

The future's social: A communal vision for banking



Tomorrow's bank won't just interact with social media, it will become it, creating a community around customers, says **Vayana** Chief Innovation Officer **Karthik Raman**



**Who hasn't heard of Facebook? It's the world's number one social media site with 1,871 million users (an 18 per cent market share) followed by WhatsApp and Facebook Messenger, both on 1,000 million users.**

Three Asia Pacific favourites occupy third to fifth places respectively: QQ (877

million), WeChat (846 million) and QZone (632 million), while picture-led network Instagram pulls into sixth place followed by microblogging site Tumblr, then Twitter<sup>1</sup>.

If you could leverage this infectious new world, with its hermetic language and cultural mores, and make it work for the financial sector, wouldn't that be

something? Well that's exactly what Vayana, the omni-channel customer experiences provider, is attempting.

"Currently, banks are integrating with social media to look social but the future is for banks that *become* social by creating a community around their customers – the Bank as Social," says Karthik Raman,

Chief Innovation Officer for Vayana. "Say the bank can help me create a virtual sticker when I have purchased something from a shop that I like. I should be able to share it within a closed group in my social banking network where I have created friends and families. This can then induce another transaction for that shop. Or, I can actually share it on Facebook, where seeing a sticker also allows more onboarding opportunities for the bank," says Raman, who's job it is to turn these visions into reality.

His response to the advent of open banking, accelerated by the Revised Payment Services Directive (PSD2), could best be summed up by a series of winking-eyed, tongue-out emojis.

"Banks nowadays are forced to open up communication channels in the ecosystem. A bank can decide what application programming interfaces (APIs) can be exposed to the outside world and can invite third-party partners, collaborators, or even customers themselves, to integrate and consume those APIs."

Once the concept of open API banking has evolved across many banks they will become standardised and the equivalent of PSD2 norms,' says Raman. "Then it becomes much easier to create and share content in a community."

Raman argues that, while banks have been focussing on a 'segment of one', individual customers are in fact multiple personalities – their roles changing a dozen times a day.

"The experiences and customer needs based on these personas are very different, but banks do not cater for them as they currently provide a one-size-fit-for-all experience," says Raman.

"We realised there are different personas for the same person. I act as an individual, a father, a friend, an employee. What we try to do is create different user experiences for different personas; create different user experiences for the same set of transactions and create that closeness to the customer, to the role he/she is playing," says Raman.

"While we were doing this, we also

created the concept of family banking, which is tied to personal finance and social banking. I can tag my son's account and my wife's account as a group and we'll be able to track expenses or set goals at the family level. So I can create circles within my family and friends and then share information, create stickers and hashtags, which can induce a banking transaction."

Vayana's experience in omnichannel development led it to create a suite of specific apps for touchpoints in the customer journey, including digital onboarding and an app to track personal finances against a budget.

All these off-the-shelf apps were steps on the way towards personalisation, says Raman. "But the real prize is in creating Bank as Social, like a Facebook.

"Some aspects of making Bank as Social are still work in progress and haven't been tested on the market yet, but we are very excited about them."

It's not that far from a future banking experience in which deposits, payments, fund transfers and investments could be done via social networks – or by integrating functions of social media apps into banking apps. After all, peer-to-peer lending, crowdfunding and microfinance already intersect with the emoji world.

"I'll give you a very simple example," says Raman. "In the banking app, one should not only be able to track your friend's birthday on Facebook, but also conduct a meaningful transaction, such as sending him a gift or money."

Already hugely successful with other products, Vayana was recently celebrated for its Apple Watch app for Alawwal Bank. The services include balances and mini statements, notifications and payments.

Based in India where there are 200

million active social media users and the world's largest number of Facebook members (195 million, mostly aged 18-24), Vayana enables banks to engage with their customers by creating experiences with every transaction or event.

## Hyper personalisation

Raman anticipates that banks will ultimately opt to create organised, personalised silos of data to generate unprecedented personalised customer experiences. Patterns and trends can be analysed at the cellular individual customer level and, through algorithms, Vayana can already offer additional bank services, based on the individual's behaviour.

In a recent interview, CEO Kannan Ramasamy said 'machine-learning algorithms will be able to provide real-time responses to engaging a customer with offers that are meaningful and timely'. And he added that he believed '20 per cent of our customers

are keen and eager to move in this direction'.

By fostering this type of interface, Raman says banks increase opportunities to cross-sell or up-sell.

"We've already seen banks and retailers take the first steps towards strategic alliances that go beyond rewards schemes. A good example is 'Lyf Pay', a recently launched mobile wallet that supports in-store and P2P transactions as well as loyalty cards, coupons and offers, which

was jointly created by French retail giant Carrefour and BNP Paribas bank."

Vayana means weaving in Sanskrit – and that's precisely what it's attempting to do, using financial services as the weft and social media as the warp. And it could completely change the fabric of banking.

1 We Are Social statistics, January 2017

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