

BANKING ON AI

# A Leader's Guide to Customer Engagement Excellence in Banking





# THE CLEVERTAP INSIGHT ON **AI-Driven Banking**

As the banking landscape undergoes a radical digital transformation, financial institutions must adapt or risk being left behind. Nearly 60% of banking customers<sup>1</sup> would consider switching to a competitor if their current bank fails to provide personalized digital experiences and AI-enhanced, convenient engagement models.

This underscores the urgent need for banks to meet rising customer expectations for greater convenience. Banks must deliver personalized, omnichannel, and integrated phygital experiences that effectively bridge the digital and physical realms.

However, the path to meeting these expectations is not without challenges. Despite advancements in generative AI and open banking, many banks struggle to adopt technology, and earn customer trust. Larger institutions face impediments in implementing unification of data and open banking solutions, while smaller banks often face resource limitations.

This guide, **Banking on AI: A Leader's Guide to Customer Engagement Excellence in Banking**, offers essential insights into AI-first innovations and practical adoptions.

Backed by findings from **CleverTap's Market Research for Banking**, it highlights the competitive advantages of AI and provides a customer-centric strategic framework for banks to assess and develop their AI roadmap.

Armed with these insights, banks can embrace innovative strategies and integrate advanced AI with traditional services, enhancing customer relationships, achieving greater operational efficiency, and increasing customer lifetime value.

*This guide offers essential insights into  
**AI-first innovations and practical adoptions**  
for banks to assess and develop their AI roadmap.*



**SUBHARUN MUKHERJEE**  
Head of Marketing, CleverTap

<sup>1</sup> eMarketer (formerly Insider Intelligence), Mobile Banking Competitive Edge Study

# Table of Contents

04

## From Short-Term Focus to Sustainable Customer Value in Banking

05

## Banking on the Core Four: Enhancing Customer Engagement in the Digital Age

- Building **Trust**: Capitalizing on It, While Some Do Not
- Seamless **Technology** Integration: Unlocking New Possibilities
- Optimizing **Touchpoints**: Delivering Personalized Interactions Across Channels
- Driving **Transactions**: Fueling Growth in Banking Services

14

## Where Are the AI Opportunities for Banks?

18

## Customer-Centric Strategies for AI-Driven Retail Banking Success

- DBS Bank: Crafting a New Era of Banking Experience

21

## Building Trust and Efficiency with AI for Neobanks

- N26: Transforming Customer Engagement through Gamification

25

## Enhancing Experiences with AI for Specialized Banks

- Bandhan Bank: Pioneering Financial Inclusion through Digital Innovation

29

## 6 Key AI Outlooks in Customer Engagement: The Future of Banking (2030)

32

## Research Methodology: CleverTap's Market Research Survey for Banking





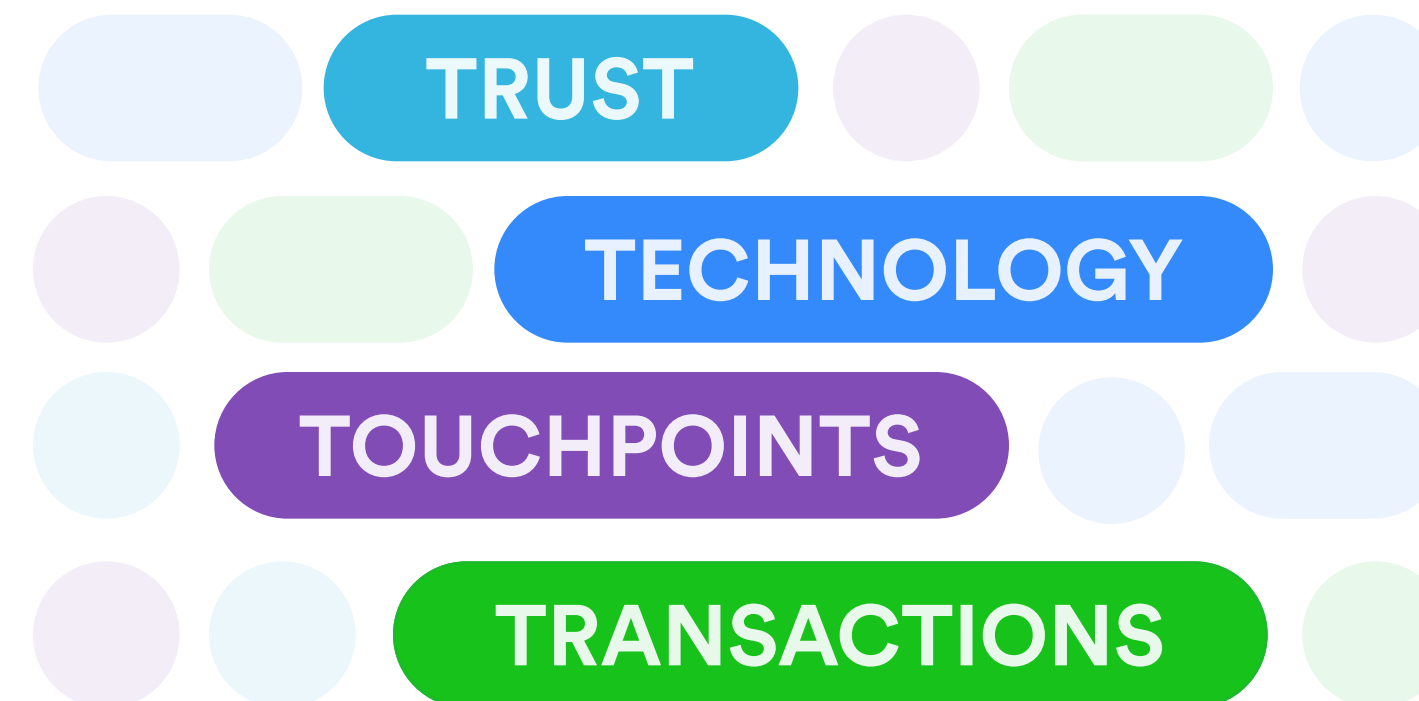
# FROM SHORT-TERM FOCUS TO Sustainable Customer Value in Banking

Insights from **CleverTap's Market Research for Banking** indicate that **3 out of 4 banking executives** are overlooking valuable opportunities for customer loyalty and sustained growth over revenue.

This trend underscores a tendency among banks to prioritize short-term gains - such as transaction volume and an active user base - over strategies, without fully addressing the entire customer journey, from New to Bank (NTB) to Existing to Bank (ETB) customers. By adopting a more holistic approach that integrates both segments, banks can develop strategies aimed at increasing long-term customer lifetime value (CLV) and fostering deeper, sustained engagement.

To bridge the gap between immediate actions and long-term financial impact, banks must leverage advanced analytics and metrics that focus on both current performance and future customer behaviors.

But how do brands assess the exact gaps and opportunity areas? Through conversations with industry leaders, inputs from data scientists and feedback from customers, we have developed **CleverTap's Core Four Framework:**



