

Onboarding banking customers in the digital era is a journey, not just a transaction

Up until recently, opening a bank account meant having to visit a physical branch, meeting face-to-face with a bank representative and signing documents.

By [Loren Lubanga](#) ^{31 Oct 2022}



Source: Supplied. Loren Lubanga, the key account executive at Infobip Kenya.

However, with customers increasingly adopting digital channels to interact and engage with their banks, this is fast becoming a less desirable way of banking, and financial institutions need to embrace this new approach.

Increasingly, traditional banks are being compelled to reach out to their customers over their preferred channels, such as SMS, WhatsApp or social media. As a result, banks are having to invest in digital solutions infused with the relevant processes for retail, corporate and small and medium enterprise (SME) banking.

In short, banks need to address the needs of the modern consumer, and this starts with the digital

acquisition and onboarding of clients. Onboarding is a critical component of banks' customer journey, and this must cater for the different demographics they are servicing and targeting.

Starting with the first step

Starting with the initial application to open a bank account, banks need to assess a client's application through a simplified and streamlined process. This process should be clear and accurate, and capture the client's details by means of their preferred channel. In the event of any changes, all details must be updated in real-time, thus enhancing the customer's experience.

The next step in the onboarding process is identity verification, where banks need to leverage Know Your Customer (KYC) checks, combined with application details on a single dashboard to form an end-to-end view of the type of client with which they are dealing. By using digital solutions such as two-factor authentication, biometrics, facial recognition and video-call solutions, the bank can cater to different demographics by means of various channels.

Once all customer analytics have been captured on a single view, predictive models based on client trend Artificial Intelligence (AI) and a risk-based approach can be used to make real-time decisions in terms of application approvals.

Based on validated data, KYC checks ensure that banks' approval and decision-making processes are accurate and efficient. Potential fraudsters can be flagged early in the process, saving the bank time, money and reputational damage.

Keeping it paperless

Another requirement of digital banking is to keep the process paperless. As we are living in the digital banking age, the use of digital solutions is preferred by customers, ensuring that banks maintain efficiency throughout the customer journey.

Digital signatures replace physically signed documents and one-time passwords by means of mobile devices or emails have proven to be extremely secure, while simplifying the process and enhancing the customer experience.



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Thus, digital onboarding builds an expectation among customers that the digital process will be smooth and must include digital signatures, removing the need to physically sign documents. As a result, the onboarding process can be reduced from days or weeks to minutes.

Lastly, digital banking customers demand multi-faceted products and solutions, flexible onboarding and activation, as well as accessibility at any given time, without compromising on security.

For example, a retail customer may want a credit card and savings account, while a small business owner may need a loan, as well as a deposit account. These products need to be accessible on a 24/7/365 basis to serve the digital economy.

Continued investment in customer engagement

To move forward in the digital era, banks will have to continue investing in customer-engagement solutions that will enable customers to communicate with financial institutions over the channels of their choice.

Over time, we can expect these experiences to be further enhanced and product offerings to expand, as banks continue to be pushed to offer services outside of the traditional banking sphere, such as insurance

When dealing with modern customers, banks need to acknowledge that customer onboarding is a journey not a transaction. In this case, first impressions last, without a doubt.

A bank's initial interaction with a customer will determine how long this journey will last.

Fast and frictionless interactions will help to ease the financial anxieties of the customer, with the initial contact playing an important role in acquiring, onboarding, retaining and growing the customer relationship.

ABOUT THE AUTHOR

Loren Lubanga is key account executive at Infobip Kenya

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