

WHY PRIVATE BANKS MUST RAISE THE DIGITAL STAKES

FROM DESIGNING INVESTMENT PRODUCTS TO RETAINING CLIENTS, DIGITAL BANKING IS RESHAPING THE WEALTH MANAGEMENT INDUSTRY. BUT PRIVATE BANKS MUST GET MORE ALIGNED WITH THESE TRENDS, URGES STEVEN SEOW, HEAD OF WEALTH MANAGEMENT FOR MERCER IN ASIA.

For private banks, succeeding in the digital age requires there to be a fundamental shift in mind-set, from a traditional product-selling mentality to one enabled by technology.

Retail banks have increased staff efficiency, lowered costs and improved the customer experience by designing, simplifying and amending product offerings based on feedback from social media platforms, for example, explains Steven Seow, head of wealth management for Mercer in Asia. However, he is yet to see similar changes within the private banking industry.

NEW APPROACHES NEEDED

The private banking industry is being confronted with increasing requirements on all aspects of the business, including in relation to reporting processes and content.

That pressure is coming both from regulators as well as clients. In particular, clients are also increasingly active in terms of social media, and are willing to give feedback, adds Seow. "They want to be able to compare prices, performance and services, while listening for what is being said about their banks in social media."

As a result, banks need to deliver something which is tailored accordingly, not just standardised flow product.

GAMIFICATION

Another change that Seow says private banks need to make in terms of the way they engage technology is to introduce more "gamification" for educating the second and third generations. "Wealth is passing down to younger generations which are embracing technology and expect information quickly."

Generation Y expects real-time analysis, research and fund performance reporting through various gadgets. "And even when addressing this need by investing in digital platforms, private banks will have to be mindful of the increasing data privacy and cyber security concerns," says Seow.

REPORTING TRENDS

This trend is also forcing Mercer to re-design the reports it creates for banks.

Six months ago, the firm collaborated with Financial Express to launch Mercer Manager Analysis Portal (MAP). This is a web portal that can be accessed



Steven Seow

Mercer

by any iPad, iPhone or android device 24/7. "Our clients, meaning financial advisers, can access Mercer's intellectual capital to help them in their work," explains Seow. "They can download our research notes on fund managers and assess portfolio performance, among many other features. This is also our way of embracing technology to better serve the needs of our clients." ■