the deep structural margin and transformation pressures the wealth industry faces, rooted in a mix of rapidly changing client demands, tighter regulations and new, fiercer competition from a combination of FinTechs, neo-banks and 'big tech' all trying to gain a foothold in the market. All these matters, and many more, were discussed by our four highly articulate experts on the panel.

THESE WERE SOME OF THE QUESTIONS THEY ADDRESSED:

- » What is personalisation and hyper-personalisation and why is this so important to the future of wealth management in Asia?
- » How do you personalise wealth services?
- » What is the 'pot of gold' ahead for those who get this right, and what are the dangers for those who fail to grasp this future?
- » What does it mean to convert the wealth management relationship approach from transactional to human-centric?
- » What digital technologies and solutions are available today and upcoming that will help drive hyper-personalisation?
- » What role does CRM/CLM play in hyper-personalisation and what tools and solutions can help drive a deeper understanding of the clients and the ongoing learning that is required?
- » What roles do AI and ML play and how do the banks and wealth firms hone this technology to help them in this quest towards democratisation and personalisation of wealth management?
- » What approaches do the new players and the incumbents need to take to either create or adapt their internal cultures and drive energetically towards hyper-personalisation and holistic client-centricity?
- » Why is it necessary to enhance RM-client advisory given that self-service in banking is increasingly becoming a norm especially with the acceleration of various technologies such as AI/automation?
- » How do you set about such transformation, do you attempt the 'big bang', or do you take a multi-year, highly adaptive and step by step approach?

Three key trends prevalent in Asia – hybrid advice, hyper-personalisation and ubiquitous banking

An expert opened proceedings by observing that three elements are crucial to the evolution of client-centricity, namely hybrid advice, hyper-personalisation and ubiquitous banking, and all are increasingly evident in Asia.

Hybrid advice centres around digitalisation to make client advice more efficient in the future, with a smaller number of RMs delivering more depth and breadth of services thanks to that technology, and with human touch and relationships driving the business forward.

Hyper-personalisation is all about the delivery of hyper-personalised advice, where advisors provide highly tailored, specific advice, at the same time scaling advice while preserving context and relevance, and thereby providing a truly unique, engaging, and highly customised experience.

And ubiquitous banking involves the provision of banking services anywhere anytime, including the integration of banking services into third-party contexts (such as third-party apps, in stores and so forth), with the integration done by third parties or the banks themselves.

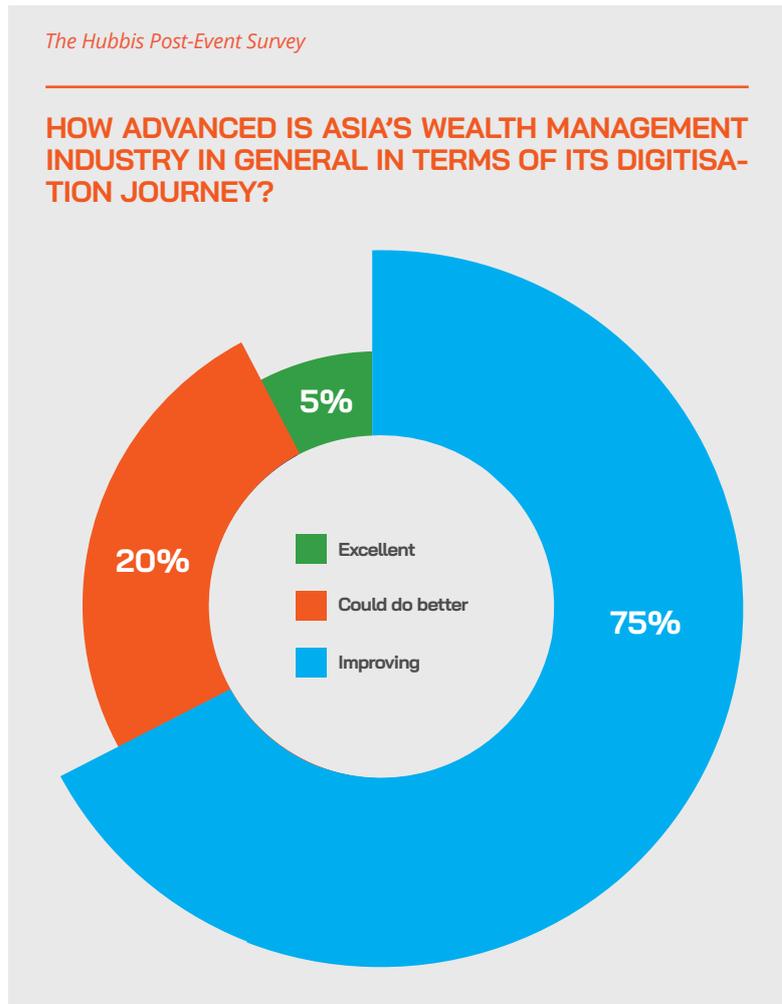
And there are five key drivers for super-personalisation

