



Going digital in wealth management – customer perspective

Wealth management is still lagging behind other industries in terms of digitization and client-centricity.

And it's so despite the fact that client preferences in the wealth management sector are rapidly changing toward digital and voice-enabled assistants. These are looked upon kindly not just for basic, transactional activities, but also to manage wealth and receive financial advice. In the Middle East, according to EY, 46% of clients value simple, intuitive digital processes for their investment activities while 25% currently receive financial advice through mobile apps.

As clients redirect their asset management towards alternative business models, the demand for digital solutions that offer 24x7 anytime, anywhere access on any device is on the rise – reads EY press release. In fact, 20% of clients in the Middle East say that they would switch wealth asset management firms today for such a service.

EY puts it firmly: the future success of wealth management firms in the Middle East relies on their ability to “reconfigure” their digital delivery model for the one that includes mobile apps for portfolio rebalancing or result monitoring.

Low satisfaction ratio with what's being offered

Three years ago, when we carried out our own research on the state of digitization of private banking and wealth management*, not even a third of private banks and wealth managers we surveyed were delivering a mobile experience to their clients. Over 60% had no mobile application for clients in place but were planning to introduce one in the future.

Since then, the gap has been partially closed, but today's statistics indicate a low satisfaction ratio with digital tools offered in private banking. This is disturbing when you consider digitalization is everywhere these days, forming people's habits and expectations.

The World Wealth Report from Capgemini found last year that only about 50% of HNW clients were satisfied with mobile and online platforms at their disposal. At the same time, almost 85% of HNWIs were after digital interaction for accessing their portfolios, executing transactions or obtaining advice.

Digital vs. traditional channels – what is the right balance?

Many still question the importance of digital capabilities when it comes to wealth management. But clients simply want information and interaction through multiple channels. While the actual proportions between digital and traditional channels are not crucial, the key is to provide both options, and optimize them in line with the business model and client expectations. Wealth management industry calls it a "hybrid approach" where clients can carry out various activities via digital channels, but at the end of the day they can also reach out to a living, breathing advisor.

Based on our experience, for most of our clients, the core of the business still lies in the personal service, with some support from digital tools. We believe the actual face-to-face client-advisor interaction is crucial and will continue to be necessary in many cases. Still, why not digitalize what comes before and after it? Administration, onboarding, document completion, reporting, or analytics. These can be easily digitalized and automated without affecting the quality and value of the personal interaction focused on people's needs and expectations.

Delivering real value, not just average tool

Clients don't care about all internal limitations of the digital transformation which usually include legacy IT systems, data scattered all over, or compliance and security issues. Instead, they might notice poor user interfaces and lack of seamless experience, irrelevant information, inadequate services, or the lack of timely responses.

The appetite for digitalization is high, the possibilities are there – but in order to give clients the real value, we should give them access to personalized content, tailor-made investment ideas, or the option to reach RMs via a call or secure instant messaging.

Today, rule-based engines might still be enough for the personalization of next best offers, investment ideas, content, or research and analytics. But soon, emerging technologies such as artificial intelligence or digital analytics will come into play in order to address client needs. Just like it's already happening in other industries.

[Learn more about Comarch Wealth Management](#)

* according to Efma report <https://comarch.cc/2UubAps>

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