

Learning from the Amazons and other Digital Leaders: How Banks can Benefit

If private banks and wealth management firms are to survive, they must learn from the most digitally-savvy businesses around the globe. Swiss-headquartered digital transformation adviser and enabler Appway believes the 'Amazon-style' experience can show banks and other wealth services providers the way forward.

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Executive summary

Swiss-headquartered digital transformation adviser and solutions provider Appway is at the forefront of digital transformation and works globally with leading private banks and wealth advisory firms.

Yvonne Mok, Director of Sales for Asia Pacific at Appway and her colleague Felix Kan, Appway's Head of Services and Engagement Lead for APAC, presented both an introductory talk and a Workshop at the Malaysia Wealth Management Forum to explain the "Amazon-style" online experience and how it can help inform wealth management firms in Asia of options for enhancing their digital experience, internally and externally.

There are many key principles to be gleaned from the remarkable retailing success story of Amazon, Mok explained, all of which should help the private banks and wealth management firms make their whole digitised customer experience less cumbersome and more client-centric.

The gathering of customer data should be gradual and intuitive, thereby helping to make the experience of purchasing bank services and products more enjoyable and less awkward.

Combining seamlessly with the human interface will further improve the connection with the customer and the business flows for the bank. If the banks can understand these principles, their path to digital transformation will be more enlightened and far more efficient.

Mok's colleague Felix Kan also presented a Workshop to pick up on these themes and to explain how Appway's digital onboarding solutions can help wealth management firms bring new clients to their business in a less unwieldy and generally more efficient and pleasant process.

The key, he explained, is to quickly understand the customer without appearing to be probing for too much data and without requiring too much form filling early in the process. Artificial intelligence and machine learning are integral to the Appway solution, which focuses on the needs and "feelings" of the client, rather than the agenda the bank might have.



FELIX KAN
Appway

WITH OVER 15 YEARS OF INDUSTRY experience, Appway guides the leading financial institutions, both big and small, as they build sustainable and scalable solutions that quickly adapt to changing conditions. Headquartered in Zurich, Switzerland with offices around the globe, Appway's award-winning software suite serves over 420,000 users worldwide. According to the firm's website, more than 225 institutions rely on Appway to improve internal efficiencies, engage customers across all channels, and keep ahead of regulations. The firm was founded in 2003.

Yvonne Mok, who works out of Appway's Hong Kong office as Director of Sales for Asia Pacific, and her colleague Felix Kan, Engagement Lead for Appway, presented both an introductory talk and a Workshop at the Malaysia Wealth Management

Forum to explain the Amazon-style online banking experience and how it can help inform wealth management firms in Asia of options for enhancing their digital experience, internally and externally.

Avoid the cumbersome

Mok first explained that although all the banks today have digital channels, there is often a huge amount of information for the customers to process, and then often many forms for them to fill out. "The whole customer experience is generally a little bit difficult, rather cumbersome," she observed. "If I am not really a web-savvy customer, it can often be difficult to navigate my way around these sites to achieve my objectives."

On the other hand, the Amazon experience, she explained, is easy as it helps to collect customer information, and it is then stored on their servers. "Once you then go

back and surf the website, relevant new information will pop up so that you can know what you want to buy, what you might buy that is relevant and what you are or might be interested in. And you do not have to fill in more and more information and forms so many times. Effectively, it becomes self-service, and that is why people buy so much through Amazon. It is easy, it is a pleasant experience."

Mok explained that the objections from banks regarding reading too much into the Amazon experience is that it is a pure retail organisation. "The banks tell us that they are regulated, their products are not standardised, so it is difficult to apply these insights to their business. We agree that they are different, but we highlight the underlying principles there are that can inform the banks of the best way forward for their digital transformation."



Do not impose your agenda

The first lesson, Mok reported, is to metaphorically take customers by the hand, to guide them towards the products that best match their needs and expectations, instead of imposing the bank's own agenda.

"What I mean," she elucidated, "is let them easily find what they need that is relevant to and matching their expectations. Do not be seen to look as if you are pushing a certain product or service, this week, this month or whatever. That is not thinking from the customer angle."

Mok also warned against confronting the customer with overwhelming amounts of information. "Customers are not logging on to understand the modern trends of banking products and services; they want to get what they want. Accordingly, do not overwhelm them with information, do not ask them to provide information all the time. If you want them to show you information, try to ask for that information at the right time and smartly. When I say at the right time, avoid interrogating them right from the very beginning about who they are,

their name, date of birth, address and so forth. People find that boring, sometimes annoying and perhaps also intimidating."

Intuitive and seamless

Mok also added that the gathering of information should be handled incrementally. "Pave the way for the customer to find an appropriate product," she said. "The whole experience should be intuitive, seamless, and powerful in terms of converting prospects into customers."

Mok also explained that Amazon is not only an online business, as it has stores named Amazon Go. "The first one is in Seattle and if you want to shop there, you simply download the app on your mobile and when you walk in the store, there is a gate that you can walk in. Just scan your app, put the mobile on it, and then you can walk into the store with your mobile phone in your pocket or in your handbag. And then you can choose whatever you want from the store, you can actually put it in your bag and just walk out. There is no checkout counter, no lines for you to follow, no need to pay because everything will be captured

in store. They then deduct directly from your credit card. So, they are leading the online and physical retailing revolution."