Having set that backdrop, he offered his vision of five key areas in which wealth management players can personalise wealth services via technology and the available digital channels. First, they should capture data using digital onboarding tools for standardised information that can be reflected back to the client

in a clear dashboard. Secondly, they should offer clients the choice of whether to switch to paperless services and their communication preferences via email, telephone, online and in person. Thirdly, they should respect their clients’ values with clear ESG and Impact reporting that shows the results of their preferences. Then they can use the data held on clients to deliver a personalised news feed based on their interests, push notifications for relevant investment opportunities and tailored updates via relevant webinars. And finally, they should track user journeys and use AI-supported conversational prompts to assist users and identify the points in a user journey when personal intervention can add value.

Hyper-personalisation is all about relevance, suitability and truly understanding the client and their goals

Hyper-personalisation is all about highly tailored specific advice for wealth management customers, making it highly contextual and relevant. “And it must still be engaging so that the people that you’re working with or that you’re talking to don’t feel that they are just somebody at the end of the food chain, but that they are treated with individuality and empathy, that they are genuinely worthwhile as customers,” a guest explained. “Then use digital tools and AI to help to drive that hyper-personalisation, with an



end-to-end approach right from the outset, using digital channels for onboarding”

Offer the clients the choice of communication channels, so that they feel totally comfortable

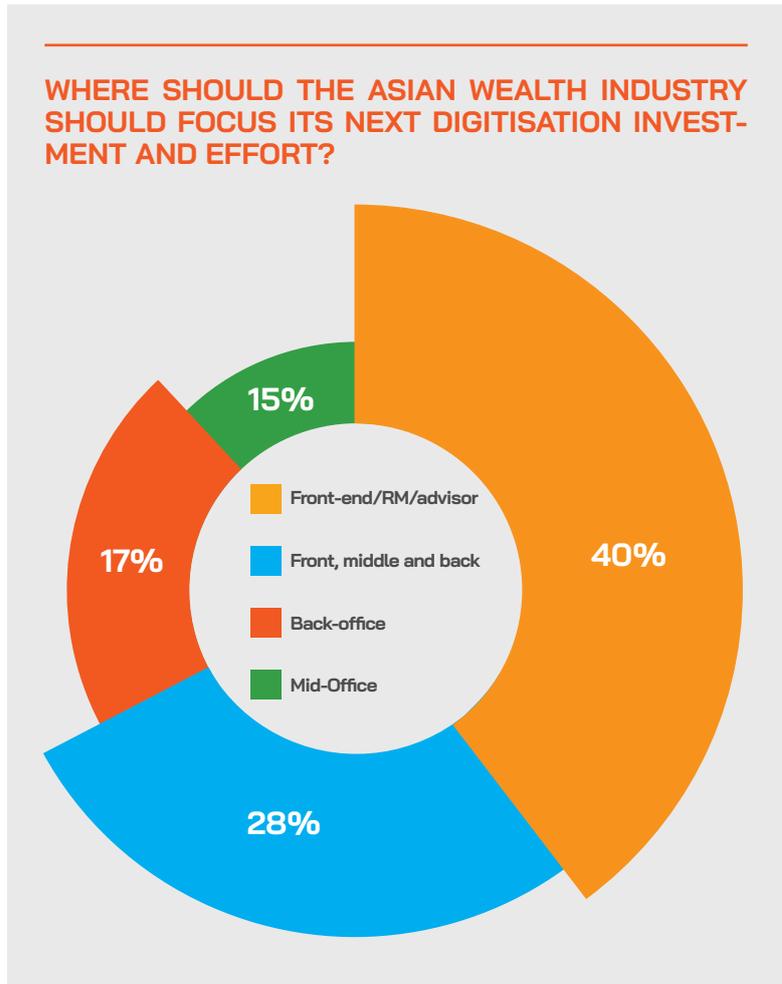
An expert said it is important to give the clients choice as to how they want to communicate with the bank or firm, anything from the old-fashioned way with paper, or the more technological approaches via smartphones, online and so forth.

