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INTEGRATING OFFLINE AND ONLINE PLATFORMS FOR SEAMLESS BANKING EXPERIENCE

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ABSTRACT

Researchers concur that the revolution and evolution of banking which is emanating from the fast-paced IT developments and globalisation, is triggering customers to demand better shopping experiences and products and ease of service. All this revolves around an improved banking experience through digitalisation. Bank executives are under pressure to cope with competition as well as evolving consumer demands. This predicament is to a greater extent for the traditional banks that have to align their structures with current consumer demands and compete with emerging banking service providers that are adopting agile, high-tech technologies. Moreover, it has proved challenging for traditional banking to do away with their traditional structures that support offline and physical banking in the light of modern developments. This study sought to examine factors influencing the integrating of offline and online platforms for a seamless banking

experience. The study adopted a literature review methodology, employing a qualitative research approach to achieve the research objectives. The findings confirmed that offline banking platforms cannot be entirely eliminated. Instead, the banking industry has to speedily adopt online banking platforms with greater efficiency. Most banks now offer internet and mobile banking services but have to extend their services to be modelled to seamless banking services that concentrate on modern consumer needs and lifestyles in the light of globalisation. The study recommends that banks should no longer restrict their services to the role of processing payments or providing funds for clients. Rather, banks should now provide convenience by interfacing and integrating with the retail internet world to support customer lifestyles and remain competitive. Otherwise, they risk losing their market to neo-banks and fin-tech internet-based financial service providers.

Key words: Offline platform, online platform, seamless banking, digitalisa-tion

1. INTRODUCTION

Banking is transforming and the evolution and revolution of the sector has become topical. The availability of mobile devices and online market has resulted in consumers demanding high-tech banking products that are seamlessly compatible with their busy lifestyle. Consequently, non-digital banking products offered by traditional banks are now costly to the bankers (thefinancialbrand.com). Customer loyalty is at stake as they seek better digital options. As a result, banks are under pressure to respond with greatly improved digital experiences in the form of mobile banking remote banking, digital payments, personalised financial advice, all of which are endowed with privacy and security online (Meshkova, 2019).

Price Waterhouse Coopers (2019) emphasises the need for banks to retool to ensure success, not just by transforming or innovating according to current imperatives, but to position themselves for future changes. This is in the light of vast forces, such as customer expectations, economics, regulatory requirements, demo-graphics and technological advancements. Figure 1 shows the trends with regard to the uptake of digital tools by customers in seeing banking services.

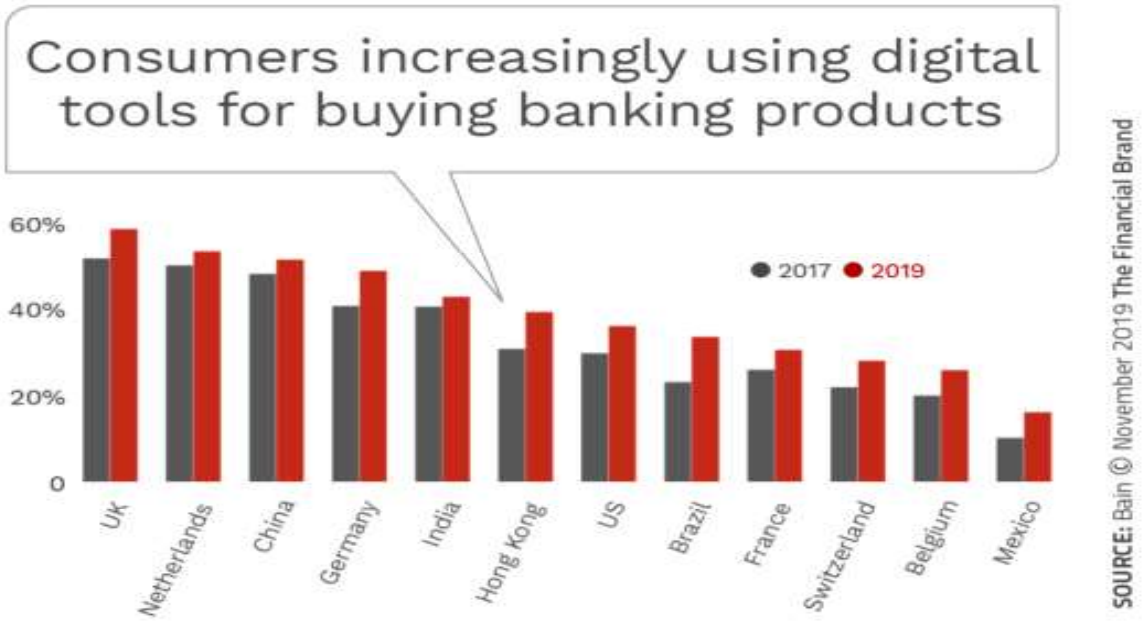

Figure 1. Growth in the use of digital tools for buying banking products

Source: (thefinancialbrand.com)

Starting as physical interaction points for customers, banking developed into ATMs, telephone banking and then internet banking improved convenience and accessibility for customers. The current rapid technological developments of digital online interactions do not erase the relevance of interaction of customers through bank branches. Customers that still use traditional banking which requires them to travel to bank branches will also need the more convenient online transacting for other services one way or the other (Price Waterhouse Coopers, 2019).

