



36 THE WEEK, AUGUST 21, 2016
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THE WEEK, AUGUST 21, 2016 37

TECH IT AWAY

Technology will be the harbinger of revamp in these captivating yet disruptive times

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A new wave of technological advancement has been the keystone of the 21st century. There has been a paradigm, anatomical shift in the financial services sector because of innovations in technology, with the digital world leading to sweeping changes across sectors and businesses. It has redefined markets, wiped out businesses and created new ones.

One clear indicator of this change we are witnessing occurred in November 2015, when Facebook's market capitalisation of \$275 billion went past General Electric's market capitalisation of \$273 billion, in just three years after Facebook's listing. It did not matter that Facebook's staff numbered 9,000—just three per cent of that of GE—or that the total sales of Facebook at \$12.5 billion was not even 10 per cent of GE's!

Many may argue that the technological turbulence has so far been less severe in the case of the financial services industry though the winds of change are blowing. It is clear that several areas will get impacted and the

nimble will have an advantage over the stodgy. Look at just the payments space and how that is evolving; soon we might not need to write cheques or send drafts as payments move more and more to digital mode.

Companies can think of ways of offering customers a broader range of products, including financial ones, if they have a large customer base. Companies in the technology and telecommunication sector, for instance, can leverage and modify their current platforms and enter the space of financial services.

There are two aspects to technology—as it evolves, it becomes affordable and as it infiltrates through society, it spawns large amounts of data. This data when studied enables companies decipher trends that generate newer opportunities. Here, competition can become dubious, with companies in a seemingly unconnected industry using customer data and insights to expand into newer industries.

Today, technology has thrown open abundant opportunities for companies to tap into new customers at low costs, but it is also seen as a threat to existing financial services players because it is lowering the entry barriers.

However, the possibilities are endless and humungous. To guarantee access to real-time intelligence and secure systems, open source and big data are getting involved with the processes and planning of financial services firms. On the other hand, interactive ATM kiosks—besides giving wads of notes—can become a one-stop shop for all investment and insurance solutions.

Being a leading player in the financial services space that has leveraged technology to grow business, we always believe that change is the only constant in these captivating yet disruptive times and technology will continue to be the harbinger of recast and revamp. Financial services are no different, as consumers want their transactions to become faster, cheaper, hassle-free and absolutely secure.

Given that in the year 2020, the average age of an Indian will be 29, companies and organisations in the financial services space need to prepare to cater to this tech savvy and aspirational

generation. Given that the cell-phone is now the most commonly possessed device across urban and rural India, the combination of the internet and handheld device will be the fulcrum of a financial services business. Together, this will be the medium of identification, evaluation and disbursement of services, which will be marked by business intelligence that analytics increasingly provides.

Simultaneously, digital technology could even affect profitability by making it easier for customers to shift from one financial services firm to the other or choose from varied options available. There is a need for leading financial services companies as well as the smaller ones to adopt, adjust to and formulate new strategies to understand customer needs and demands in the backdrop of technological revolution and make efforts to retain them. Additionally, companies in the financial services space will need to work much more

diligently with other players to develop new delivery channels and apps for consumers.

In this age of "you snooze, you lose" of the next technological change, keeping pace with the latest developments is simply not good enough. It is absolutely significant to stay ahead of the curve and ride the next wave of technological development. Or, be lost in the high seas!

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