Customising the messages and ‘nudges’, aligned with the hybrid approach, are central to the delivery of hyper-personalisation

Data-driven AI and machine learning will help drive customisation of news feeds, so that the providers can ‘push’ relevant notifications, but not in a way that makes it look like they are ‘pushing’ products. And as to delivery, the hybrid approach is best. No banks or wealth management firms can afford the number of RMs to service the rapidly growing mass affluent market, so digital delivery is vital, and so too is enhancing the capabilities and efficiency of the RMs.

Personalisation and hyper-personalisation are the same road, but different stages

An expert observed that from their perspective, personalisation and hyper-personalisation are one topic, and that they as an institution are moving from the personalisation that has a macro impact on the customer experience to the hyper-personalisation that



connects more to the micro-moments of the customer. He explained that to achieve that, you need four elements. First, context, which centres on the customer’s thinking, how he or she is behaving, the past activity, how they have interacted online, offline, what topics they have discussed with the RM, and so forth. From context, you move to relevance, curating products and services that are highly relevant for the customer. Then there is trust, which centres on consistency and transparency. And all of these elements require data, hence their institution has been significantly dialling up their whole investment on intelligent banking, using AI and predictive technologies to understand the

customer needs and deliver genuine super-personalisation.

Building the RM’s capabilities, making them smarter, more effective, more productive and more loyal

This same expert explained that front-facing bankers and advisors need digital tools to boost their effectiveness, even their confidence. They need a 360-degree view of the client interactions with the bank or firm, they need data and analytics, driven by AI and ML, to sharpen their advisory and their service for the customer. And they ask the RMs and advisors themselves to feed information back, so that there is a continual positive

process of machine learning driving them onwards to hyper-personalisation. With all these initiatives, this is precisely where science and smart wealth management collide to create a new world of expertise, relevance and seamless delivery.

The product creators also need this type of 360-degree perspective

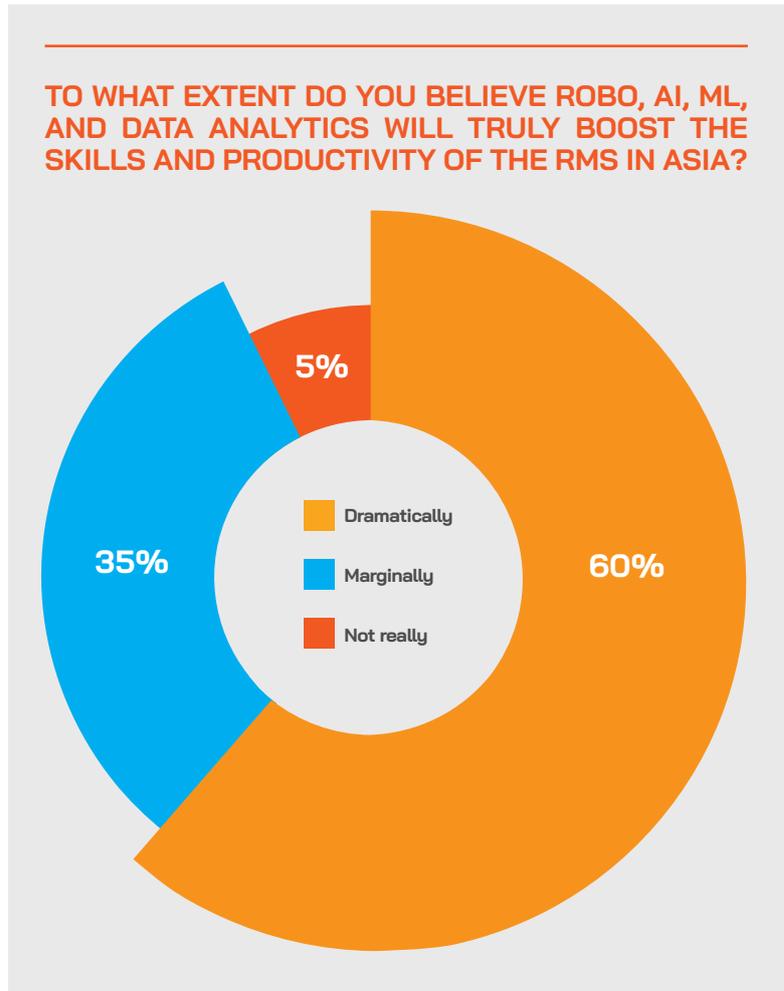
This expert remarked that it is also essential for the product creators to also have a 360-degree view of the clients, so that they in turn can help create the right products, portfolios and other solutions that are truly relevant to the client demographics and activities.

