



(5G Series) Banking Beyond Boundaries: Leveraging the 5G Advantage for Enhanced Customer-Centric Services

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In today's world, the paramount determinant of success for banks lies in the number of customers they can attract and retain. However, despite the commendable strides made by banking institutions to digitalise, customers of today have become much more discerning. The proliferation of digital services, exemplified by platforms such as Grab and Netflix, have reinforced a key expectation: digital services need to be seamlessly integrated into daily lives and routines. Against this backdrop, personalisation and targeted recommendations, intricately aligned to individual interests have now become hygiene factors for digital services.

For banks, the way forward is clear – no longer bound by the conventional boundaries of financial transactions and its' traditional roles, banks must now actively contribute to, and seamlessly support, an array of individual lifestyle choices and scenarios for their customers by scaling up their digital services.

BANKING ON DIGITALISATION FOR CUSTOMER-CENTRIC EXPERIENCES

The digitalisation of banking services has arguably been spurred on by the change of behaviour and competition brought about by the emergence of fintech. According to UOB's Fintech in ASEAN 2022 report, the region has shown a significant appetite for embedded finance apps, with the likes of Atome and Setel exploding onto the market.

Through their survey of 4,000 respondents from the ASEAN region and interviews with industry leaders, UOB states that 70% of respondents regularly use such applications, and three quarters of these users access these applications at least once a week; underscoring how such apps can increase user engagement through enhanced utility.¹

Singapore's DBS Bank is a great example of a legacy bank innovating on customer experience through digitalisation. The creation of consumer banking apps Digibank and PayLah! has allowed DBS to integrate artificial intelligence (AI) and machine learning (ML) to deliver the tailored, personalised banking services that are in line with the expectations of customers when interacting with digital services.

The proof is in the pudding (or profits) – DBS has increased its business use cases by seven times to 260 and recorded incremental revenues of SGD 150 million in 2022.²

BANKING ON 5G TO SUPERCHARGE DIGITAL EXPERIENCES

A quick Google search would tell you that PayLah! was launched in 2014 and crossed the 1 million user mark in 2018. An obvious question would then be, "If a bank like DBS could already achieve success of that magnitude so early on, what difference could 5G really make?"

My response to that would be, "All the difference."

Digitalisation of banking services comes with a slew of challenges and expectations. Factors such as security and privacy, seamlessness of usage experience, and efficiency in analytics take on new precedence – all of which 5G serves extremely effectively.

¹ <https://www.uobgroup.com/techecosystem/news-insights-fintech-in-asean-2022.html>

² <https://twimbit.com/insights-plus/banking-cx-leaders>



- **Transforming Customer-Facing Digital Services:** The high-speed connectivity of 5G ensures faster data transmissions, revolutionising customer-facing digital services. Mobile banking apps can provide seamless experiences with quicker loading times, faster transactions, and improved overall performance, enhancing customer satisfaction.
- **Fortifying Security Measures:** With advanced encryption protocols and low latency, 5G ensures secure and reliable communication, protecting customer data and transactions from potential threats.
- **Enhanced Analytics and Storage Capability:** 5G technology brings about a paradigm shift in storage capabilities. Banks can now efficiently manage and analyse large customer datasets in real-time. This not only streamlines operations but also allows for more accurate insights into customer behaviour, enabling personalised services.

If digitalisation is the foundational tool to revamping CX in the banking industry (akin to the *nasi* in *nasi lemak*), 5G is the catalyst that elevates and perfects the CX transformation (it is the *sambal* in *nasi lemak*).

BANKING ON TELCOS TO POWER THE 5G SUPERCHARGE

In enabling the transformative potential of 5G in the banking sector, it becomes crucial for telcos like TM to recognise our evolving importance in bringing this revolution to fruition. Telcos now serve as the architects and enablers of the 5G landscape, while acting as the vital bridge between banks, policy-makers, and the seamless integration of cutting-edge technology.

Telcos as infrastructure providers: Telcos are the backbone of 5G implementation, responsible for deploying and maintaining the robust network infrastructure essential for its success. The provision of reliable and extensive 5G networks is fundamental to ensuring that banks can leverage the technology's capabilities to enhance their digital services.

Telcos as enablers of scalability and flexibility: One of the key strengths of 5G lies in its scalability and flexibility. Telcos play a pivotal role in ensuring that the 5G infrastructure is adaptable to the evolving demands of the banking sector. As customer needs grow and technological advancements emerge, telcos facilitate the necessary upgrades and adjustments to accommodate increased data traffic, new applications, and changing user expectations. This scalability is crucial for banks aiming to stay ahead in the dynamic digital landscape.

Telcos as mediators between banks and policy-makers: Regulatory challenges often pose hurdles to the swift adoption of digital technologies in the banking sector. Telcos, with their expertise in telecommunications and technology, can help regulatory bodies navigate the complexities of 5G implementation. By actively engaging with policy-makers, telcos contribute to the development of regulations that strike a balance between fostering innovation and ensuring the security and privacy of customer data.

In an era where a bank's success pivots on customer satisfaction, the fusion of digital banking, 5G, and telcos emerges as a revolutionary force. Telcos, like TM, play a critical role in powering the nation and shaping the 5G landscape; bridging banks, policy-makers, and cutting-edge technology seamlessly. Beyond being mere infrastructure providers, we now have an opportunity to serve as a bridge for banks and policy-makers, helping strike a balance between agile innovation with the security of customer data.



In this narrative of promise and progress, the collaboration between banks and telcos signifies a commitment to a future where banking innovation and customer-centricity can thrive, propelling our nation into a new era of digital banking experiences that is truly built for a Digital Malaysia.