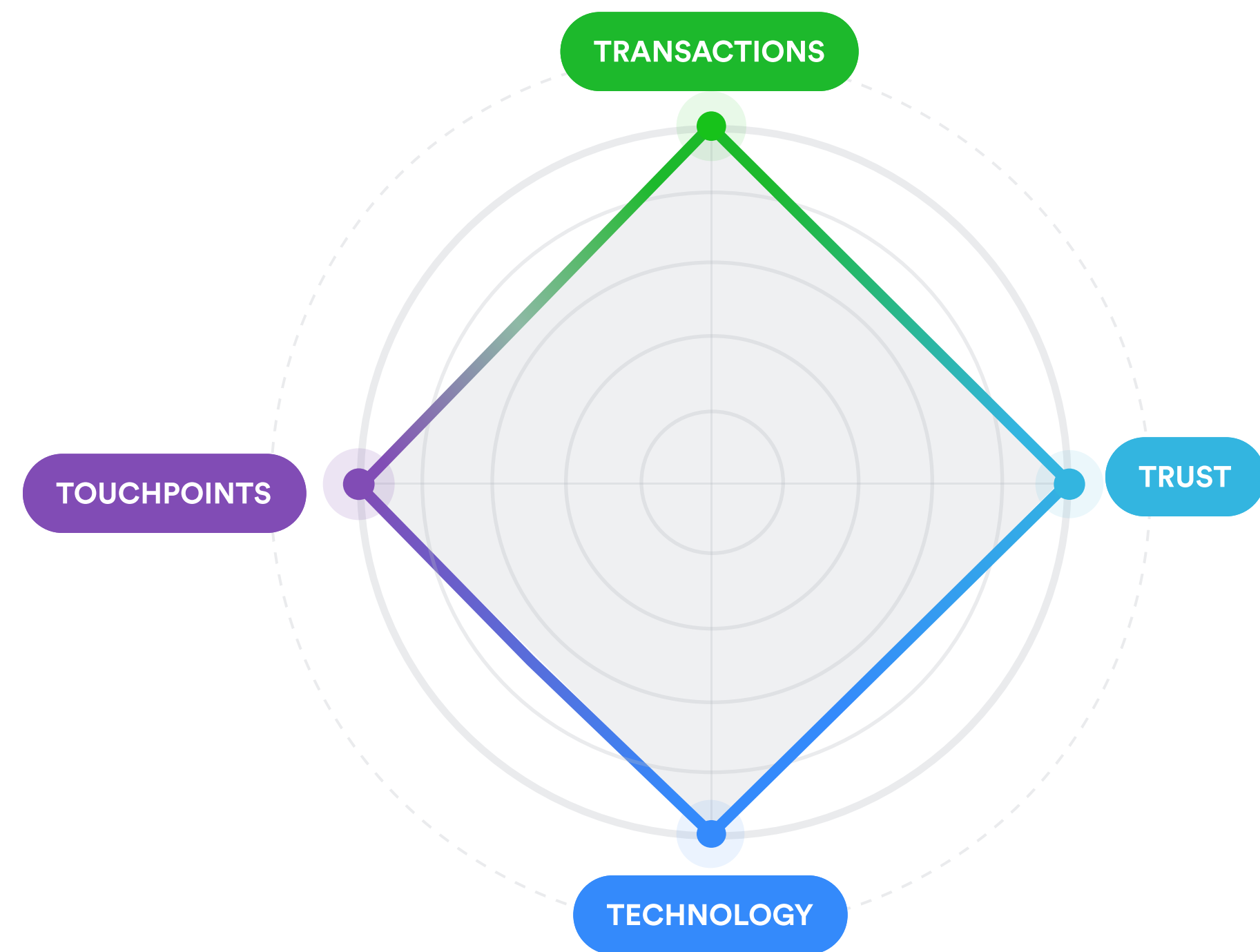
The Core Four form the foundation for improving customer experiences and driving long-term value in the age of AI. By implementing this approach, banks can not only drive revenue growth but also retain their most valuable customers by fostering trust, optimizing key touchpoints, and creating seamless, personalized experiences.





BANKING ON THE CORE FOUR:

# Enhancing Customer Engagement in the Digital Age



OPPORTUNITY RADAR:  
CUSTOMER ENGAGEMENT FOR BANKS

**Trust, Technology, Touchpoints, & Transactions** from CleverTap's Core Four customer engagement framework empowers banking professionals in retail, neo, & specialized banks to build stronger connections & deliver phygital experiences that boost customer lifetime value.

This framework helps banks gain a holistic view of customer engagement & seamlessly integrate AI with their MarTech stack to meet evolving customer expectations.

Different banks exhibit varying levels of trust, technology adoption, touchpoint usage, and transaction volumes. Each type faces unique challenges, while also excelling in different aspects of the Core Four:

**Retail banks** benefit from high trust levels due to their established reputations and physical presence, yet often lag in adoption of technology.

**Neo banks** are able to effectively drive high transaction volumes due to ease of use of their digital platforms, but they are unable to provide a sense of security & trust as they may not have an offline branch.

**Specialized banks** maintain trust by connecting with regional communities and prioritizing personalized service, though they also tend to adopt new technologies more slowly.

To successfully pave the way for AI in customer engagement, banks must optimize their strategies around the Core Four. Let's explore how these Core Four can enhance customer engagement and drive lasting relationships.



## BUILDING TRUST:

# Capitalizing on It, While Some Do Not

**Trust** is crucial for long-term banking relationships, driving data security, PII protection, and transparency. Leveraging this trust enhances customer satisfaction, retention, and helps expand the customer base. However, many banks still fail to capitalize on trust for growth.

## THE ELEMENTS OF TRUST



### THE PROBLEM

Loyal customers drive **2.5x** higher transaction value than others. Referred prospects are **3.5x** more likely to onboard. However, **50%** of banking executives fail to fully leverage their high-NPS customers<sup>2</sup>. Many banks also struggle to tap into customers who show strong trust through high relational NPS.

### THE SOLUTION

Trust can be maximized by:

- Driving trust-inducing activities to improve customer satisfaction.
- Leveraging high trust customers to maximize CLV and new customer growth.

### THE REQUIREMENT

The ability to seamlessly orchestrate communication on security protocols and regulatory compliance across all channels, including the app/website. Ability to proactively predict and identify loyal customers and deploy engagement campaigns to drive cross-sell/up-sell and referrals.



“We see a clear difference between transactional NPS—for example, a customer who has interacted with the bank, be it physical or digital—and the relational NPS for all customers, with or without interaction. For the former, scores are in-line with new age players; for the latter, they are much lower, which indicates where banks must focus: building engaged relationships<sup>3</sup>.”

**Michael Anseeuw**

Executive Director, Retail Banking  
BNP Paribas Fortis

**Singapore's OCBC Bank** has implemented advanced cybersecurity measures, including an **AI-driven fraud detection system**. The bank enhanced its digital banking platform with features like biometric authentication to ensure secure transactions. Following these initiatives, OCBC saw increased customer trust and achieved the highest Cyber Trust Mark (Advocate), reflecting its strong cybersecurity practices in Singapore<sup>4</sup>.



## SEAMLESS TECHNOLOGY INTEGRATION: Unlocking New Possibilities

**Technology** drives customer engagement, powered by customer data. Despite access to vast data from multiple channels, banks often struggle to create a holistic customer view. Regulatory constraints and fragmented systems hinder data integration, while high storage costs add to the challenge.

### THE ELEMENTS OF TECHNOLOGY



### THE PROBLEM

**57%** of banking executives have not implemented a unified customer view<sup>5</sup>. This indicates a potential data silo issue. Technological challenges and costs are the top reasons preventing unification. Poor data reconciliation impacts all technological elements, affecting segmentation, analytics, and AI-ML use cases.

### THE SOLUTION

The problem of data silos in banking can be addressed by:

- Filling the gaps in data with alternate, compliant sources.
- Reducing cost of high-volume data management.

### THE REQUIREMENT

Identify alternative sources of compliant data, such as zero-party data, and synthetic data, to address gaps in available information. Invest in technology partners with specialized banking expertise to store large volumes of data and support industry-specific use cases.



“Banks are inspired by fintechs in terms of delivering personalized experiences and adopting AI/ML algorithms for recommendations, but our agility and speed are often hindered by slower approval processes.”

**Nikhil Padmanabh**

Head - Martech & Digital Analytics,  
Axis Bank

**Mastercard**, using **AI**, can now predict full 16-digit numbers of compromised cards and assess their criminal-use risk. This enables banks to block suspect cards faster, potentially saving millions. The system links cards and merchants by risk, continuously updating with new data to quickly respond to evolving fraud tactics<sup>6</sup>.



## OPTIMIZING TOUCHPOINTS:

# Delivering Personalized Interactions Across Channels

Banking customers require timely engagement as they traverse their financial journey. They especially require information and support on channels of their preference to drive confident transactions.

## THE ELEMENTS OF TOUCHPOINTS



### THE PROBLEM

**41%** of banking executives do not use real-time segmentation, which hinders their ability to provide timely, personalized communication. Banks that engage through more than four channels see a **53%** improvement in conversions. However, only about **33%** of banks adopt this omnichannel approach<sup>7a</sup>.

### THE SOLUTION

In order to maximize the impact of customer touchpoints, banking executives need to

- Leverage the full gamut of personalization capabilities- from mass blast communication to real-time personalization. Banks that employ all levels of personalization see an improvement in conversions by 7x<sup>7b</sup>.
- Deploy a multi-channel strategy to maximize engagement output.

### THE REQUIREMENT

A robust personalization engine that can trigger real-time journeys based on customer actions/in-actions and recommend next best experience for the user. A no-code, AI-powered visual journey builder that can automate customer journeys across multiple channels, with in-built experimentation capabilities to identify high-impact channels.



“Personalization is to the digital environment what the branch is to the physical world— a way for banks to engage with the customer. Instead of handshakes and coffee, it’s about knowing customers well enough through data to anticipate their needs and engage them in real time across all channels.”