Keeping things compliant - in other words highly relevant and suitable - is another major challenge

The same guest observed that the other critical element is solving the complex regulation environment around advice and offering ideas and nudges to clients and making sure the regulator see these as relevant and suitable. "It is really important to be able to deliver content that relates highly effectively to challenges that the customer currently has. In short, we are all heading in the right direction but there are some headwinds that the industry has to try and resolve."

Personalisation as the starting point for all relationships, with technology delivering customisation

A guest reported how their platform begins with personalisation as the starting point for all client engagement.



"At the heart of personalisation is the fact that everyone is unique, and people are multifaceted," he explained. "And what that means is hyper-personalisation needs to be more targeted at solving the real needs of the individuals, their values, their beliefs, their life stages, goals, expectations, and aspirations. Everything, every process and step must be seamless, simple, a pleasant user experience."

And he said that it is better not to go into huge detail on investments but to focus on how the investment returns address those goals and needs. "You keep it optimised," he advised, "you make sure every dollar is working for the clients. And you keep it personalised, with portfolios

tailored to these individuals. And this is what we have been able to do with technology, spreading this across all investors, rather than just the UHNWIs as before, delivering institutional quality to a broad array of people. And all at a compelling cost to the users."

Education is crucial to the spread of investment knowledge and smart wealth planning

The same expert explained that education of the client base is vital, and that his firm aims to educate the retail and mass affluent type clients through digital means, via webinars. Videos, online, via the platform and so forth, delivering all sorts of information and insights

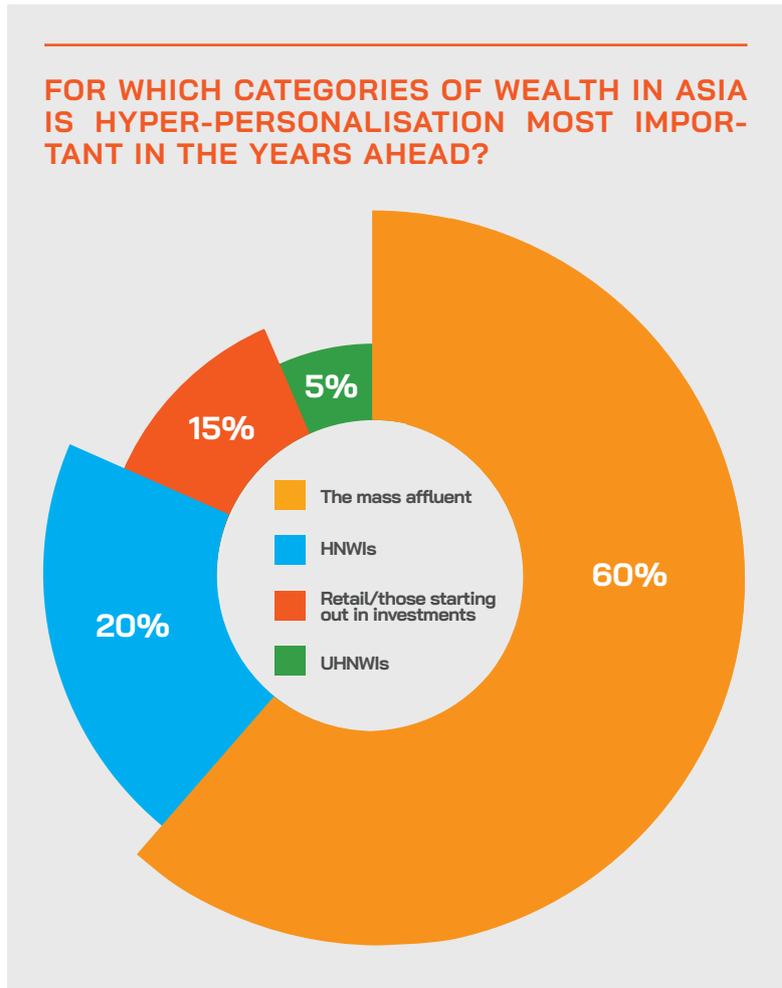
and commentary. "This is not one-to-one," he explained, "but one-to-many. And for the wealthier segments their needs are often more complex, so we need more personalisation, more one-on-one sort of conversations."