The market now has better and flexible alternatives for all traditional banking products from individual payments, savings, loan and mortgage lending, insurance services, investments, all being offered using the computer or mobile devices by non-traditional providers of financial services. Yasav (2015) highlights the fact that the solution is in developing a seamless digital experience that pays attention to customer needs without visiting or contacting the bank or financial institution. If traditional financial service providers become complacent, they may be overtaken and drowned by the rapidly expanding alternative providers.

This background leads to the research problem which has resulted in the objective to examine the implications of traditional financial institutional integrating offline and online platforms for seamless banking experience.

The reason for considering the integration of offline and online platforms comes from the fact alluded to by Marous (2019), that human intervention is still desired sometimes, hence the offline part cannot be completely done away with. This encompasses issues of trust where customers find it difficult to trust the security of digital platforms and therefore prefer human intervention and advice, especially for complex products (Meshkova, 2019).

Lindholm (2019) defines digitalization as the process of converting analogue information to a digital representation. The term 'digitalization', however, has a broader meaning and is more about the society's digital transition (Lindholm, 2019). A McKinsey report identifies digital finance as "financial services delivered via mobile phones, the Internet or cards," according to Manyika et al. (2016:4). Gomber et al. (2017) assert that digital finance encompasses a magnitude of new financial products, financial businesses, finance-related software and novel forms of customer communication and interaction - delivered by fin-tech companies and innovative financial service providers.

Digital financial services (DFS) can be defined as financial operations using digital technology, including electronic money, mobile financial services, online financial services, i-teller and branchless banking, whether through bank or non-bank institutions (G20/OECD INFE, 2017). DFS can encompass various monetary transactions such as depositing, withdrawing, sending and receiving money, as well as other financial products and services, including payment, credit, saving, pensions and insurance. DFS can also include non-transactional services, such as viewing personal financial information through digital devices (G20/OECD INFE, 2017).

As an outcome of the rapid digitalization process, banks are forced to change their traditional banking business models, and those who are willing to change will be able to score the benefits (Olanrewaju, 2013). Banks must, therefore, prepare for this business model adjustment as changes will come, whether or not the banks are ready for it (Olanrewaju, 2013). According to the Swedish Bankers' Association (2016), the new banking business model approach is a consequence of digitalization as customers

change their behaviour and adopt more digital banking habits. Even if digitalization is a rapidly changing phenomenon that has been known in the banking industry for some time, it was not until recent years that it became a frequent topic in the public debate (Swedish Bankers' Association, 2016).

In this study, the research problem is that as customers embrace a wide range of online services that are coming with the digital development of data-driven devices and the Internet, banks which use their traditional systems are battling with customer loyalty in the wake of the entrance of modern financial services providers. Banks cannot suddenly discard their long- standing structures and financial services. The study seeks to consider the option of integrating offline and online platforms for a seamless banking experience for its customers and consequently retain them

Price Waterhouse Coopers (2019) came up with three powerful forces which shape the banking industry in the light of the challenge to the *status quo* by non-traditional banking services operators. They are leading in customer-centric innovation and higher-level service expectations. The authors also suggest key priorities for banks, especially in 2020, as illustrated in Table 1.

Table 1. Forces shaping the banking industry and 2020 priorities

Forces shaping the banking industry	2020 priorities
• The need to critically consider the impact of macro trends on the banking industry in the future • Preparedness of banking service providers for the future • The threat of non-traditional banking players to traditional banks	• The development of customer-focused business models • Optimisation of distribution • Simplification of business and operational models • Obtaining information advantage • Enabling innovation and the required innovations to support it • Proactive management of risk, regulations and capital

Source: Price Waterhouse Coopers (2019)

2. LITERATURE REVIEW

The literature review explores the impact of digital technologies on consumer behaviour and on the banking services. Additionally, issues relating to building trust in DFS, the financial system, technological innovation and protecting consumers from increased vulnerability due to digital crimes are discussed in terms of how they affect seamless digital banking. Finally, the benefits and challenges faced by banks relating to digital banking, integrating online and offline banking platforms are outlined.