***The World Retail Banking Report 2022,  
Capgemini***



**Boost**, Malaysia’s fast-growing e-wallet, has harnessed **personalization** to achieve a 5x increase in 90-day retention. They’ve experienced a 50% growth in users & a significant rise in Gross Transaction Value (GTV), along with a 2x increase in Monthly Active Users (MAUs)<sup>8</sup>.



## DRIVING TRANSACTIONS:

# Fueling Growth in Banking Services

Many banks view onboarding primarily as an acquisition tactic, but its impact goes far beyond initial sign-ups. By streamlining the onboarding process, banks can effectively capitalize on cross-sell and upsell opportunities, driving revenue through increased transactions while also improving cost efficiency.

## THE ELEMENTS OF TRANSACTIONS



### THE PROBLEM

Onboarding is one of the biggest drop-off points for banks reducing customer retention and transaction by **50%**<sup>9</sup>.

### THE SOLUTION

Effective onboarding presents a critical opportunity for banks to enhance customer lifetime value by simplifying the process for new users. By streamlining onboarding, banks can capitalize on cross-sell and up-sell opportunities, maximizing revenue streams while also improving cost efficiency and fostering long-term customer relationships.


### THE REQUIREMENT

Ability to create unique new customer digital experiences with the ability to deploy A/B test on the app/website with minimal tech bandwidth.



“Effective onboarding can increase customer engagement by 50%, which directly correlates with revenue growth. Engaged customers are more likely to purchase additional products and services.”

**Forrester Research**

A woman with dark hair and glasses is smiling while looking at a smartphone. She is wearing a blue top and a patterned shawl. The background is a blurred indoor setting with shelves and plants.

**Revolut**, operating in the European Union, has achieved remarkable success through its **streamlined onboarding process**, enabling users to create accounts in just minutes. This efficient onboarding experience enhances customer satisfaction and retention, attracting new users and encouraging higher engagement levels. Revolut had 38 million users in 2023 and hit £250 billion transaction volume in 2023, a 58% increase on the year prior<sup>10</sup>.



# Where Are the AI Opportunities for Banks?

**The potential value of AI in the banking sector is projected to contribute \$1 trillion to the global economy by 2030<sup>11a</sup>.** Yet, many banks remain on the sidelines, waiting for proven results before adopting new technologies.

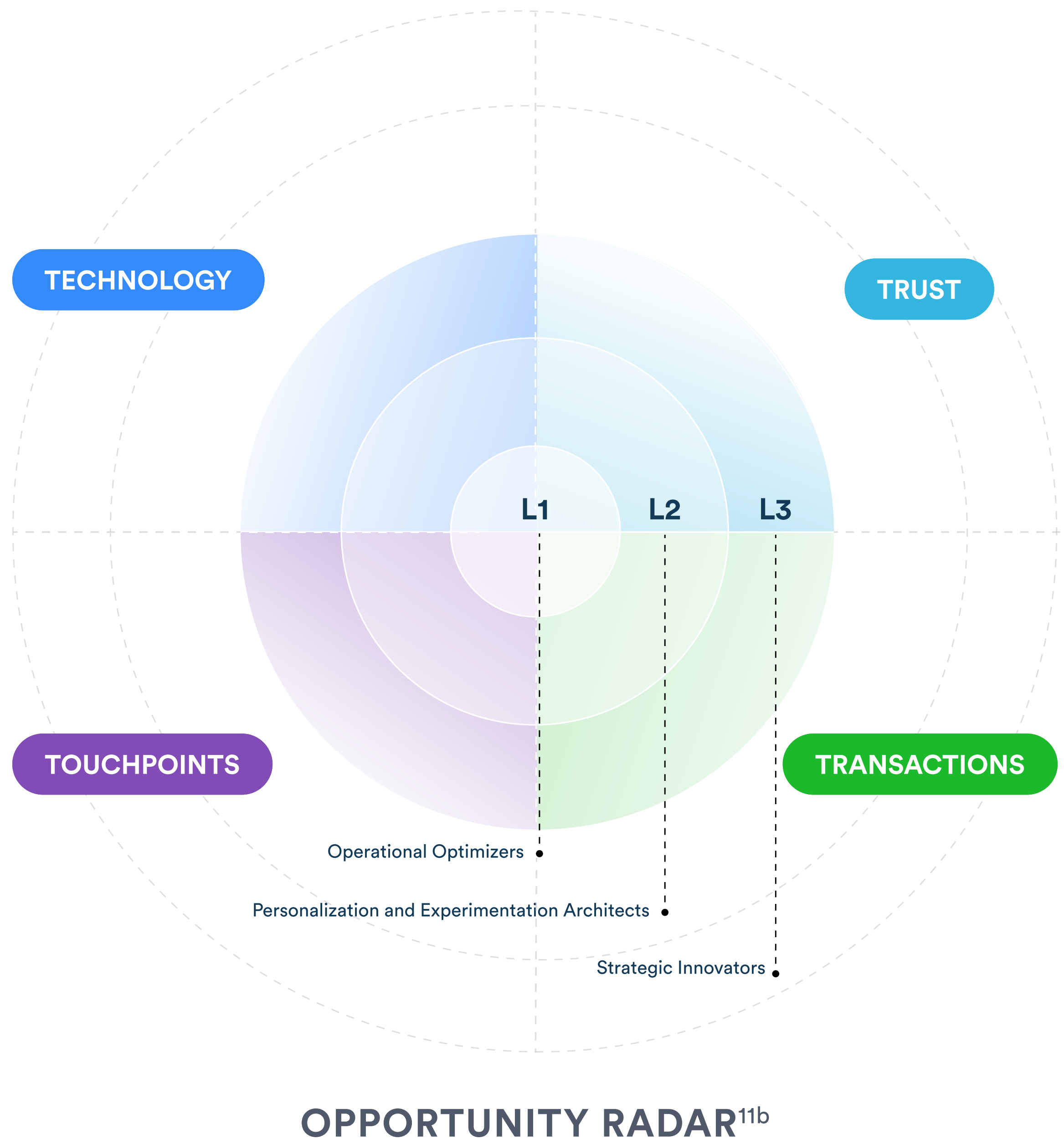
The banking sector often remains a 'follower' in tech adoption. This cautious stance means banks typically wait for proof of concept before fully embracing new technologies. Without demonstrable success, they tend to adopt a wait-and-watch mentality, which can hinder their ability to leverage AI effectively and stay competitive.

“In banking, large-scale adoption happens when results are evident. A value-centric approach is what we look forward to, which helps us understand how to adopt AI correctly.”

***Nikhil Padmanabh***

Head - Martech & Digital Analytics,  
Axis Bank





Banks can unlock the potential of the Core Four: Trust, Technology, Touchpoints, and Transactions- by adopting a holistic approach to AI, as outlined in CleverTap's Market Research Report on AI Edge in Customer Engagement:

### L1- Operational Optimizers:

This stage focuses on using AI to enhance operational efficiency by automating routine tasks and improving workflow processes.

### L2- Personalization & Experimentation Architects:

In this stage, AI is applied to enhance orchestration while personalizing and experimenting at scale to improve conversion rates.

### L3- Strategic Innovators:

This advanced stage showcases the use of AI for automating strategic decision-making and providing better insights for long-term planning. It emphasizes a holistic approach to integrating AI across operations.

By understanding and differentiating these stages within the framework of the Core Four, banks can effectively leverage AI to enhance customer engagement.



