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To the Moon and back

Interview between Hilde Ovrebek, Editor of Banker Middle East with Mark Yamin-Ali, Regional Sales Manager, CR2 on the future of e-banking.

'What will be the future of e-banking?' I asked, but though that maybe the question should be: 'Is e-banking the future of banking?' Either way, I found myself talking to people about customer service rather than Internet technology, and realised the hype about Internet banking is over. It has become just another channel. There was a tremendous amount of hype about banking on the Internet when it first started. People predicted shops would close down because of online shopping, and that customers' wouldn't need people in banks. Now we know better. Shops won't close down, and banks will still have a physical presence. What we have learnt is that people still want to talk to people and that it's important to keep the branches alive. But has e-banking changed the face of banking? Definitely. The branch will never be the same as it was a few years back. The challenge now is to develop a new way of dealing with the customers and a new way of running a branch.

"I think e-banking will be very much like the ATM," says Mark Yamin-Ali, Regional Sales Manager for CR2. "15 years ago the ATM was simply a cash dispenser machine, but it grew. You can do a lot more at an ATM now. Likewise, what we do over the Internet with e-banking now may be only a subset to what we will be able to do in two or three years time. With new international banks coming into the region, the Internet bank will go from a 'nice to have' channel to a 'must have'.

...So, how can you distinguish yourself? Going back to basics is one of the ways forward. By offering Internet banking you have created a new channel for the customer. But the problem is everyone can offer this service now, and it has become just another tool. The distinction comes when people actually have to face the bank. How are you being treated when you have a problem? When technology fails to respond, the branch will have to answer. And how do you do that?

"The next thing to do is to deal with the Inter-channel activity. I want to feel that I'm one customer," says Yamin-Ali. "A lot of banks out there have launched channels over periods of time. But they've done so over pressures of time and sometimes functionality and cost. So therefore if you take some of the banks in the Middle East, they might have five delivery channels, but they also might have five different systems running these. If they have five different systems, they have five different databases of their customer activity. So they have all this data about that their customers are doing and where they are doing it and when, but they can't use it. I think the real challenge for them will be to centralise what is now distributed, and then utilise that information to start to build a relationship with the customer."

..So e-banking is definitely here to stay, but not on its own. Yamin-Ali says: "All the channels that have been launched are here to stay, so certainly e-banking is part of the future. I think there will be new channels coming out in e-banking, as the Internet continues to proliferate, across different technologies and so on. I think you will see new things coming out in terms of e-purse. I very much think that m-banking is the next step. You have things like WAP and two-way SMS. The mobile is more in tune with people's lifestyles than e-banking is currently. But I think that people would suggest that at this stage bricks and clicks will be the future of banking."

So, now that we've been on the moon so to speak, it's time to get the feet back on the ground, and start thinking about Internet banking as just another functionality for banking in the future. And start putting the customer in focus.

Yamin-Ali concludes: "If you get the relationship that you build with your customer right, it lasts for a lifetime. If you launch a new channel and it goes wrong, then it really has a big negative impact. The relationship side of Internet is the very next step."