2.1 The impact of digital technologies on consumer behaviour

Yasav (2015) emphasises the change in the retail landscape resulting from digitalisation which in the modern era provides a platform for online research and shopping. This has resulted in retailer innovations through investment in digital technology to facilitate visibility, marketing and selling of their products through retailer websites using their online platforms. Through available mobile marketing strategies, consumers use their phones to search for products of choice, compare prices, receive offers from retailers, negotiate discounts, process payment as well and track delivery shipping of goods. The proliferation of the virtual markets is a result of digital change that is changing the business structure as well as the banking scene (Marous, 2019).

Some retailers offer customers digital retail credit cards and provide a complete customised mobile interfaced with online credit application functionality, loyalty rewards tracking and redemption. They also offer account alerts and lookup. Therefore, a seamless experience is allowed for customers through the incorporation of the retail cart interface and the retail brand. In Figure 2, Price Waterhouse Coopers's Integrated SocialMind Platform shows the leverage that consumers now have on providers through social data, social phenomenon and other IT trends.

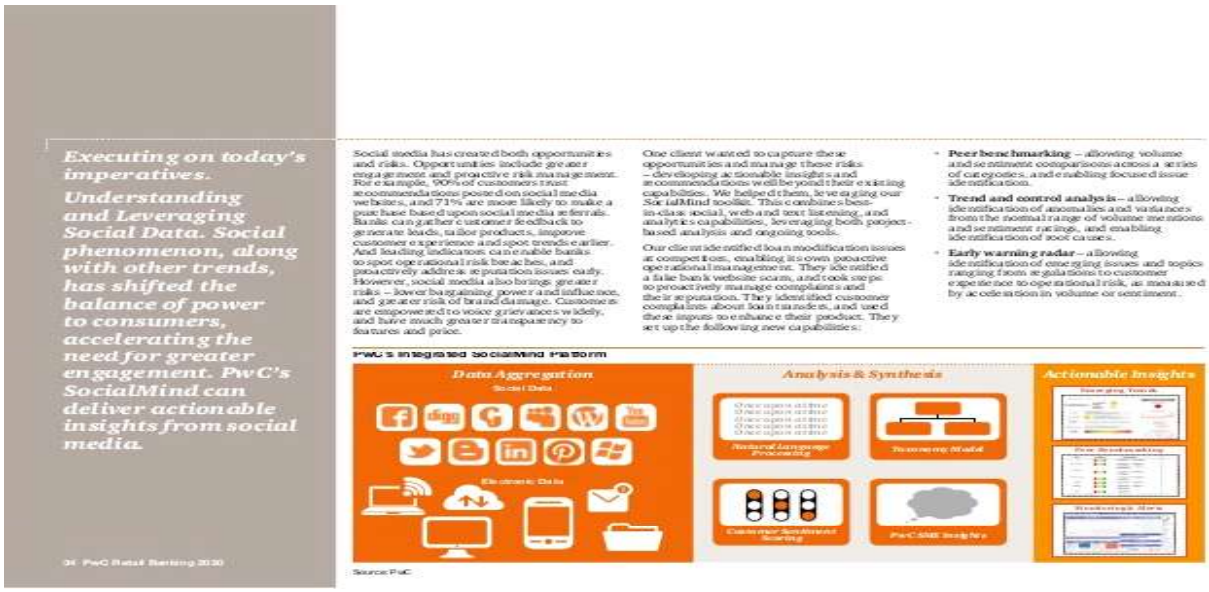

Figure 2. Price Waterhouse Coopers's Integrated SocialMind Platform

Source: Price Waterhouse Coopers (2019, 34)

The modern generation drives sales through social media which highly influences followers, hence leveraging of this platform by retailers as a marketing strategy through videos and live streams (Meshkova, 2019). Yasav (2015) concluded that in the new environment retailers had to be responsive through allowing their customers a seamless digital experience in the form of customer alerts, compelling content on their website tools that can be integrated for brand loyalty and attraction. With the advent of the Internet, the source of information for the public is no longer restricted to traditional media such as the press, radio, or TV. Instead, it is now through the availability of various network platforms that customers are spoilt for choice.

2.2 The impact of digital technologies on banking services

According to Bain & Company (2018), retail banks face a digital challenge in embracing major strategic, operational and organisational changes including investing in apps and interactive tools that allow customers to

manage their money and mobile network coverage thereby facilitating interactions of banks with their customers. However, the rapid embracing of wireless connectivity by customers is posing a survival challenge for banks. They have to keep up with the changing expectations of customers as well the responses of retailers to customers while facing competition from modern financial services providers such as Paypal and Google wallet. These financial services are attracting consumers for daily transactions and thereby displacing banks (Yasav, 2015).

Banks are faced with the obligation to provide secure money transfer services and savings facilities that cope with the environmental changes which require banks to bridge the offline and online platforms. In the process, customer expectations have to be met harmoniously through the bank branch, browsing the bank website, social media or video calling banks. (Bain & Company, 2018).