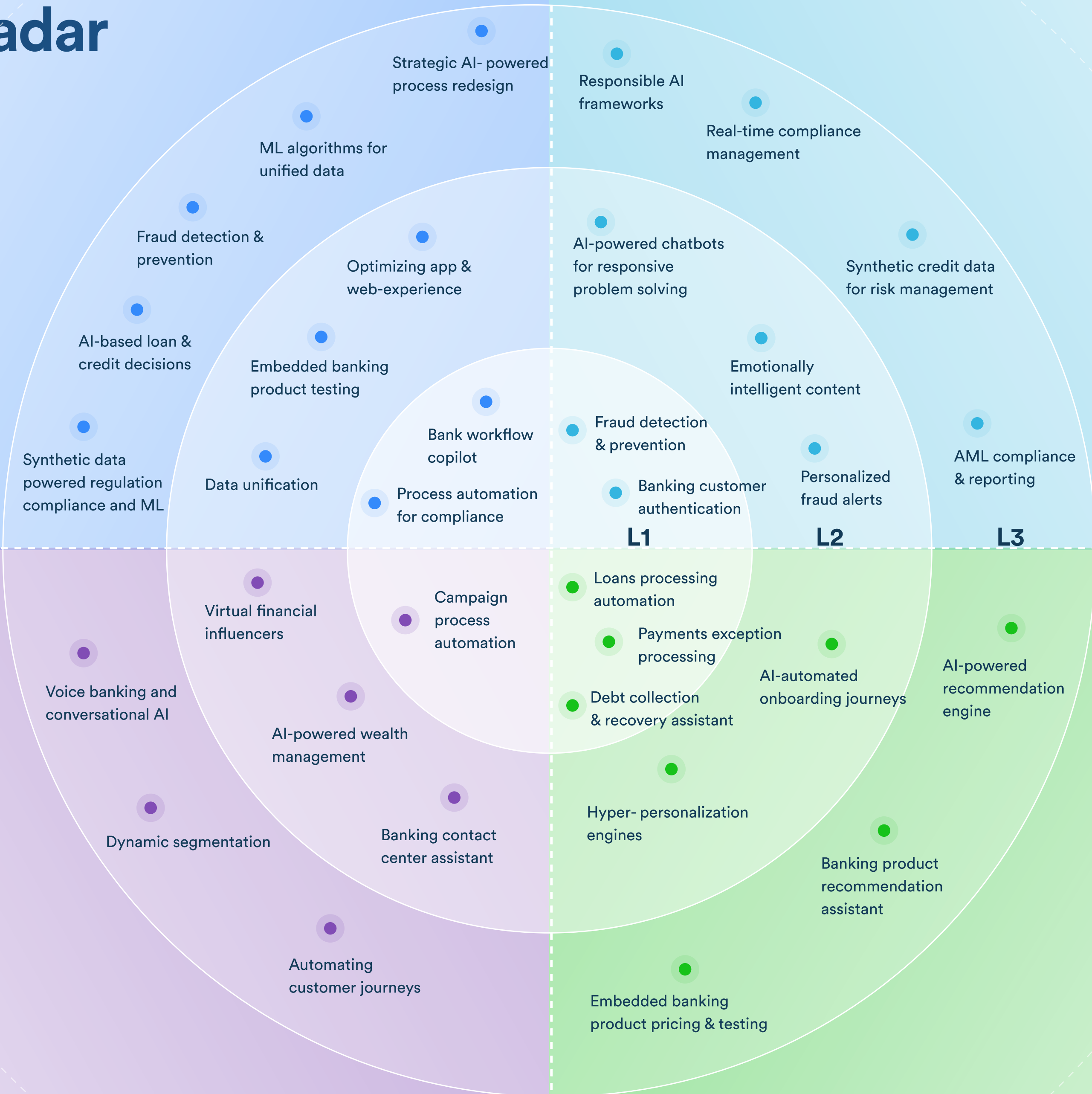
# AI Opportunity Radar

TECHNOLOGY

TRUST

TOUCHPOINTS

TRANSACTIONS





# The AI Edge

## TECHNOLOGY Driving Efficiency and Scalability

AI solutions have evolved from streamlining tasks like KYC and document verification, reducing errors and processing times. They now include hyper-personalization engines and no-code app optimization for tailored experiences and rapid product testing. As AI adoption matured with synthetic data, automating complex decision-making in risk management and digital experiences abiding with the regulatory adherence.

## TRUST Enhancing Security, Transparency, and Credibility

AI in banking started with fraud detection and secure authentication. It evolved to include emotionally intelligent content for trust-building, personalized fraud alerts, and Gen AI chatbots for problem-solving. The next phase introduced Responsible AI frameworks for ethical transparency. This progression also featured real-time compliance management, synthetic credit data for risk management, and automated AML compliance. These innovations help banks optimize regulatory oversight and build trust.

## TOUCHPOINTS Optimizing Customer Interaction

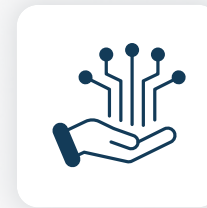
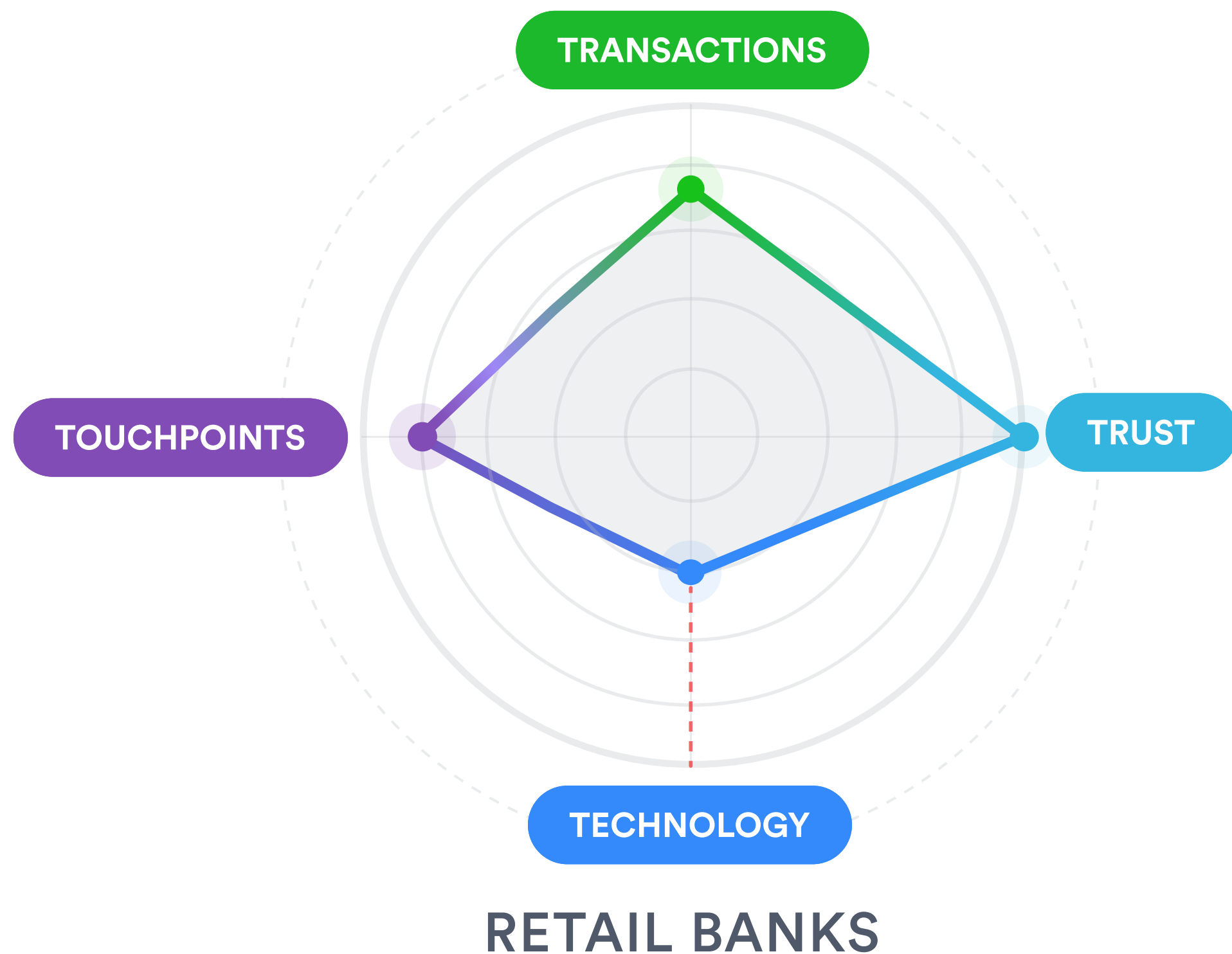
AI adoption in customer touchpoints began with campaign automation. This improved engagement efficiency and consistency. As personalization gained significance, banks introduced contact center assistants and virtual financial influencers. They also developed AI-powered wealth management tools. With strategic focus on AI, advancements included dynamic segmentation and voice banking. These innovations empowered banks to automate customer journeys.

## TRANSACTIONS Transforming Core Financial Operations

AI adoption in banking focused on streamlining transaction processes. This included automating loan processing and managing payment exceptions, which reduced time and improved efficiency. As personalization gained importance, banks introduced hyper-personalization engines and AI-driven onboarding journeys to offer customized services. They also implemented AI-powered recommendation engines and product assistants, optimizing offerings and guiding customers to tailored solutions.

# CUSTOMER-CENTRIC STRATEGIES FOR AI-Driven Retail Banking Success

To thrive in the evolving financial landscape, a shift from a product-first to a customer-first approach, leveraging AI as the core enabler, is essential. Retail banks currently benefit from high trust levels due to their established reputations, physical presence, and diversified touchpoints; however, they often lag in technology adoption and optimizing transactions. Below are strategic recommendations to empower retail banks in technology adoption.