Asia lags behind more mature markets, despite high levels of younger, digital natives

A guest remarked on the irony of Asia, being a young and digitally-smart demographic, still lagging behind many other markets. "It is ironic," he said, "that we as a company have actually been working in Switzerland on hyper-personalisation products and projects now for about seven years, and that experience and expertise we are now bringing to Asia, with the knowledge of how to apply the new technologies to support whatever customer experience is required." And he explained that each bank or provider will then aim to build something that's relevant to their brand, differentiated also via their delivery and engagement and communication with the clients.

Transparency is vital to the delivery of democratised and highly personalised wealth management

A guest observed how fee structures must be entirely transparent, to back up relevance, suitability and personalisation with a clear understanding by the client of what they will pay, when and why. "Transparency, once you have that as base level in your model, then that automatically brings that trust to the clients," he observed. "And that's why I think through the last one year, the pandemic has actually warmed up a lot of clients to these digital



platforms, because previously, they were a bit sceptical, they didn't know how this will pan out and all, but over time, things have become much more transparent, things have become easier for people to analyse, there's been so much education that has been put in that now people actually see the value of engaging with platforms. They can see, for example with us, that advisors are non-incentivised, in the sense that they don't have any commissions to begin with, so they don't have any incentive to sell products, they will always be education and needs focused."

The result, he said, is it becomes more of consultative selling rather than product selling per se. "And this is the strategic shift

needed," he stated, "although for the incumbents it is difficult, they cannot just hyper-shift to the new model. But they see this is becoming more and more pervasive, and therefore try to address it in a very proper strategic manner, but that's where the challenge is."

Remuneration and revenue models are changing in Asia

An expert highlighted how there is a strong drive in Asia towards holistic advice and at the same time, towards open banking, helping the banks look beyond the next sale. "There is a clear shift away from transaction-based income to fee-based income," he reported.

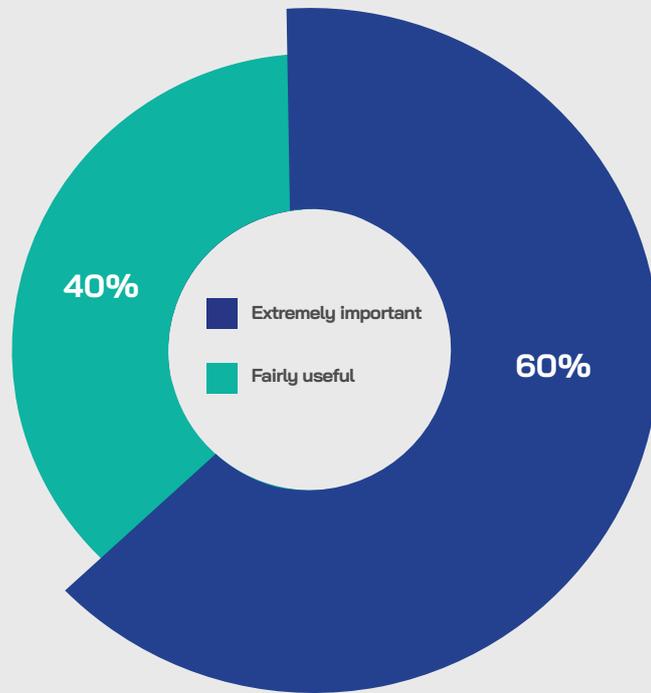
“Hyper-personalisation technologies allow for this to really happen, because the other overarching need is to address a challenge for RM talent at the time, so these technologies come at the right time.”

He added that any product or advice or idea delivery must be contextualised, so the RM is making a recommendation that genuinely fits the client, with technology supporting the curation of such ideas. This is all about understanding the clients’ historical activity and patterns, then delivering either single products or portfolios that fit, with technology driving increased efficiency and effectiveness amongst the RMs. Some key challenges accordingly centre around attaining the right combination of human talent and technology, with what one expert described as a major battle for talent at the moment across the industry.