2.3 The impact of digitalization on banks

Once digital transformation occurs in transaction banking, it will not only bring down the sunk costs but also reduce the top-up maintenance costs and overheads leading to increased profits. Therefore, to gain competitive advantage, banks should nurture their ability to quickly adopt this external innovation in transaction banking and collaborate with external partners to ascertain the benefits of the changing market place in the midst of regulatory controls (Accenture, 2018).

Olanrewaju (2014) states that digitalization might abolish some vital job roles and thus threaten the workforce reluctantly to embrace digital changes. However, observations are indicative of a focus towards higher-value tasks and creating unprecedented opportunities. Central to consumer perspective, research has shown that real time access to online energy accounts, bank transfers, utility consumption reports form an integral part of lifestyle (Markovitch & Willmott, 2014). With the aim of enhancing consumer engagement and gain competitive advantage, the debate continues about best strategies that banks adopt to engage with customers. This has resulted in banks enhancing capabilities and complex technology on top of systems and processes to meet dynamic customer expectations (Hammond, 2017).

Recent studies (Boston Consulting Group, 2018; Mehrotra, 2014; Hammond, 2017; Markowitch & Willmot, 2014) show that the wave of fin-tech has impacted retail banking in recent years. Growing external pressures from technology providers and changing customer priorities pose a threat to profitability (survival), growth potential and expansion of financial players. Trainer, (2017) confirms that the battleground for banking are processes. Therefore, banks focus on developing the value chain, hence the future belongs to the ROBO analysts. Additionally, research carried by KPMG and H2 Ventures (KPMG and H2 Ventures, 2015, cited by Kotarba, 2016) noted that fin-techs are already exploring all elements of traditional CRM value chain to offer innovative business models for a better understanding of client needs.

2.4 Building trust in DFS, the financial system and technological innovation

Lack of, or uneven trust in DFS, the financial system and technological innovation among consumers and entrepreneurs can hinder financial inclusion efforts, thereby reducing the potential positive impact on individuals and the economy as a whole. Trust functions as a powerful tool in complex environments for reducing uncertainties and is particularly important in online environments (OECD, 2015). If individuals are concerned about factors such as privacy and security, some may refrain from using digital financial services altogether, resulting in lost opportunities and digital exclusion (OECD, 2017).

According to BearingPoint (2018:35), even though digitalization has rapidly changed the banking industry and the environment it works in, the banking industry still struggles with adapting to its customer digital demand. The customers expect value adding, custom-made, and personalized services that support their financial goals (CGI Group Inc., 2014). Fin-tech innovations can help banks deliver enhanced risk assessment, reduce transaction costs, make operational bank offices more efficient, lower fixed asset investment requirements and enter new markets. In addition, fin-tech providers can promote economic growth during good economic times by increasing the volume of financial transactions in the financial system, although it is still unknown whether fin-tech providers and their activities can exacerbate economic crises during bad economic times.

2.5 Protecting consumers from increased vulnerability to digital crimes

It is vital to raise awareness among consumers and entrepreneurs of the ways in which DFS and digital technologies can expose them to digital crimes and abuse such as online fraud, phishing, social engineering scams, account hacking attacks or data theft. They should be provided with information on how to recognise such activities, and their responsibility to take steps to minimise their risks (FinCoNet, 2016; 2018). They should be aware of innovations and policy changes in their countries (such as open banking and account aggregation tools), and understand the opportunities they can provide. They should also have information about the extent of their rights to redress and recourse (including to digital oblivion) in the event of falling victim to such attacks. This is particularly relevant for entrepreneurs who face distinct challenges in managing digital security and privacy risk (OECD, 2017).

2.6 Merging offline and online platforms for seamless banking

This section discusses offline banking and online banking and how these are merged to attain seamless banking experiences for consumers.

2.6.1 Offline banking

The traditional retail banking services have performed without the need for internet connectivity (Xue et al., 2016) offering deposit accounts, loan accounts and financial services such as trusts, insurance and asset management from which the bank derives gains from service charges. In this arrangement customer visibility is through physical visits by customers to bank branches to receive and negotiate these services or get any updates or reports (Dapp, 2014). Being the traditional channel, this platform is viewed as offering limited flexibility for customers. It is also viewed as not being adaptable to market changes and lacking centralised customer data management. Customer demand for seamless experiences and consistency in interaction in this traditional offline platform is now outdated and unsustainable.

2.6.2 Online banking

The unsustainability of offline platforms in the modern data-driven environment has led to this modern platform namely, online banking. It is a more efficient IT banking system and extends the roles of the banks to fit into the lifestyles of the customers by broadening the use of the Internet to

the modern needs of a retail environment and developments. This has resulted in banks gradually seeking out automated services such as automated teller machine (ATMs), voice response automated telephone banking (VRUs), telephone-based customer support (CSRs), in branch representatives, direct deposits and automated withdrawals and internet-based banking which provide 24-hour convenience. The convenience of these automated platforms is also in the reduced costs for customers and the reduction of manpower for the banks as fixed cost technology infrastructure substitutes for larger human service channels (Chen et al., 2017).