## Eliminating Data Silos for Powering AI

Eliminate data silos by unifying data from sources like CRM and transactions. A unified data strategy is vital for AI adoption and a 360° customer view. This enhances targeted segmentation and enables true one-to-one personalization. Retail banks can use synthetic data to supplement real data and safeguard privacy, further enhancing AI models.



## Leveraging AI for Real-Time Customer Segmentation & Hyper-Personalization

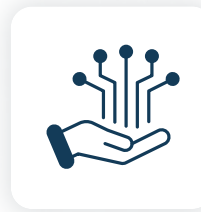
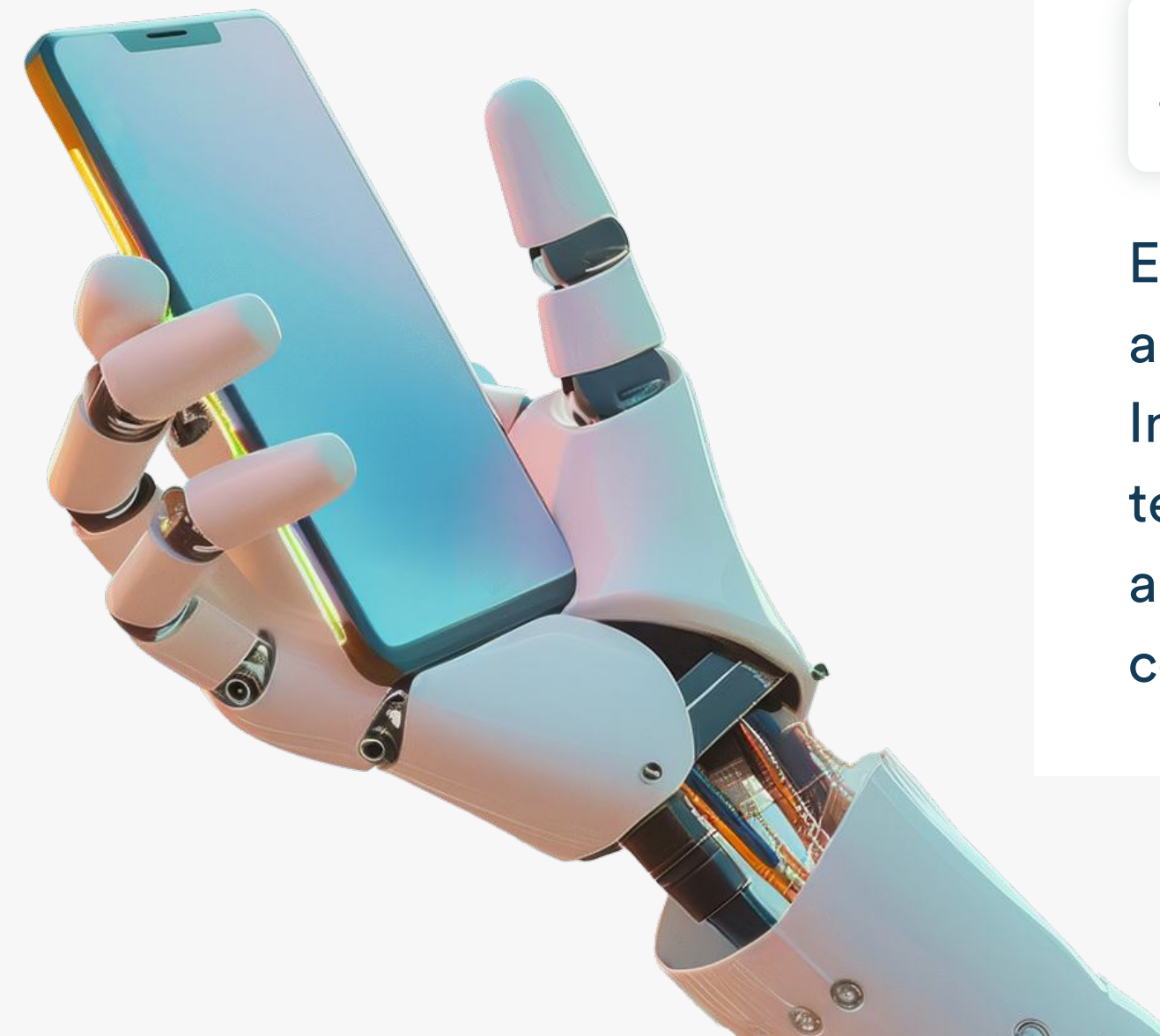
Deliver personalized experiences at scale by dynamically segmenting customers based on real-time behaviors. Implement AI-driven segmentation that evolves continuously, factoring in goal predictions and life stage changes. Use AI for deep customer profiling and predictive analytics to enhance personalization. Integrate AI-driven personalization into omnichannel strategies for seamless and contextually relevant experiences.



“Customer engagement at banks is product-first prioritisation happens based on products. The aspiration is to move towards customer-first experiences, where each customer gets a similarly consistent experience across touchpoints without interruptions in between.”

**Nikhil Padmanabh**

Head - Martech & Digital Analytics,  
Axis Bank



### Integrate AI-Powered Recommendation Engines for Enhanced Engagement

Leverage AI models to identify early indicators of changing customer needs. These may include life events or financial stress. Trigger proactive engagement to reduce churn and boost satisfaction. Maximize conversion by reaching out to customers at the right time with the right product offering.



### Democratize AI Usage Across Business Teams

Empower teams to iterate quickly on user interfaces and features. This approach helps banks respond to customer feedback and market trends. Implement no-code or low-code AI platforms to reduce dependency on technical resources. This flexibility allows non-technical teams to design and optimize digital experiences, ensuring that customer journeys are continuously enhanced to meet evolving needs.



DBS BANK:

# Crafting a New Era of Banking Experience

DBS Bank, Singapore's financial powerhouse, has undergone a remarkable transformation by leveraging technology to redefine the banking experience. Recognizing the need to compete with tech innovators, the bank set out to simplify traditional banking processes, creating a more enjoyable experience for customers. DBS' vision is anchored in three key principles:

- ✦ **Digital-First Organization**  
Prioritizing technology at the core of operations.
- ✦ **Seamless Customer Interactions**  
Ensuring fluid and effortless customer experiences.
- ✦ **Startup Culture**  
Fostering an entrepreneurial spirit among its 30,000 employees.

## Swift Results and Customer Satisfaction

The results of DBS's transformation were swift. The bank significantly reduced product launch times, introducing India's first digital-only bank through a mobile app in 2016. By the following year, it attracted over a million customers and increased overall customer satisfaction by 20%.

## Leveraging AI for Enhanced Services

Artificial Intelligence (AI) plays a crucial role in DBS's transformation. The bank employs AI-driven chatbots to handle customer inquiries, providing 24/7 support and reducing response times. Additionally, AI algorithms analyze customer data to offer personalized product recommendations, further enhancing the customer experience and satisfaction.