Tailored recommendations must be driven by client-centricity, not by revenue generation targets, but fees and profits should follow, as night follows day

A guest observed that technology and the latest digital tools are helping new entrants – and older incumbents evolving their models – to achieve a very data-driven approach to create products and portfolios that address clients’ long-term needs. “This is highly systematic,” he reported, “and for us we have at the heart of the offering, passive instruments as the key portfolio building blocks, as they are very efficient, very low cost, and they do the job. Then each investor will want to express themselves, they have some of their own beliefs, they might also want to follow certain megatrends, which is where

WHAT SORT OF ROLE SHOULD SMART, DIGITISED CRM/CLM PLAY IN THE THRUST TOWARDS HYPER-PERSONALISATION?



Expert Opinion

RITESH GANERIWAL, Head of Investment Advisory, Syfe

“At Syfe, we are building a business that is tech-driven with a human touch. Hyper-personalisation makes wealth management more targeted and more capable of solving the real needs of our clients, incorporating their values, beliefs, their life stage, goals and expectations.”

“Going from a transactional to human-centric approach means looking at the long term goals of a client holistically. This way, users can commit to their investment plans during the ups and downs, rather than treating you as a platform to transact.”

“With technology, we are able to facilitate meaningful engagement with our clients, at scale and speed. The role of wealth advisors can be focused on the areas that make the most difference for our clients. Now, we are able to leverage digital tools such as webinars, videos, outreach emails to communicate with them effectively and efficiently, enabling us to serve more clients per advisor without compromising on quality.”



we can offer customer, satellite strategies for our clients, perhaps for example disruptive technologies, healthcare innovation, or specific markets. And on top of all that, we have education and human advisory. We understand that investing is an emotional process for a lot of investors, so to align with them, for them to remain committed, you need to define and address the purpose of their investment as well, and that's what we try to solve."

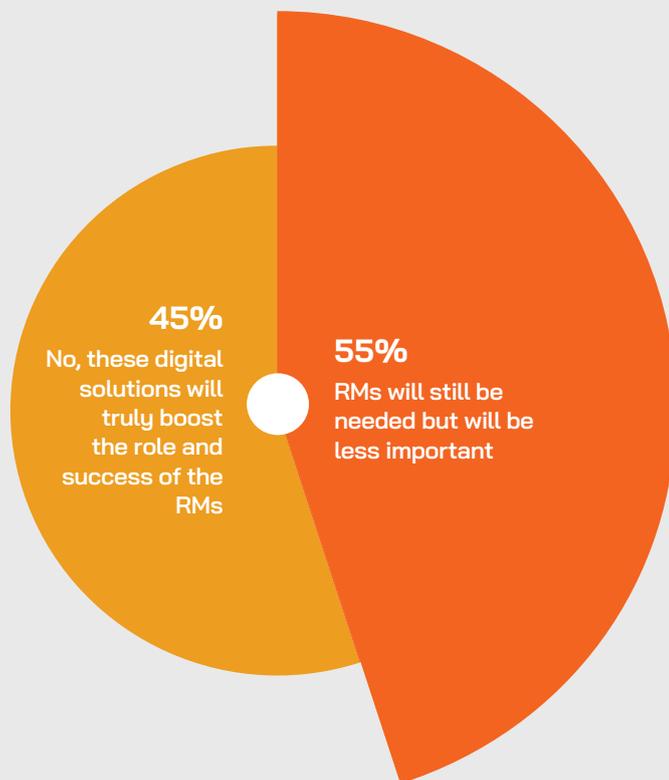
Adoption of these new drivers and approaches towards hyper-personalisation and client centricity needs to be rooted deep within each bank and firm

It is not only technology that can dramatically re-shape any wealth management institution; it is also vital to adapt the internal approaches and culture to ensure that everyone buys into these ideas. "If we are not focusing on the cultural part internally, technology will not be effective," an expert cautioned. He expanded on that comment, noting that, with their wealth management hat on, they are focusing more on a human-centric relationship rather than the transactional relationship, and explained that this means a shift away from a bank-driven model of selling to the customers towards the much more client-centric, entirely relevant curation and delivery of ideas, advice, products and services. Transactional is the outmoded model. Human centricity is the new way forward. It means our first job is to understand the customer needs and we can do that by leveraging data, then providing these nudges to the RMs and advisors." He said if the whole institution follows this approach of client centricity,

ARE SMART AI, ML TOOLS, DATA ANALYSIS AND RELATED STRATEGIES CENTRAL TO THE DELIVERY OF HYPER-PERSONALISATION?



AS DIGITAL TOOLS AND SOLUTIONS DESIGNED TO DELIVER HYPER-PERSONALISATION EVOLVE FURTHER, DO YOU THINK THAT SPELLS THE DEATH KNELL FOR THE RM?



business will follow, and leadership will be assured.