Charan and Sharma (2017) conclude that age, educational qualifications, profession and income group influenced the uptake of online banking by customers and it was not, therefore, automatic that the banking providers could not in an outright manner move off the banking offline platform as it continued to have users.

2.6.3 Seamless banking

Seamless banking refers to a fit of the banking system to the lifestyles of consumers without interrupting their convenience and comfort, hence empowering data-driven and customer- originated innovation, flexibility not offered by traditional platforms (Dapp, 2014). While highlighting seamless banking as omni-channel, personalised, connected banking, Meshkova (2019) cites three main pillars of seamless customer experiences for banks emphasising concentration on the customer rather than the traditional bank focus as follows:

- Omni-channel (enabled by an enterprise digital banking platform);
- Personalised (big data and Artificial Intelligence);
- Connected (enabled by open banking ecosystems).

Bain & Company (2018) provide an example of seamless banking through TD Bank in Northern America, a retail Bank that has extended hours of service seven days a week allowing customers full-time contact with dedicated staff. This is over and above online, mobile and interactive tools that offer accessibility and interfaces for clients to manage their funds and transact. The bank also has a full-time call centre to respond to customer queries and resolve issues. A major activity that the bank provides is data management and security for the funds of clients.

Other digital services which customers use online are comparing recommendations, reserving tickets, coordinating travel plans and paying for items, performing daily banking transactions digitally without having to go to the bank, all done around the clock. Chen et al. (2017) perceive the recognition of traditional bank offline services on the offline platform as financial services and the recognition of modern digitalised services on online platforms as e-commerce services to facilitate their effective integration. The authors state that the continuous advancement of internet technologies does not erase the interdependencies that exist and are critical between the offline and online services as the latter include a series of online financial products and online services and depend on the foundations laid by traditional offline financial services. Therefore, online business processes depend on offline processes, but offline banking services can be guided online for a seamless banking experience for the clients that choose or have opportunities to move with the global trends.

2.6.4 Integrating online and offline banking platforms

Meshkova (2019) says that the solution to cover the shortfalls, especially of the traditional offline banking platform, is the integration of data silos, systems, channels, infrastructure and products into the digital banking platform by introducing dependence on the core banking system. Price Waterhouse Coopers (2019) also emphasises the advent of newer banking providers that are re-sulting in the fall of traditional banking through better customer experience, new products and online channels. Traditional banks do not have the choice of maintaining the traditional offline business platforms, but need to adapt and be agile in response to the uncertainties the market poses.

Foroudi et al. (2018) are of the view that the rapid developments and usage of smart technologies in the form of smartphones, laptops and tablets, among others, has spread widely into most societal demographics, hence the demand by these customers for electronic device transacting systems online. This has created a demand for responsiveness by retailers and other businesses, including banks. Retailers have responded accordingly in-service provision, marketing, and support with the banks having to respond through interfaced payment platforms to support businesses as well as the individual customer

Dapp (2014) says that data management is critical for banks in adopting an integrated channel strategy which also aids in customer segmentation and the provision of tailored solutions for each customer's needs and convenience. The author further states that the integration of offline and online banking platforms does not undermine the need for bank branches for physical interaction. However, these come in as critical areas for points of contact by customers, as showrooms for products or new services and, critically, as platforms for clients to seek face-to-face expert financial advice. It is therefore not necessary to do away with the premises of banking institutions. They indicate personal bankers as replaceable sources of financial advice for clients.

Banks were originally developed around a brick and mortar setting based on geographic considerations and branch operations. The emergence of online and mobile banks parallel to the physical banks has resulted in the linking of IT organisations with online channels they support. A bridge is therefore needed between online and offline banking services in order to organise banking services against customer segments and not by channel, product or geography (Dapp, 2014). The modern bank will also use modern data analysis methods which will ensure flexibility as well as ease in the provision of offline customer support services.

The motivation for customer use of an online banking platform, according to Charan, and Sharma (2017) is the embedded benefits in the form of the perceived usefulness, ease of use, convenience, control, privacy and trust in transacting.

2.7 The digitalization challenge in the banking industry

Digital vulnerabilities are a major concern for the financial sector. As with other sectors, they need structural changes which allow the automation of their services and products in response to modern internet technologies. Dapp (2014) says that modern technologies pose challenges which impact significantly on a wide range of traditional bank services that need to be standardised and automated:

- Services and products offered by non-banks are shifting power, leaving the financial sector vulnerable. The market for non-banks seems open for new players, posing a greater and continuous competitive threat for traditional banks,

- Banks are under pressure to offer a vast range of services online, ranging from payment solutions and information services, savings and deposit taking, advisory services, securities trading, financial solutions and modern financial software, all out of the norm (offline face to face service),
- For banks to keep their clients, they have to offer more than just the final step of online payment for a product as in future this service will be irrelevant as the non-bank providers would be able to provide it within the value process. For example, Amazon offers a complete value chain from a single source from product presentation to payment options. Banks have, therefore, to strive to offer this desired convenience which implies diversification beyond just financial services and become established online.

