

## Technology innovation a growth enabler amid global slowdown: Doha Bank CEO



Dr Seetharaman delivering the key note address at the plenary session on "Creating a digital banking ecosystem for a dynamic Middle East and Africa" at the MISYS Connect Forum in Dubai.

Doha Bank CEO Dr R Seetharaman was the key note speaker in the plenary session "Creating a digital banking eco-system for a dynamic Middle East and Africa" at the MISYS Connect Forum in Dubai yesterday.

On global economies and the impact of technology, he said, "The IMF annual meeting is going to be held this week, which will also focus on areas such as technology, innovation, inclusive growth and harnessing the power of digital solutions.

With global growth still struggling to accelerate, innovations in technology can act as an enabler of growth. Technology is the platform for innovation, sustainability and for gross welfare to the mass.

The forces of digitisation and the rapid adoption of advanced internet technologies are increasingly resulting in the international establishment of a flexible and proven corporate architecture that is increasingly being referred to as a "digital ecosystem".

Digital ecosystem is significantly more than digital banking; it takes a holistic view of the

customer. The connectivity between various service providers is lot more in a "digital ecosystem" than in a digital banking environment, he said.

He highlighted the Internet of things (IOT) in GCC and said, "According to the International Data Corporation (IDC), IOT spending in the Middle East to reach \$1.8bn in 2016 and rise to \$3.2bn in 2019. The financial sector is at the heart of national innovation strategies; it is considered an innovation-priority sector, as well as an innovation-enabling sector. With smart cities becoming a focal point of national strategy centred on development and more and more e-services being introduced or in development by governments across the GCC region, it is expected that IoT-related spending to increase in the years to come."

Seetharaman gave insight on how banks should approach customers on the digital space. He said, "Exploring and uncovering multiple channels of communication to customers and other banking partners will be critical for GCC banking industry growth. GCC banks should

invest wisely to understand customer analytics, as this can help derive efficient channels. As digitisation of all industries continues, consumers will expect banking experiences to replicate those in other industries.

"With significantly fewer visits to a local branch office or even a phone call to a customer service representative, conveying a consistent brand experience will be more challenging. Brand equity in the GCC Banking industry will also increasingly flow from partnerships that are established with others in the ecosystem. Service differentiation and customer experience will increasingly become the major deciding factors, with the ability to deliver real-time insights and offers, transparency and integrated commerce opportunities becoming more important. The banks which start listening closer to their customers' needs will have a competitive advantage over others."

On the GCC Fintech industry, he said, "There has been little investment in the GCC Fintech industry, but this is expected to change in the coming years. GCC governments can play the

role of a facilitator in terms of policy and regulation, and in providing the right environment for innovation to flourish to enable private sector to come up with solutions. Cash has always reigned supreme in the Middle East, even after the advent of plastic, net banking and other alternative payment systems. But with the increase in internet and smartphone penetration, digital payment systems are gaining prominence in the region. GCC Banks are allocating resources to adapt their business models to the fintech revolution as they run the risk of losing market shares to technology innovators."

Speaking on challenges facing the digital space, he said, "Banks and the financial regulators should address the trade-off between convenience and security when it comes to digital banking. From compliance perspective banks and the regulators have to deal with questions arising from digital banking. To protect customers, thwart organised criminals, and ensure financial stability, prudential and conduct regulators, and legislators, need to ensure that regulation is future-proofed for the digital age."