The need to take a new and fresh look at segmentation, as nothing is static about individuals

An expert observed that they were also taking a fresh look at segmentation. Their client segmentation journey began some years back, but they are now moving well beyond the static components, such as name, gender, age, preferences, income, and so forth towards all the dynamic elements. “Within each segment, people have different risk appetites or aversions, they might be savers more than accumulators, and so forth. There are different relationships with money within the segments, which are far more important than the static elements. This is why we are looking afresh at segmentation, and it all centres on behaviour.”

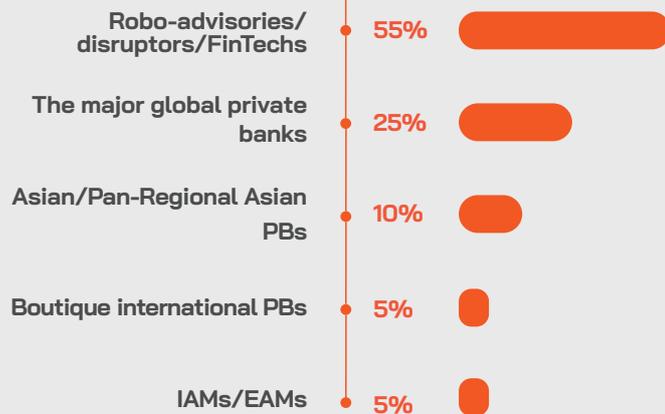
Step-by-step towards hyper-personalisation, don't try to go for the 'big bang'

A panellist closed his observations with a recommendation that those driving towards a client-centric culture and hyper-personalisation take small steps and learn along the way, tailoring the solutions to the markets in which they compete and being agile in terms of approach.

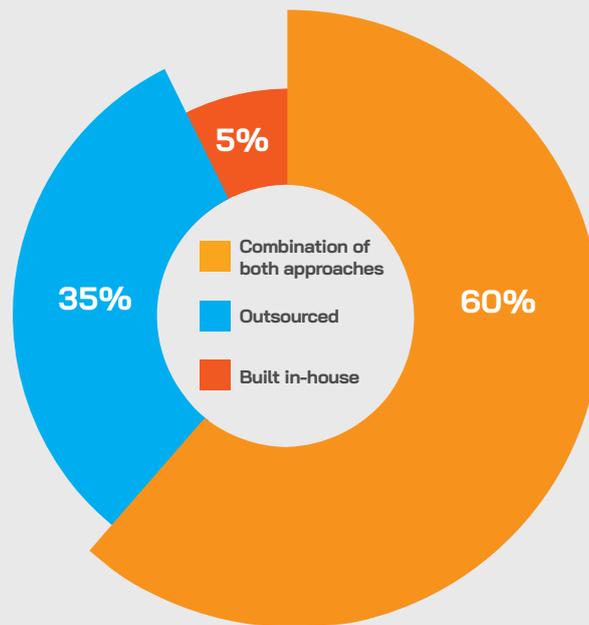
Step by step is the right approach, but also dynamically tailored and refined, as well as adaptable to each country and culture

Another guest agreed with the step-by-step approach,

WHICH CATEGORIES OF WEALTH MANAGEMENT INSTITUTIONS OR DISRUPTORS WILL BE MOST SUCCESSFUL IN THE THRUST TO HYPER-PERSONALISATION?



IN THE DRIVE TO HYPER-PERSONALISATION, DO YOU THINK ENHANCED TECHNOLOGY CAPABILITIES AND UPGRADES SHOULD BE BUILT IN-HOUSE OR OUTSOURCED?



noting that this type of transformation to client-centric, highly personalised wealth management is not like at IT project, it is a living, breathing ecosystem, nothing is static about the customers, and it need to be re-tune constantly, and also tailored to local market cultures and practices, requiring local talent as well in each jurisdiction.

A great journey, in small, well-judged steps, and make sure you don't try to 'boil the ocean'

The final comment came from an exponent of the art of digital transformation, who totally agreed that a studied and considered approach to the journey should be taken. "We started slow, we didn't try to boil

the ocean, and we have embraced the technology, but also evolved our culture around that," he explained. "We have had to change our whole approach, our entire mindset, as digital adoption alone is not enough. And finally, we are doing this collaboratively, achieving goals in partnership with external providers, leveraging our capabilities and boosting the outcomes." ■