2.7.1 Advantages of digitalisation

The advantages of digitalisation for financial service are, according to Dapp (2014), derived from comparative advantages that traditional banks can offer in risk assessment, funds assessment and management which can be client-specific services backed by many years of experience. Here are some of the advantages,

- Digitalisation provides a platform for modern data analysis methods over and above the traditional services, which are seamlessly integrated into the system;
- The infrastructure that goes with digitalisation is flexible allowing for continuous adaptation of changes as they come (agility);
- Digital infrastructure allows for finance-efficient and timely specific services on the internet through interfaces with various service provider platforms and retailers emanating from the broad interconnections and interactions of information and data driven services;
- The regulatory frameworks ensure data security and confidentiality that strengthens customer loyalty;
- For the financial sector, digitalisation comes with efficiency of processes and savings in costs as also the effects of geographical barriers are reduced;
- Reduction of costs for banks and customers as well by using cashless transactions, ATMs, among other things;

- With more digital data available with banks, they can take data-driven vibrant decisions and digital analytics. This benefits both customers and banks;
- The number of customers will increase because of the increased convenience of banking;
- Digitalization decreases human error;
- The need for handling large amounts of cash is reduced;
- The rural and urban gap is eliminated;
- Fake currency threat increases cashless transactions.

2.7.2 Challenges of digitalisation

Muluka et al. (2015) allude to the fact that, as with many other firms, adaptation of traditional business to digital structural changes and practices is unavoidable because of the opportunities it provides. However, there are consequences that need to be considered and these include the fact that inadequate adaptation has consequences and banks need to always be alert and anticipate technological developments. Consequently, banks need to be swift in response to catering for customer expectations, hence the need for banks to take seriously the new fin-tech developments.

In addition, digitalization brings with it skills pressure for traditional banks requiring personnel development and new qualification requirements for personnel to strengthen the online obligations. The digital channels expose major security vulnerabilities from targeted data misuse, spying, hacking and sabotage using spyware and malware. The threats of cybercrimes then entrust cybersecurity responsibilities to banks concerning client fund management. Price Waterhouse Coopers, (2019) indicates that cyber insecurity is a major threat in the banking business and needs proactive response.

Yasav (2015) highlights the fact that the increase in customer satisfaction came with the integration of offline and online platforms, but the digital developments are too fast-paced to allow for adjustment both by banks and customers. This is because upgrades which come before skills that go with current systems have been fully mastered and practised and this made some banks comfortable with the stagnant traditional offline platforms.

Summary:

- Digitalization affects employees and results in the loss of jobs;
- Some bank branches may decide to exist with the increasing use of online banking;
- Banks will be more vulnerable to cyber-attacks;
- No-one can hide crores of rupees in banks and just act middle class. Privacy may have to be compromised (Harchekar, 2018);
- Some bank branches may cease to exist, given the increasing use of online banking;
- Banks will be more vulnerable to cyber-attacks.

2.8 Theoretical framework

"The rise in fin-techs and neo-banks that act as market places for other institutions' products presents incumbents in developed markets with a choice: are they willing to leave customer acquisition and service to new-comers, or do they want to compete head-on?" (Economist, 2019)

With digitalisation, *"*the biggest benefit for customers will come from a rethink of what banks are supposed to do. As traditionally conceived, a financial consultancy, what a bank offers its retail customers is a way to store, spend and borrow money. It has not been a core part of its job to help them decide whether a purchase or loan will make them happier or wealthier among other services" (Economist, 2019)

The Financial intermediation theory supports the extension of banking services by embracing digitalisation by stating that *"*banks are virtually identical with other non-bank financial intermediaries, they are not usually included in the economic models used in economics or by central bankers*"* (Charan and Sharma, 2017).

The uptake of online banking is not guaranteed for 100% of the customer base. This is because, according to Xue et al. (2016), customer abilities and literacy differ in their ability to use online services and operate the gadgets thereof as technological expertise such as computer experience and similar technologies is required. Lin (2009) states that the full adoption of online banking services is driven by an array of factors among them local penetra-

tion effects, product diffusion and availability of alternatives, individual customer characteristics in terms of demographics and efficiency.