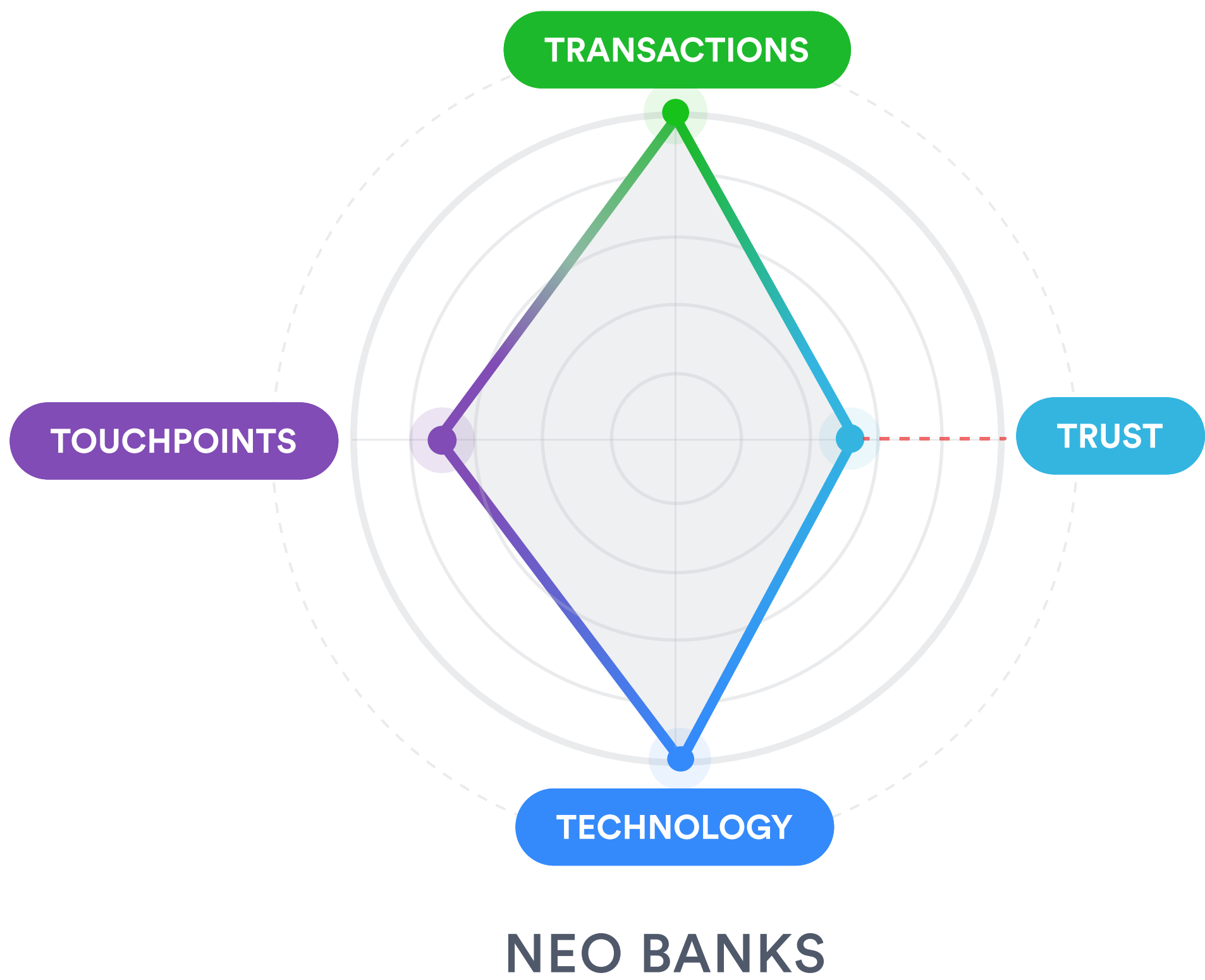
## Conclusion

DBS Bank drew inspiration from leading technology companies, utilizing open-source software, leveraging Amazon's cloud services, and implementing data automation for personalized recommendations. By integrating these strategies, including AI, DBS has redefined its banking experience and positioned itself as a leader in the evolving financial landscape<sup>12</sup>.



# BUILDING TRUST AND EFFICIENCY WITH AI for Neobanks

While neobanks thrive on technological innovation and user experience, they often struggle to match the trust and reliability of retail banks. To tackle these challenges, neobanks can harness AI to elevate customer interactions and boost transparency across all touchpoints. Below are strategic recommendations designed to empower neobanks in this endeavor.



## Elevate Customer Trust with Advanced AI Security

Prioritize transparency to build customer trust. They must openly share how their AI-driven fraud detection systems work. Implementing real-time monitoring to identify suspicious patterns is essential. Additionally, communicating the safeguards in place reassures customers about data security. Integrating user feedback loops will also refine these systems, enhancing both effectiveness and transparency.



## Optimizing Customer Journeys Through AI-Driven Experimentation

Optimize customer journeys and automate app/web experiences with AI-first strategy to foster and build trust. AI-powered experimentation customizes experiences based on preferences. Systematic testing, combined with real-time data and feedback, ensures agile adaptation to evolving customer preferences.



“Generative AI is helping us enhance our customer support capabilities. The goal is to eventually build it to establish customer trust, as this technology has the potential to improve trust by providing real-time solutions and immediate problem resolutions.”

**Sebastián Pontillo**

Head of Marketing Technology,  
Tenpo



### Building Customer Trust Through AI-Driven Behavioral Analytics

Neobanks can boost customer trust by using AI-powered behavioral analytics and machine learning to gain deeper insights and identify pain points. AI models analyze real-time customer data, detect patterns, and predict concerns, enabling proactive solutions like personalized alerts. Natural language processing (NLP) helps assess customer feedback and sentiment, allowing banks to refine their offerings based on satisfaction levels.



### Reinforce Trust with Automated Financial Advisory Services

Develop AI-powered robo-advisors that provide customers with personalized investment and savings strategies based on their financial goals and risk tolerance. By offering accessible, data-driven advice, neobanks can empower users to make informed financial decisions, enhancing the overall customer experience and engagement.





# N26: Transforming Customer Engagement through Gamification

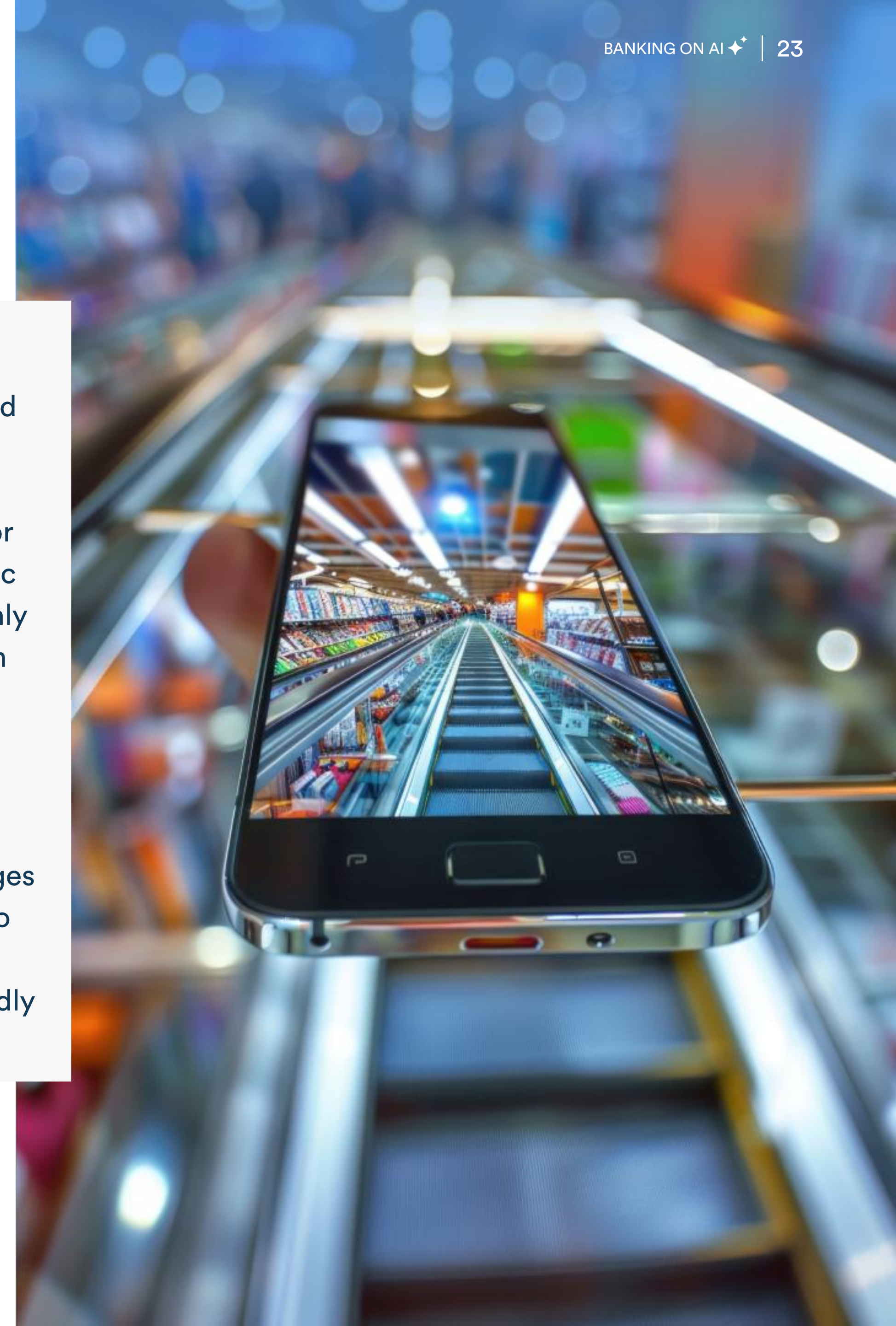
N26, a leading Berlin-based neo bank, has transformed its approach to customer engagement by integrating gamification into its digital banking experience. Recognizing the need to enhance user interaction and satisfaction, N26 aimed to create a more engaging platform that resonates with tech-savvy customers.

