

Services, products & technology to support the mass affluent segment?



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How can you make wealth generation more accessible?

You can make wealth generation for the next generation of mass affluent much more accessible by being at the point where the new generation really wants to buy and wants to save more money. So what you need to do as a financial institution is to understand where are the people doing, currently their transactions, and make sure that they can do their savings and their investment at any time at their location, being at some of the eCommerce sites, or getting it in from the super apps, or being basically on the proprietary of one of the banking channels, making sure at the end of the month, or at the beginning of the month that they can start with putting some savings aside and start investing for their future in a more regular basis. Really nudge them every time to make that little investment, and to make sure that they can also then, based on their profile, based on their goals, work towards achieving those goals. To be getting the money in place for education for the kids, or getting the savings for an early retirement, or for example, looking for a big expense, for example, buying a car.

How can technology drive and enable savings habits?

There's a couple of items. If you look at the new wealthy, the new mass affluent generation across the world, in the middle East, in Africa, in Southeast Asia, they are very driven by mobile-first communication. So you see, for example, that they respond very quickly to not just that they would get on their mobile phone, if, for example, money would come in, or a certain investment opportunity would come up, or they get reminded of a certain goal that they are they're trying to achieve. For that kind of nudges, you could see the banks really can play into that and send the right notifications and the right messages at the right time to these people, and to help them actually to start saving, and remind them of the savings goals that they have so that they would make that investment at the right time. And I think that technology really enables you and really enables banks to have the direct interaction with each individual client.



Should we look to embed saving and wealth generation into existing banking products

Yes, I think we can. It's very important that there are certain products at the moment out there. So if you look at financial products, you can make them much more tailored for the individuals to be able to reach their goals. It could be packaged products, it could be combinations of product. But also if you look at the various channels that are available at the moment for banks, you can really expand that. You can look at building on new digital channels. You can build your presence into very prevalent apps in the region. You could also make sure that if you go into a market that you look for distribution over various platforms, for example, eCommerce platforms, travel platforms. And really search the buying moment of the best affluent client and make sure that, as a bank, you are there.

How important is control and convenience to supporting (and encouraging) the mass affluent segment?

I believe that control and convenience is a very important

factor. So first of all, let's talk about the control bit. As a bank, you've got your duty to make sure that the advice that you're giving your client is the right advice for that client at the right time. So what you need to do is wherever you embed your services, you need to make sure that you have, basically an understanding of what the risk profile of the clients is, what his goals are, or what their goals are, and make sure that your advice is tailored to that, and it's also really very timely and compliant with the regulations.

Secondly is that all the communications that you would do with the clients, for example, voice communications, text communications, email communications, that they are controlled by the system, because if you are giving any type of advice, or any recommendation, or any type of interaction, that needs to be monitored and make sure that it's compliant in with how the bank wants to operate, and in the best interest of the client. So therefore, the channels that you are working on need to give you, for example, the capability to do voice calling, or video calling, or secure chatting and secure messaging between the bank or the insurance company and that client.

And I think thirdly is the convenience. As I said earlier in Africa and the Middle East and in Asia, the mass affluent generation is mobile-first, or even I would say mobile-only. And that mobile-first and mobile-only really means that the client's point of interaction, and the point of sale is always going to be via their mobile phone. So that means that you need to be able to provide your services, either embedded in another app, so we have a user journey that fits to them, or it needs to be your own app where you can interact with the client.

Have wealth products traditionally been very advisor-led?

Yes, what we can see is, of course, that wealth products have been very advisor-led in the past. And I believe actually that will continue to do so. Personal advice is very important, but of course with new technologies, you can actually make it much more efficient, and you can make it much more accessible to everyone at a lower cost. And what that means is that with, for example, human assisted robo-advisory, or human assisted advisory, that means at one inside you've got the technology component, for example, that you can show the

client on a mobile phone what the investment portfolio will be, what the performance is, give them recommendations, but also with one click of a button, directly make them communicate with an advisor, no matter where the advisor is, on the road, or in a call center, or in office, directly be able, as a client, to interact with your advisor, and do that very efficient, and do that also much more remotely, over large distances, over small distances.

And I think thirdly what you see is that the advisors themselves also need to be able to contact quickly a client, either via, let's say, targeted email campaigns, or targeted messaging, or with individual messaging, or even with a direct video call, call with their client to say, "hey, there's something I would love to discuss with you based on the questions that you gave me, or based on your portfolio, and the evolution of your portfolio against the market today." And these three items, I think,

constitutes that you will always have an advisor in play. I think it's a must in terms of mass affluent wealth management, but much more efficient than it has been done before.

How can Financial Institutions ensure that the mass affluent segment is sufficiently serviced and given the same level of value?

What you see at the moment is that, given the democratisation of wealth management and what it means is that a lot more wealth management tools are available to much more people at the moment in a much more efficient and much better way. I think that banks can actually increase their value proposition much better, and rapidly deploy that over many geographies and many segments.

So for example, if you're a bank in Singapore, if you would want to basically move into the Emirates, or if you want to move to the Middle East, you can do that in a much more efficient way.

You don't need to build anymore a very large branch network.

You can go in with a group of advisors which are very well trained, you can give them the right tool set, you can give them the right platforms, you can give them the ways to interact with the clients, you can give them the right briefings, can make sure that they're work compliant and that they can follow the global investment strategies of your bank, and you can actually deploy that in the location very fast. So I think it is a huge opportunity for a bank to actually enhance your services and be much more closer to your clients, with a much broader tool set than you would be able to do so before. ■



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