

## **Banking for the data-driven generation**

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With data becoming the currency of the digital world, banks are increasingly looking at new ways to harness the information they have, to provide customers across the consumer and business segments with solutions that are best suited to their needs.

The banking environment is changing, with the Big Four banks being challenged for their market share and profits. This is coupled with the appearance of challengers; in the form of large and possibly less established banks, smaller banks, and even large retailers has started to alter the landscape of the banking sector.

Technology, on the other hand, is also changing all areas of human endeavour and activity. The use of technology is altering the banking industry, with a significant impact on the relationship between the banking provider and the customer. Thanks to the proliferation of mobile devices, banking customers are no longer limited to accessing their accounts and making payments from a desktop computer. Today, banking has become truly mobile with customer expectations also shifting in an always connected world.

This highly competitive environment also means that banks no longer have the luxury of having customers for life. Instead, brand loyalty only extends for as long as the bank provides a customer with the services he or she requires at an affordable rate. People no longer think twice to move between banks as the technology enables them to do so conveniently and cost-effectively.

Social media has become a powerful enabler in this.

As with the consumerisation of other aspects of our lives, the pressure that social places on the banking sector is significant. People eagerly share, and read about, banking experiences using a myriad of social networks. Certainly, if a bank should fall foul in the customer service department, social is the platform of choice to air displeasure.

An analysis of the banking sector in South Africa and the rest of the world, revealed that every bank is striving to stand out with a unique technological innovation that distinguishes it from competitors. In every corporate communication, banks are trying to convey the message that, "We are leaders in technology and give you the best value for your money."

However, it is one thing to claim leadership, but entirely another to show it through products and services. Key to this customisation of solutions is the effective use and analysis of the data that the bank has at its disposal. Data, on its own, is of very little value without the proper analysis of it. In fact, the growth

of data specialists is resulting in more organisations, across industry sectors, identifying actionable insights for new customer segments as well as to capitalise on emerging market trends for the provisioning of new products and services.

All this is shaping how banks approach their core business. They are realising that conduct, culture, and technology should be integrated in delivering innovative and secure solutions to clients in the digital economy.

Banks in this rapidly evolving environment need to figure out how best to leverage the data they have with as close to real-time analysis as possible. They can no longer afford to remain traditional in their outlook, especially when more dynamic (and nimble) competitors are arriving vying for an increasingly fickle market.