



*The Payments and*  
**MOBILE BANKING  
REVOLUTION**

*Adoption, Challenges, Competition & Collaboration*

The dominance of mobile as a banking channel is growing leaps and bounds. It is swiftly replacing other channels such as a traditional brick and mortar branches as the center of banking services and experiences. This is making a significant impact as existing customers adapt to new mobile centric offerings in technically developed countries. In addition the proliferation of smart phones in the technically advanced countries are generating a more expansive customer base while demanding new mobile offerings from banks. The ever-connected customer in the new age demands more from banks through mobile centric channels.

## ***Building the Mobile Bank of the Future***

Gone are the days when banks can show transaction history and a few services to customers in mobile banking. The new approach is highly customer centric, where the offerings are personalized for the customer. This approach has been adopted through out the banking industry. These are some key aspects that will drive mobile banking in the future:

**1**

### ***User Experience***

The key is to make the customer's life easier by offering smart services: uploading of documents, reading and filling data automatically, pre-filling earlier data and start-stop facility in longer processes. Gradually mobile banking will move towards offering a completely paperless experience to the customers with self-service capabilities. Convenience and speed are the two major factors that will determine bright user experience.

**2**

### ***Hyper Personalization***

The approach to mobile banking with a focus on being customer centric is just not enough. It has to be highly personalized for individual needs of the customers. They should be able to choose and have control on what they want to see and do. Banks will apply machine learning techniques to understand more about the offerings to target customer differently and give them options to customize their mobile banking usage. Understanding the lifestyle of a particular customer and designing pro-active product offerings for them will be more appealing to the customers.

**3**

### ***Bank as a Universal Service Provider***

Banks need to provide end-to-end mobile based services to the customer for any product/service they offer. To elaborate, let's take an example for car loans. Mere offers for the EMI calculation and approvals are not enough. Banks need to integrate with third party service providers like car dealers, car accessories merchants, insurance companies and car repair merchants. This will help customers look at their bank as a holistic service provider rather than only limiting to financial services. It will also help banks getting direct customer leads rather than depending on car dealers to know that a customer is interested to buy a car and is looking for finance. Embedding such services in the bank's mobile banking app will help a great deal acquiring new customers and retaining existing ones. Best examples the industry can draw from are services provided by players in the Chinese market such as Alipay and Tencent (Wechat).

**4**

### ***Features that Accelerate Outcomes***

Features that simplify the life of the customer and save time are going to dominate the mobile banking space in the time to come. A feature enabling document scanning that will automatically verify and on-board customers in minutes, will help reduce the amount of barriers that exist in customer acquisition. Banks will have to focus on paper intensive complex processes like in case of loan products to achieve straight through processing. Faster credit decision making, faster payment options, integration with 3<sup>rd</sup> party vendor services will enrich the mobile banking offerings. Some examples of future features are: QR code based sanction letters, smart watch integration and IOT based device integration.



## Challenges in Reinventing the Customer Experience Through Mobile Banking

While there is enormous opportunity, there are many challenges that exist that banks need to address in order to make mobile banking offerings a viable option for their customers.

### Evaluating Data Access and Security

While it is easier to say that banks will be applying machine learning algorithms to infer customer insights, getting their consent to access data is a problem for banks. Many customers do not want to share their data to their banks due to privacy issues. This makes it tough for banks to analyze their profiles accurately. Hence, some of the proactive suggestions by the bank may not make sense to some of the customers, which may lead to lack of trust and frustration.

### Brand Awareness and Differentiation in the Race

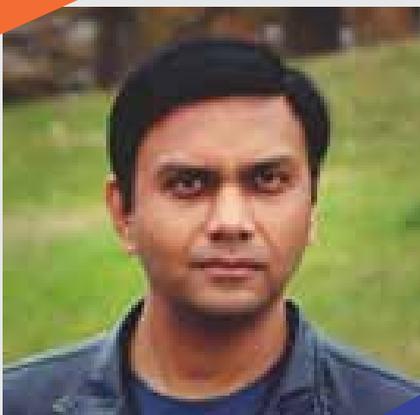
Almost every bank is now a days focusing on mobile based offerings. Differentiating the bank's offerings in this race is a battle within the battle. Innovative offerings, a holistic approach of being solution providers to customers and industry-first offerings can be differentiators for banks. The clarity of thought while developing such a strategy and execution is an important factor for banks to consider.

### Progressive Upgrade on Devices

As banks push more functionalities onto mobile banking, the devices that the customers use will demand constant upgrade. Customers with outdated devices will lose out to new age features. Moreover, the financial inclusion customers may have basic devices that may not support new age features. Hence, the challenge is different in various markets.

## Leveraging Mobile Capabilities to Scale

The disruption in the mobile banking arena is bound to stay with innovations that continue to emerge. A plethora of service areas like smart wallets, contactless payments, gamified experiences, image scanning, auto filling of data, voice based command execution, proactive suggestions to customers and API based partner services, will see tremendous improvements. The right focus and proper execution from banks will make mobile banking not just thrive, but also dominate in the time to come.



Satya is a banking domain consultant with over 13 years of experience in both business and IT. He has worked in the banking domain for multiple clients across different geographies in the retail banking transformation space. His experience covers core banking, lending, cards & payments, digital banking as well as products & pricing. Satya is an ardent writer who has been featured many times in Global Banking & Business Review, BAI- Banking Strategies, Banking Exchange, Financial IT and PaymentsSource. He holds an MBA degree from XIM, Bhubaneswar and an Engineering degree from NIT, Rourkela. He is also a certified CBAP, Deep Learning and Neural Networks, IBM Blockchain Essentials and Data Science Foundations Professional. He can be reached at: twitter: @satyadas; [LinkedIn](#)

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