The hybrid retail experience

She also noted that there are assistants in the store. "You can see that if a customer has a problem, there is a human interaction on hand, so Amazon is integrating physical interaction with digital interaction."

So, Mok asked rhetorically, how can this apply to a bank? To help understand this, Mok referred to Starbucks, which creates another kind of experience for customers, namely promoting human relationships, creating an ambience where people want to linger. "They now even have flagship stores where there are chefs cooking for customers, where they offer wine and so forth," she explained. "It is all about continually evolving the experience for customers."

Feel the warmth

Mok noted that in a far less obvious manner, Starbucks also has a lot of technology underneath. "But you as the customer will not feel the



digital, you will feel the human aspects. In the banking environment, we need to think about how you can interact between the physical channel and your online or mobile channel, so that physical and digital are complementing each other. However, we find that so many banks' websites are very digital and then when one goes to a branch the customer has to start all over again, the same questions over and over."

Mok says the answer is that when the customer goes to their physical branch or the bank offices, they are informed that the bank has all the required information and the next stage is to go ahead with the product or service required. "Technology can help you meld these two channels," she explained.

Cross-channel interaction

The ability to provide coherent, cross-channel experiences is crucial. "The goal," Mok added, "is mastering digital and physical channels separately and in combination, using data gathered from both channels to truly understand customers and their motivations and their needs."

Mok concluded her presentation by noting that interacting with customers is not just a function of operational efficiency and cost reduction, but rather the result of creating an experience that engages customers, creates relationships, reinforces the brand, and generates deep and sustained involvement.

Her introductory talk was then expanded on in a Workshop presented later that day by Hong Kong-based Felix Kan, Head of Services and Engagement Lead for Appway in APAC.

Appway owns and operates a digital transformation platform for the service industries. The company offers Appway Digital Business Platform, a solution to develop and operate business applications for organizations; and Appway Client Onboarding, a tool to create digital experiences for financial institutions. It also provides training and support, and professional services.

Kan first commented that when banks offer products and services they should be able to understand what the client wants, instead of constantly asking or expecting the client to find out what they want.

Appway's onboarding solutions

His Workshop highlighted the firm's digitised onboarding process for banks. "This is so very different from traditional web form-filling, we first ask them what they want and why they are here, in order to create a profile. "We can quickly find out if they are about to get married, or soon to retire, about to go to university, or in need of a mortgage. We find this out from what we call 'light' questions which help establish the profile and also how digital-savvy they are," he explained.

"AI and machine learning then train the data engine so that you can understand the client. They then evolve into a rule and the client can then be presented with a suggested list of products, or what we call product bundles and with this shopping cart the customer can decide what he or she wants and the form filling can then begin in earnest. It is all about tailoring and then progressive form-filling. Moreover, by the integration with different technology players, we can ease the pain of inputting data.

And we can scan and upload, for example from passports to again save data and save the customer inputting data.”

Kan explained that selfie photos can then be matched to the passport, to reconfirm that this is indeed the customer. “We work with tech partner Scanovate and their technology is essentially faultless,” he said. “And with DocuSign and eSignLive to sort out the signatures and other verifications. Moreover, the whole process allows for customers to change their minds during this and, for example, go back and open a joint account instead of an individual account, or whatever other adaptation is needed.”

Conducting the orchestra - music to the ears of customers

Additionally, if the customer wants to, or needs to go to the physical branch, the process can be seamless, via digital appointment and then the branch taking up exactly where the customer has reached

digitally. “We are very focused on cross-orchestration of your end-to-end account opening in order to make it easy and pleasant for the customer,” Kan reported. “And via our mobile app all of this can be replicated via a chatbot, to give a totally different experience, but the same end result. Moreover, the chatbot can be used to regularly update the client profile, so the bank is again constantly offering and tailoring products and solutions that fit.”

Kan then highlighted the approvals path through the bank. “The key point is that working with us there is no segregation that the front line is using the web, people are using the web, but at the back office, they are using the call banking system. Working with Appway’s solution, we offer multi-channel across different devices, and data is carried from the very beginning until the very end.”

He explained that Appway has immense experience in the world of private banking. “We can easily

adapt these models to suit the precise requirements. Moreover, we, of course, adapt to the regulatory needs of each jurisdiction, so, for example, the regulator in one country might require fingerprinting, while in another it is not necessary.”

Kan noted, for example, that in Switzerland no-branch visit onboarding is available. “It is replaced with a video call for Swiss citizens, it is permitted now,” he reported. The whole process can take 15 to 20 minutes, it is remarkable. This is not yet the case in Asia for retail banking, but there are various solutions that our wealth management and private bank clients use in this region.”

Concluding the Workshop, Kan reiterated the need for banks to learn from the best and to adapt their digital transformations with a client-centric focus. “The banks must learn to see their services from the perspective of the clients in order to hone their digitisation to produce satisfied, loyal customers. It is certainly attainable.” ■