## Gamified Rewards System

To achieve this, N26 implemented a gamified rewards system that encourages users to complete financial tasks, such as budgeting and savings goals. Customers earn points for reaching savings milestones or using specific features within the app. This strategy not only motivates users to engage more deeply with their banking services but also reinforces positive financial behaviors.

## Community and Competition

The bank's app includes interactive challenges and friendly competitions that allow users to compare their savings progress with peers. This fosters a sense of community and friendly rivalry, enhancing overall customer loyalty.





## Data-Driven Enhancements

By analyzing user data, N26 continuously refines its gamification elements to ensure they align with customer interests and preferences. This adaptive approach helps the bank maintain relevance and engagement among its users.

## The Role of AI in Customer Engagement

In addition to gamification, N26 leverages Artificial Intelligence (AI) to further enhance user experience. AI algorithms analyze user behavior and preferences, enabling the bank to personalize the gamification experience. By providing tailored challenges and rewards, N26 ensures that users remain motivated and engaged with their financial journey.

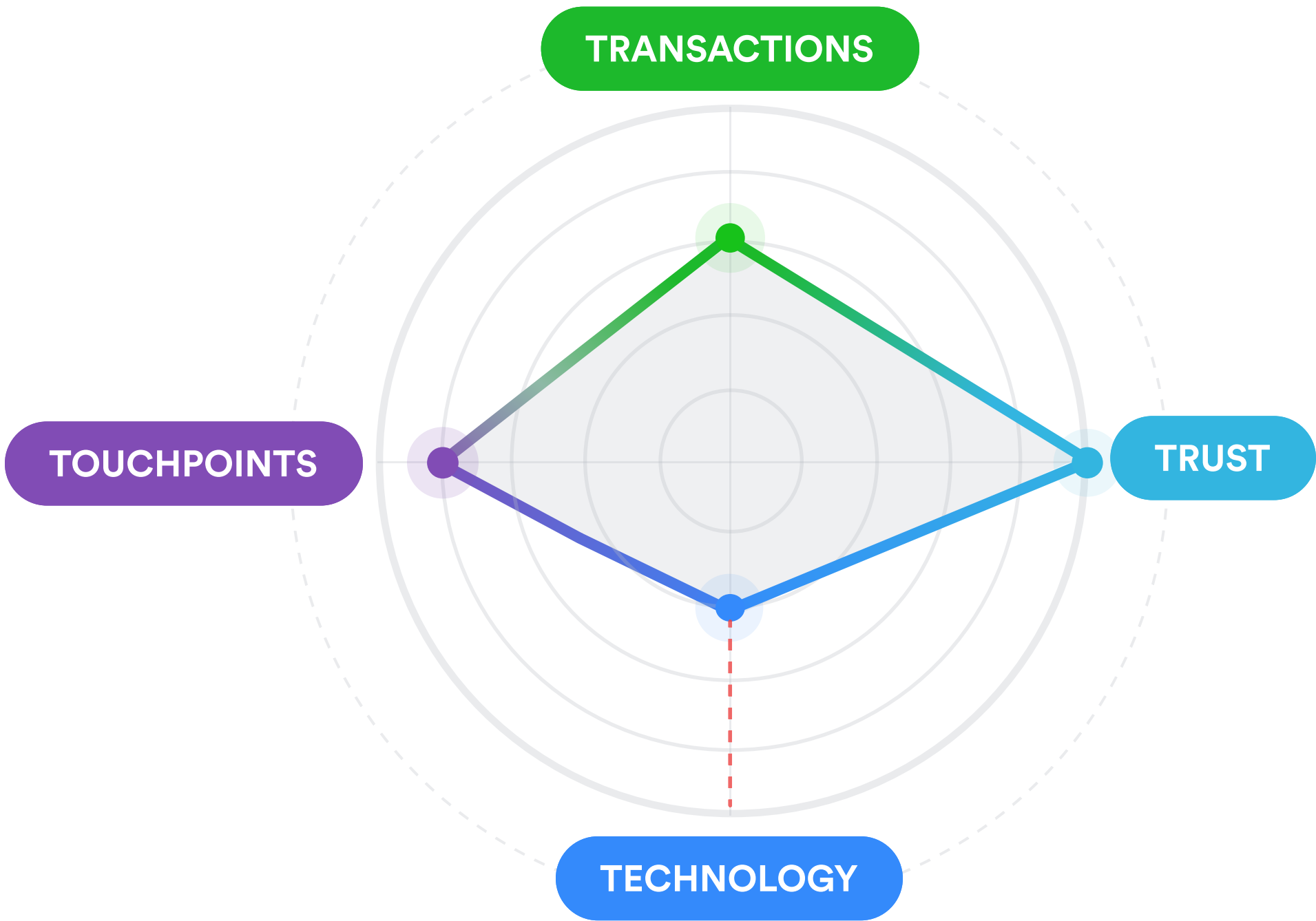
## Conclusion

As a result of these initiatives, N26 has seen a notable increase in user engagement and satisfaction. By leveraging gamification and AI, the bank has successfully made banking not only more accessible but also enjoyable, positioning itself as a forward-thinking leader in the digital banking landscape<sup>13</sup>.



# Enhancing Experiences with AI for Specialized Banks

While specialized banks excel in building trust through strong connections with regional communities and a focus on personalized services and product offerings, they often face challenges in rapidly adopting new technologies. Specialized banks must strike a balance between their community-oriented approach and the integration of modern technological solutions, ensuring they enhance customer interactions while keeping pace with industry advancements.

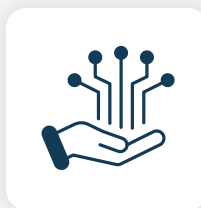


SPECIALIZED BANKS



## Generative AI powering problem resolution with a prompt and real time customer support

Leverage generative AI, which enhances customer support by providing context-aware, emotionally intelligent responses. It reduces wait times with instant, accurate answers while adapting language and tone to resonate with users. Use AI-driven chatbots, which offer real-time support and use feedback loops to refine interactions. They seamlessly escalate complex issues to human agents when necessary, boosting efficiency and enhancing customer loyalty.



## Customized Risk Assessment Models

Develop AI-driven risk assessment models tailored to specialized banking sectors, such as agricultural or small business financing. Incorporate alternative data sources and advanced algorithms. This approach will improve the accuracy of credit evaluations. It will also ensure fair access to financial services for underserved customers.

“To truly understand their customers and enhance experiences through mobile apps, banks need a centralized data system that captures interactions both in branches and on the app. Personalization also depends heavily on regional nuances and tailor interactions based on their past behavior, making it essential for banks to adapt to these unique preferences.”

***Digital Transformation Team at  
a leading bank in Kuwait***



### **AI-Powered Open Banking Boost for Transactions**

Specialized banks should adopt AI-powered open banking strategies to drive growth and address their biggest challenge of audience size and product offerings. Integrating with third-party FinTechs can help overcome these limitations by expanding product suites and extending the customer base. Leveraging AI will optimize data utilization, enabling hyper-personalized experiences that differentiate their services. Implementing predictive models based on customer behavior and utilizing API connections will allow for tailored financial solutions.



### **Collaborative Innovation Hubs**

Create AI-enabled innovation hubs that foster collaboration between specialized banks, fintech partners, and customers. By leveraging collective intelligence and co-creating solutions, these hubs can drive the development of innovative products and services tailored to the unique needs of specialized banking sectors, enhancing market relevance and customer satisfaction.



# BANDHAN BANK: Pioneering Financial Inclusion through Digital Innovation

Bandhan Bank in India distinguishes itself by combining digital innovation with financial inclusion. With a vision to impact millions of unserved and underserved low-income borrowers, the bank aims to become a universal banking institution. The challenge lies in harmonizing technological advancements with human-centric values while maintaining essential personal interactions.

## Successful IT Transformation

In October 2023, Bandhan Bank completed a significant IT transformation, one of the industry's most complex undertakings, with minimal disruptions. This transformation introduced hybrid branches that blend traditional banking with interactive digital interfaces, offering personalized advisory services and fostering community connections.

## Innovative Digital Solutions

The bank implemented a TAB-based digital loan approval process, incorporating KYC and biometric mechanisms for its Emerging Enterprise Business (EEB) segment, which supports microfinance initiatives. This approach streamlines the loan approval process while ensuring compliance and security.

