CENTRAL BANK OF EGYPT
Egyptian Banking Institute

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DECEMBER 2023

Current Trends

" Omnichannel Banking "

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December 2023

Current
Trends

Omni-Channel Banking?

When it comes to banking, today's customers want more convenience and flexibility than ever before. They expect a seamless experience from their banks' experience, regardless of the channel they use—such as visiting a branch, using the website or mobile app, chatting with a virtual assistant, emailing their advisor, or speaking with a representative over the phone or via a messaging app.

Omnichannel banking is the process of customers being offered diverse service options, offline and online, and the ability to seamlessly switch between them. In this process, any task started in one channel can easily be finished in another. Thereby, omni channel banking refers to creating an integrated customer experience across all consumer touchpoints—online, mobile, in-person, phone, email, and video preserving a consistent user experience while enabling users to manage their money and communicate with their bank through any channel of their choice.

In fact, the true definition of Omni channel banking involves four main features:

1. Meeting customer's expectations: retail and financial banks can achieve this by using transaction data to understand client behavior and by leveraging digital platforms.
2. Flexibility: with omnichannel banking, consumers may start their onboarding process with one channel and, if they'd like, end it with another because all channels have the same capabilities.
3. Enhancing the capabilities of sales networks: platforms for omnichannel banking provide a comprehensive perspective of the customer experience by showcasing the customer's journey in one location. This is the outcome of "create once and distribute everywhere," one of the key digital marketing tactics.
4. Connecting the dots digitally: the widespread of digital technology has to be delivered in an omni channel strategy so that no problems arises across customers' interactions with the varied digital channels.

Difference between Omni channel and Multichannel banking

While the two terms may seem similar, the main differentiator is the integration.

Financial services provided through many channels, such as in-person, call centers, and internet banking, are referred to as multichannel banking. But instead of cooperating, these processes are independent. For example, with multichannel banking, if customers use one channel and then another to interact with customer support, they might need to repeat information, which can create frustration.

On the other hand, omnichannel banking encompasses multiple channels that are working in tandem. In other words, Omnichannel banking connects each customer touchpoint to provide a unified customer experience. For instance, support agents will know what a customer has asked for on the mobile app, on the phone, and in person.

Benefits of Omnichannel banking

Although adopting omnichannel banking is a big step, there are many benefits to investing in the technology that makes it possible:

- Retain customers and increase loyalty: providing convenience is the key to exceeding customers' expectations. Customers are more satisfied when they receive a more effective, quick, and customized service, and this enhances client loyalty.
- Increase sales: increased opportunities to engage, convert, and form lasting relationships would definitely be translated in monetary terms.
- Minimize costs of support and operations: in order to free advisors up to focus on more delicate or sophisticated matters, chatbots and other digital apps can frequently help with basic customer care concerns.
- Quick resolutions of problems: one main benefit of the omnichannel banking method is that, due to digital communication, problems are typically resolved faster and more effectively than in-person encounters with branches.
- Collect valuable data: when it comes to customer data and analytics, omnichannel contact centers and conversational AI open up a world of possibilities. Based on their profile and behavior, banks can use these insights to provide more individualized experiences and better anticipate the demands of their clients.

Requirements for successful implementation

Banks must adhere to essential requirements in order to switch to Omnichannel distribution, such as:

- The usage of advanced analytics and accurate customer data, in order to more effectively target the requirements and desires of the customer.
- Customization of advertising across all platforms based on data-driven insights within the sales and customer behavior.
- Integration of motivated initiators who possess the resources and process understanding needed to operate in an omnichannel environment.
- Adoption of client-centric rather than bank-centric approach.
- The anticipation of wants and likes rather than fulfilling needs of customers.
- The movement from service-oriented architecture to Omnichannel structure that is built on Bigdata, allowing a vast amount of information to be managed and analyzed.

Challenges of Omnichannel Banking

Although Omnichannel approach is the way to future, however, adopting it have been somewhat slowed due to some technical challenges involved, as such of:

- The implementation of an omnichannel strategy can provide intricate technological obstacles.
- Possibility of absence of funding and resources needed for the strategy to be successful
- Possibility of absence of analytical tools and data mining methods for data interpretation
- Having trouble merging data
- Inadequate exchange of information between vendors and/or marketing agencies
- Inadequately implemented performance management systems.

Implemented Examples

- One of the largest financial institutions in Africa, UBA is responsible for the completion of more than 2 million customer transactions per day. To take full advantage of customer growth opportunities and deliver a true omnichannel banking experience, UBA deployed the Omnichannel strategy through real-time transaction monitoring software platform. This includes monitoring multi-protocol payments and service transactions originating from mobile, online, ATM and POS channels.
- Qatar Islamic Bank (QIB) was established in the late 1900 Their vision was an omnichannel experience, they designed the customer journey map across all channels: mobile, web, print, email, branch, social, and marketing. The journey was designed from the phase where a user would need to have a bank account till the point where they decided to end the relationship.

Illustrative Videos

Omnichannel banking:

https://www.youtube.com/watch?v=7YvDnZbhJs4

https://youtu.be/4b42NBJSPQM

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