3. RESEARCH METHODOLOGY

This research was conducted through a literature-based research methodology which is through a literature review, according to Snyder (2019), who highlights it as an excellent approach to show evidence at a Meta level by synthesizing research findings. A semi-integrative review approach was utilised. It was indicated as a better strategy since the review did not aim to cover all the literature on the research topic, but to combine perspectives for a broader insight on the topic (Lin, 2009). To ensure representative research, guidelines according to Lin (2009) were followed, emphasizing the use of current reflective literature. The current literature by organisations was used (Price Waterhouse Coopers and Fin-tech) as well as reports from experts in the field of research.

4. RESULTS

The findings from the literature confirm that, indeed, an offline banking platform cannot be eliminated outright, but the banking industry has to speedily adopt online banking platforms and increase their efficiency. Most banks have adopted the Internet and mobile banking services but have to extend their services to the seamless banking services that concentrate on modern consumer needs and lifestyles in the light of globalisation. Banks should not wait for the final roll of processing payments or of providing funds for clients. Instead, they should provide for some convenience by interfacing and integrating with the retail internet world to support user lifestyles and remain competitive. Otherwise, they risk losing to neo-banks and fin-tech internet-based financial service providers.

Though a full adoption of online banking services is driven by an array of factors among them, local penetration effects, product diffusion and availability of alternatives, individual customer characteristics in terms of demographics and efficiency; the banks have an obligation to extend their roles beyond the traditional financial services in the new digital age and integrate the offline and online platforms for a seamless banking experience for its customers.

5. DISCUSSION

The study revealed that banks are not the drivers of technological developments but have an obligation to stand on guard in response as they are the providers of liquidity within the markets. As a result, they need to adapt swiftly to new technologies. The adoption of online platforms improves efficiency and is cost saving as a number of customer interactions in the market are already through the online platforms. As customers transact, they need to make instant payments, check balances, authorise transactions and check their payments, all online through their mobile devices.

Muluka et al. (2015) highlight the fact that increased customer satisfaction came with the integration of offline and online platforms. However, digital developments are too fast-paced to allow for adjustment both by banks and customers as upgrades come before skills that go with current systems have been fully mastered and practised. This made some feel comfortable with the stagnant traditional offline platforms.

In this section, discussion centres on omnichannel banking, digital banking and trust, benefits of digital banking, putting the customer first in the queue, the importance of the human element, the role of disruptors and collaboration with monetary establishments.

5.1 Omni-channel banking

Omnichannel banking focuses on the principles of consistency, optimization, and seamlessness with the aim of making customer experience as satisfactory as possible (Komulainen & Makkonen, 2018). The omni-channel approach should be seen as an evolution of the multichannel approach originating in the retail industry (Rosman, 2015; Saghiri et al., 2017). According to studies in the retail sector, if the seller moves from a multichannel model to an omnichannel one, then the buyers of such a store will start spending 20% more money (Okorokov, 2016). The difference between omni-channel and multichannel sales is the ability to continue the interaction started in one channel in another channel without the need to duplicate information, as well consistency in the price of products and services in all channels.

With omni-channel implementation, banks can use data collected throughout the customer's life cycle to create a seamless personalized experience that increases value and satisfaction, reducing maintenance costs (Obilisetty, 2019). One of the key tasks in introducing omnichannel approaches in the banking business is the integration of all IT platforms and solutions into a single centralized data repository (operations) that will allow for seamless interaction with the client, regardless of the product and channel. That is, the client should be able to carry out any purchase or service operation at a convenient time and place, and at any stage of communication. For this, the bank must ensure the availability of a unified accounting base of products, customers, accounts, and operations (for example, by CRM), monetizing the value of its analytics and increasing the value of its brand.

5.2 Digital banking and the trust element

Large parts of the population lack technological literacy and are thus not able to access the Internet due to their remote rural location. The challenge is that trust in the mass market tends to be characterised by personal interaction with banks. Nedbank (2018) puts it best:

> Through all this innovation, one key factor for acquiring clients is, however, being lost: consumer trust. As technology advances, financial services companies are becoming increasingly distant from the person who is actually buying the product or service. Because of this lack of personal connection, the sales funnel suffers…[and] the reason people don't buy these [financial services] in rural South Africa is because they can't "see" the provider, as they are forced to engage electronically.

5.3 The benefits of digital banking

Process automation allows the most innovative institutions to meet the following requirements and achieve satisfactory operational efficiency (Accenture, 2017):

- Cost savings: up to 80% cost reduction;
- Increase in the quality of service: improving quality by reducing the risk of human error;

- Time saving: up to 80%-90% reduction in the execution time of tasks;
- Allowing banks to integrate services within a mobile customer digital lifestyle;
- Solving an urgent pain point of selling via social media platforms;
- Keyboard interacts with the bank's application programming interface (API) to securely complete the transaction.

