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7 ways digital banking platforms can help banks innovate at the speed of challengers

Challenger banks have gained a foothold in the banking market and their market penetration is increasing. **62% of customers currently use at least one financial product from non-traditional firms** with this number rising to 67% in the Generation Y and tech savvy segments.

Exclusivity is key

The number of accounts opened might look impressive, but this **doesn't mean that customers are doing the majority of their banking with these fintech firms**.

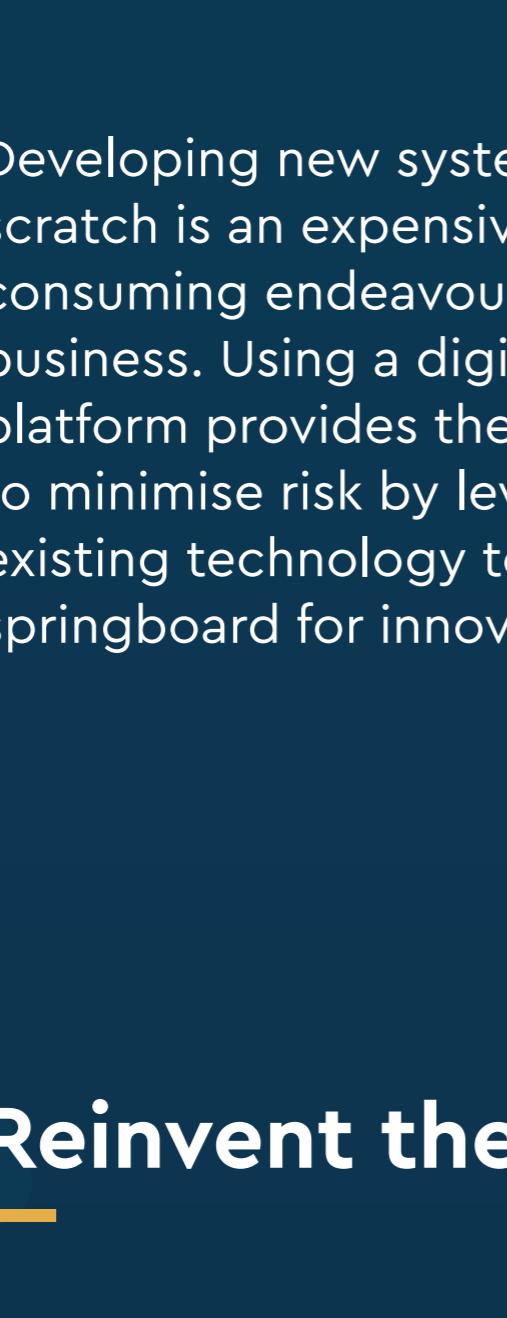
In fact, they all **share the vast majority of their customer base with other traditional banks**. So, either:



1. Customers are loyal to traditional banks and want to stay with a trusted brand



2. Challengers' offerings aren't differentiated enough yet



Which means... **banks have an advantage... they have huge amounts of customer data**. But they need to get a move on with open banking gaining traction.

Of 4,000 banking customers, 63% of customers with a current account were willing to share financial information with a competing bank, FinTech company or aggregator in pursuit of a better offer.

In order to move fast, banks are going to have to look to fintech partners for digital banking platforms that they can quickly build from, so as to avoid losing further ground to the challengers.

7 benefits of a platform

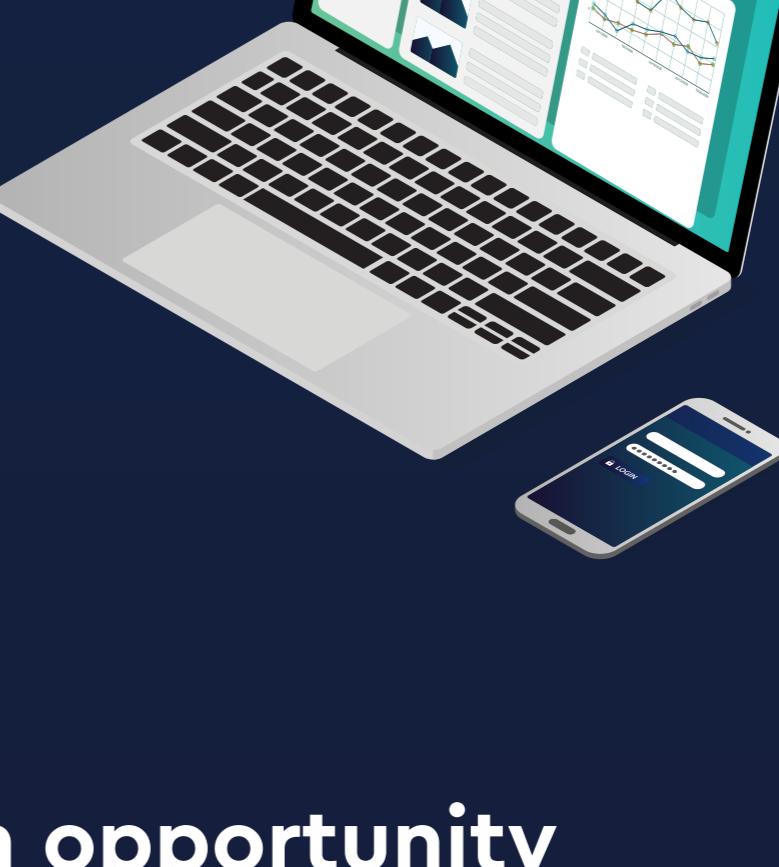
1 Create online journeys that customers love



A digital banking platform will enable a bank to move quickly when redesigning, testing and optimising these pathways to deliver the best possible digital customer experience.

2 Provide speed and flexibility so traditional firms can innovate as fast as fintechs

Developing new systems from scratch is an expensive and time consuming endeavour for any business. Using a digital banking platform provides the opportunity to minimise risk by leveraging existing technology to provide a springboard for innovation.



3 Reinvent the bank-customer relationship



A digital banking platform creates new opportunities for the customer to engage with different products therefore generating **new revenue streams**, and customer facing teams are free to focus on relationship building rather than administrative tasks.

4 Make hyper-personalised banking possible



The platform approach enables the same level of **intensely personalised experience**, without needing to have another human involved in the process.

They represent a **smarter use of IT spend** as they offer a quicker route to deploying innovations, require less investment of internal resources and are much less expensive to continue to operate than systems that have been developed from the ground up within a bank.



5 Digital banking platforms are faster, leaner and cheaper to run



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6 Eliminate concerns about legacy systems



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By taking the platform approach, banks ensure that they don't just capitalise on the opportunities offered by digital enhancements in specific areas, but also can build a cohesive and interconnected ecosystem that will better serve their customer, their organisation and their commercial objectives.



7 Unlock the ecosystem opportunity



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A digital banking platform is an open door to becoming a truly digital native, data-driven, customer-centric and ecosystem-ready bank.

Ready to explore some of the strategic and competitive advantages a digital banking platform could offer to your organisation? Contact us at solutions@nucoro.com.



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