## Bridging the Digital Literacy Gap

To address the digital literacy gap, Bandhan Bank conducts educational programs to inform underserved communities about the benefits of digital banking. These initiatives empower customers to make informed financial decisions and utilize digital services effectively.





## Enhancing Accessibility and Inclusivity

The development of user-friendly interfaces, including an intuitive mobile banking app, enhances accessibility. By incorporating multilingual and voice-based features, the bank promotes inclusivity, ensuring all customer segments can engage with its services.

## The Role of AI in Customer Engagement

Bandhan Bank leverages Artificial Intelligence (AI) to further its mission of financial inclusion. AI algorithms analyze customer data to tailor financial products to the specific needs of underserved populations. Additionally, AI-driven chatbots provide real-time support, helping customers navigate digital platforms easily.

## Conclusion

This commitment to merging technology with human-centric values not only redefines the banking experience but also positions Bandhan Bank as a leader in financial empowerment, making significant strides in serving low-income borrowers and fostering inclusive growth<sup>14</sup>.



## 6 KEY AI OUTLOOKS IN CUSTOMER ENGAGEMENT FOR BANKING:

# The Future of Banking (2030)

### 01 Synthetic Data: The Future of Innovation in Banking

To combat challenges like data silos, banks will focus on innovative solutions such as synthetic data. AI-driven synthetic data generates realistic datasets that ease privacy concerns. This will enable banks to test products and improve customer experiences. Ultimately, it leads to more effective and personalized banking services while enabling the development of robust AI models without exposing sensitive information.

### 02 Unlocking Emotional Engagement in Banking

To bridge the emotional gap in customer interactions, banks will focus on creating immersive experiences that resonate deeply with customers. By integrating AI algorithms to analyze behavior in real time, banks can deliver personalized gamification, such as adaptive challenges and dynamic rewards. This integration creates engaging app environments that captivate and retain customers, transforming banking into a more enjoyable journey and fostering long-term customer loyalty.



## 03 Modernizing MarTech, leveraging AI-powered Ecosystems and Open Banking

To stay competitive, banks should modernize legacy systems by adopting an ecosystem approach for a MarTech stack that integrates data sources, applications, and services. AI-powered ecosystems connect digital services, providing features like consolidated financial views and embedded lending. This shift improves data access and reduces siloed engagement, allowing banks to control unique assets instead of relying on point solutions. By adopting a channel-agnostic, journey-oriented strategy, banks can adapt to data deprecation while enhancing customer experiences and fostering loyalty.

## 04 AI-First & Customer-Centric Banking: Charting the Future

To strengthen connections with customers, banks should adopt a customer-first strategy rather than a product-first approach. This shift can lead to higher relational Net Promoter Scores (NPS) and build trust. By utilizing AI for dynamic personalization based on real-time customer behavior, such as spending patterns, banks can proactively engage with tailored offers. Generative AI further enhances service delivery and provides predictive insights, helping banks foster deeper relationships and improve customer retention.



“My bank has to know me better than I know myself, and that’s what we’re aiming for. It’ll be especially important in the coming years because most banks are figuring it out as we go. Our app has to be fast and provide everything our clients need, when and where they need it. That’s our main challenge right now: to deliver on personalization and anticipate client needs before they even ask for it.”

**Francisco Otero**

Senior Growth Specialist,  
Tenpo

## 05 AI Gaining and Building Trust in the Banking Context

To ensure regulatory compliance and cultivate trust with their customers, banks should adopt a responsible AI framework. This framework enhances transparency, accountability, and fairness in AI algorithms. It also addresses increasing concerns about data privacy. By creating a secure environment, banks can reassure customers that their personal information is managed responsibly. This ultimately strengthens confidence in the institution and fosters long-term relationships.

## 06 AI powering Open Banking, seamless Integration of FinTech Partnerships

To ensure seamless integration of innovative financial solutions, collaboration between traditional banks and fintech firms will become more prevalent. This trend will lead to the development of holistic financial ecosystems, providing customers with a broader range of services in one platform. Implementing AI-powered open banking solutions can transform traditional banks into dynamic ecosystems, where customers benefit from a wider range of services, transparency, and real-time value-added insights.



RESEARCH METHODOLOGY:

# CleverTap's Market Research Survey for Banking

## CleverTap conducted this research study to:

- Identify key trends shaping customer engagement in banking.
- Understand the challenges and opportunities faced by banking leaders.
- Evaluate the impact of AI on enhancing customer experiences.

## Research methodology included:

- Banks with a combined asset under management of \$3.03 trillion, spanning key regions including APAC, the Middle East, North America, LATAM, and the EU.
- A survey of over 50 senior executives from the largest global banks.
- In-depth interviews to gather qualitative insights.
- Analysis of industry benchmarks and best practices in banking





# Disclaimer

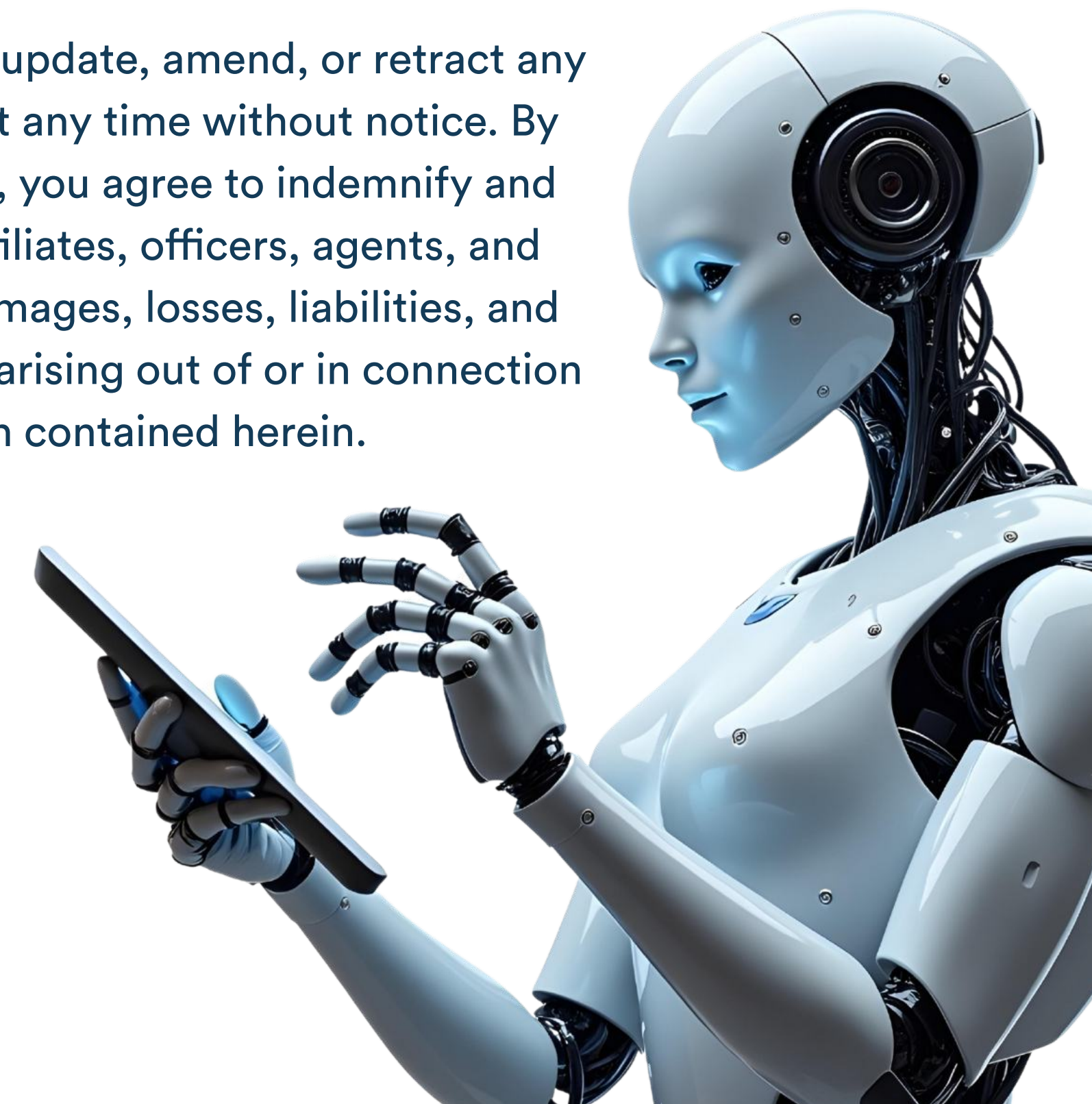
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