5.4 Putting the customer at the front of the queue

IT teams must therefore combine the agile infrastructure provided by hybrid, multi-cloud environments with the collaborative culture championed by DevOps. This drives innovation in a dynamic environment, both technically and operationally, mitigating any risk that rapid innovation in digital banking can have on the user experience. Ultimately, that provides financial organisations with the confidence to run as quickly as the business and its customers demand, without living in constant fear of any unforeseen consequences.

Without solutions that go to the heart of customer needs and that provide a seamless customer experience, digital adoption will be constrained and the cash reliance cycle will continue. Solutions that place the customer at the centre of product and service design have been particularly successful. This is true where customer experience is one of seamlessness and ease; and where the focus is not on the payment mechanism but on the service itself. The payment becomes virtually invisible in the process of a transaction and simply enables the transaction.

The prospective availability of these digital overlay service solutions to customers could rival cash as an attractive medium of exchange (Deloitte Africa, 2019). For consumers, this means being able to execute a payment instantly, at any time of the day with the confidence and knowledge that it has been safely received by the recipient.

5.5 The importance of the human element

While technology will enable a seamless banking experience, it does not remove the need for personal relationships with clients. An emotional connection, rooted in trust, is still important in banking and will be one of the key distinctive elements for attracting and retaining customers. It is therefore apparent that following efficient retraining, humans have a crucial role in the future of financial services and will be working alongside the technology, rather than be replaced by it.

5.6 The role of disruptors in the financial system

Most banks are beginning to realise that a growing fin-tech ecosystem which was once perceived as a threat, can actually help them serve their customers better through emulation and collaboration. Disruptors, with their laser-sharp customer focus, have shown that it is possible to meet, and exceed, customer expectations. Consequently, using data for different needs and purposes becomes a collaborative exercise, where data scientists and business professionals can join hands with IT engineers to create the future of banking. Moreover, compliance, risk, business development and daily business – the data is a common asset and should be shared in a secure and integrity-preserving way.

5.7 Collaboration with monetary establishments

Chen et al. (2016) characterize mobile internet finance as a dynamic process. The integration of mobile internet platforms and financial instruments generates financial product innovation. Fin-tech firms are businesses which are mainly based on technologies and use them to facilitate in competing, enabling and/or collaborating with monetary establishments. The ways the banks used to serve their customers have been affected by non-banking service providers since the traditional banking methods are not seen as sufficient to meet the ever- increasing expectations of the customers along with earning profits. Nowadays, banks are ever-changing under the influence of latest technologies and innovative finance market players such as these fin-tech firms. Some of these banks are joining hands with fin-tech start-ups to boost their services.

Financial service transactions and banking transactions are now being discharged electronically. Banks that provide net banking services have a

foothold over those offering only traditional banking services which are offline. Apart from e-commerce, internet banking is an innovation that helps the banks in achieving competitive advantages such as meeting the demand of the consumers, making efficient transactions, reducing the transaction cost and providing better services to customers (Takieddine, 2015). Cooperative fin-tech works with the existing finance infrastructure and either streamlines it or makes it more user-friendly (e.g. online banking).

Technology has more and more blurred the industrial divisions such as between the financial services being offered both online and offline. As the convergence between finance and technology is advancing at a quick pace, the standard way by which money used to be deposited and payments used to be made has changed. Through the use of technology, the opportunities that have arisen have been exploited quickly by companies within the finance market by offering a number of financial products and providing services which would have otherwise been provided by the traditional banks (Shim, 2015).

5.8 Risks of digital banking

Making payments digital has its own risks. For example, many people enjoy online shopping with their credit cards but due transactions issued are created via wireless which opens it to a lot of risks from outside hackers. Credit card fraud nowadays is serious and significantly reduces online banking attraction for some people (Leu, 2015). In Luxembourg and Singapore, authorities have published papers that underline the risks arising from the inadequate handling of personal data, poor governance, lack of transparency and unethical behaviour. In Singapore, the authorities have also issued high-level principles for firms to follow in controlling these risks (Monetary Authority of Singapore, 2018). However, it appears that, to date, regulations on new fin-tech activities and technologies have focused more on curbing risks in consumer and data protection and operational resilience and less on strengthening prudent safeguards.

As of now, there is no formal regulatory framework for fin-tech firms partnering with banks operating in South Africa and this raises systemic risk implications, especially given that several countries have acknowledged this (Coetzee, 2018; Burger, 2019).

6. CONCLUSION

Traditional banks have an obligation to support customer trends by integrating modern online platforms with their existing offline infra-structure so that customers could have multichannel services to manage their finances. However, traditional banks have to digitise and harmonise their structures such that they are seamlessly integrated with online and offline channels. The shift by banks to strive to embrace cross channel enablers for offline and online platforms is seen as inevitable now and in future for the banking sector as a seamless banking experience is the market expectation and is evolving rapidly in line with changing consumer behaviour and economic realities.

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