CHAPTER 21

Anticipatory Technologies and Customer Centricity

Customers and trading partners will determine which technologies your organization will implement to facilitate the exchange of value, or they will find someone else who will ‘do it their way’. The Internet has acted as a catalyst for the evolution to anticipatory technologies and customer centricity. The opportunity for financial services firms is to develop product offerings that are proactive to customers’ needs and not reactive as they are today. For example, consumers come to the bank for a debt consolidation loan when they are already experiencing credit trouble. Proactive banking provides consumers with tools that will guide them to avoid such actions. Technology can be employed to permit a customer to tailor financial services products to fit his or her lifestyle, and companies can advise him or her on impending actions and offer solution sets to meet life events. A customer’s behaviour can be analysed against other customers in similar circumstances in order to develop an anticipatory view of actions to come. The behaviour aspect of transactions is also true between trading partners, and can provide valuable insight to identify opportunities that will allow trading partners to minimize cost. Technology’s evolutionary transformation has three emerging aspects: redefinition, redesignation and redeployment, all of which influence how technology will migrate to add value in exchanges between trading partners or between consumers and merchants.

Redefinition

The first emerging aspect of technology transformation is a redefinition of technology by consumers and trading partners to exchange value. It is said
that, in the last quarter of the twentieth century the road to hell was paved with good intentions and mountains of technology. The number of technologies that rose and fell with little regard for their underlying value can be best illustrated by this example: when PDAs (personal digital assistants) were introduced, TV commercials used to highlight their technological capabilities and interoperability; now, however, the commercials feature their availability in designer colours and rarely mention the technology components. Understandably, technologies that are in direct use by consumers will continually change and adapt as the market dictates. However, the functions they provide contribute to the overall value proposition and must be an integral part in the delivery of retail and Internet financial services.

The ever-changing state of technology creates a continual flow of electronic devices designed to improve the relationship between people and complex tasks. Vendors do not simply create technology to earn revenue. Each has a vision of a product with a distinct application to a business, scientific or predetermined task. In many cases, the final application of a technology is a by-product of the intended implementation or the reapplication of a technology to a secondary target.

Many technologies are applied to a problem simply because they are available at the time the problem is defined. For example, we have WAP technologies for banking and integrated appliances. Do I really want my toaster to know my current account balance? What is clear is that technologies that are designated as personal become applicable to social, demographic, cultural, or geographic preferences. Faced with a vast array of delivery technologies aimed at every market segment of customer, financial services organizations are racing to differentiate themselves in the market by implementing a vast assortment of technologies.

Redesignation

The second transformational aspect of technology is a redesignation driven by the increasing demand for customer centricity in servicing the exchange of value. This is not simply allowing the customer to fill out a form on a website for a credit card; it is rethinking plastic/magnetic cards. Global citizens today carry an array of value representation cards; credit, debit, frequent flyer, loyalty programmes and smart cards. Looking at these technologies from a customer-centric point of view begs the question: Could I have just one card that I control and determine what value exchange representation I want to use today? A consumer should