BANK SETA

AFRICA EXPANSION PROJECT 2017

THE BIONIC BANK: AFRICA'S SOLUTION TO ENSURING THEY REMAIN RELEVANT TO MILLENNIALS?

THEME: FUTURE FOCUS

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INTRODUCTION

"We didn't do anything wrong, but somehow we lost" These were the words of Nokia's CEO in his speech announcing the acquisition of Nokia by Microsoft in May 2016. We are all familiar with the Nokia case. For more than a decade Nokia was the global leader in mobile phones, only later to lose the battle of smart phones to new players. The situation that Nokia found itself in, could be true for African Banks if we do not take certain measures and decide now. The key issue out of this example is that of remaining relevant to new trends, generations and preferences.

We have travelled across Africa before. On our journey across Africa as part of the Africa Expansion Programme with Bankseta nevertheless, we experienced Africa differently. We interacted with various people in the countries we visited; business representatives, Fintech company founders, industry leaders, bank executives and Central Bank leadership and the general population. The interactions made us realise, the 'Africa Rising' narrative is alive.

The banking world is already changing and our cheese has shifted.. The advent of Millennials, a generation that grew up in the digital age is one of the major developments that have changed the banking world. They have a different worldview, and have grown up in a time of rapid change, giving them a set of priorities and expectations sharply different from previous generations.

The Millennials generation has various classifications. The young Millennials (Generation Z) aged from 18 to 21 years, and are in college or university. The Middle millennials are aged from 22 to 25 years, while the mature Millennials are from 26 to 30 years old. For this generation, the mobile phone comes first. It is all they have known and they get maximum value of what they want through leveraging on technology. They are more technologically savvy; their lives evolve around technology.

A presentation by Nicole Anderson (CEO Fintech Circle Innovate) in Mauritius and a survey conducted by Ernest Young revealed various perceptions of Millennials on banking. Globally, 53% of the Millennials perceive banks as not offering anything unique, they feel misunderstood by banks. Of the surveyed, 23% cited lack of mobile applications as the main barrier to bank engagement. The survey also found, 71% of the Millennials would rather visit the dentist than to listen to what the bank has to say. Also, 92% of the millennials expressed preference for a bank based on their digital interaction and 30% of them have products from other non-banking institutions such as cross border, blockchain. Prospectively, 59% of surveyed millennials still look forward to see products targeted at people like them. A significant percentage of Millennials in the US believe they do not need banks, they are creating alternatives. Banks are becoming Millennials' last choice. To avoid becoming defunct as banks, we need to understand this generation and ensure that we cater for their needs effectively. Millennials need to be understood as our customers and employees, as soon they will be majority of the population. This means that as banks we need to be taking certain steps to remain relevant to the Millennials, especially in Africa where there is a growing young population.

Whilst these researches focus predominantly on developments in the first world, a focus that may not reflect accurately the developments in Africa. Nevertheless, mobile phone penetration has been growing in Africa and social media usage has been rising. This trend has increased connectedness of Millennials in Africa with people across the globe. This was evident in our interactions with them as we journeyed across South, East, Central and West Africa, therefore the African Millennials cannot be ignored. We interacted with several Millennials as we had "Out & About" activities and culture immersion sessions. We also had a session with University students in Mauritius where we got to interview them.

CHARACTERISTICS AND MAJOR TRENDS SHAPING MILLENNIALS:

- They want things fast and now for example, signing up on social media such as Facebook, Twitter, and other social media platforms, there are very few and simple steps to sign up.
- They are a generation of 'self', staying in organisations for long is not their interest, they are dynamic. Experience, exposure, and purpose is what they are after rather than organizational titles. They share information on good or bad service on social media, they consult their peers and look at reviews before they make a purchase for goods or services.

- Millennials rely on social networks: often they regard social media as a force for positive change. They use social networking to share experiences and opinions that shape behaviour as they are "online all the time". Millennials are bombarded with information and tend to be more self-reliant when deciding to purchase. Globally, they look for product information for an average of 7.4 times each month; their majority consult up to 6 different information sources before purchasing. Many millennials prefer to engage more directly with brands and develop their relationship with their favourite ones. (Engaging Tomorrow's Consumer Industry Agenda, 2013)
- The ease of millennials inhabiting the digital world creates opportunities for them to consume products and services in new and more collaborative ways. Brands can tap into this, for example, Airbnb harnessed social networks to connect travelers with individuals willing to rent out their home or apartment ('Engaging Tomorrow's Consumer Industry Agenda', 2013).
- Growing up in a world of technological advancement, their world view and preferences is shaped by Artificial Intelligence (AI).
- Growing up in a more connected world, technological advancement is also allowing them more connectedness with their peers and family all over the world. Thus, they are exposed to so much information and developments around the world.
- They are being exposed to new trends such as Internet of Things (IoT) where gadgets and appliances are all connected through the Internet and controlled from their phones.
- They are growing up in the emergence of shared economy which improves their value for money. For example, shared space provided by Airbnb and Uber; shared skills where medical X-rays are taken and sent for analysis to an expert somewhere distant and results sent and given to the patient.
- For the Millennials as employees they prefer virtual working and flexible working hours.
- Cost of computing power decreasing, connectivity is growing and cost of storage of data is plummeting.
- Given the world has 1 100 Billion of connected devices, every single device is becoming a pay point.
- The Millennials are comfortable in paying only for what they are using – no frills, and when it comes to banking, they want free banking.
- The emergence of mobile video streaming has changed how Millennials consume media products and services, as Millennials love streaming. More than 500 million hours of video are watched daily, with 72 hours of video uploaded to YouTube every 60 seconds[1].

These characteristics informs banks on the preferences of Millennials. Banks in Africa are lagging behind in adapting to meet the demands by Millennials regarding product offerings customisation, product design, additional services and channels. However, in our journey across Africa as we interacted with executives from various banks, a few African banks are beginning to adapt and are at varying stages of adaption.

Various studies have found that the mobile phone has replaced more than 50 things in our lives[2] The picture below depicts some of things that it has replaced including bank cards, diaries, notebook, newspapers, radio, airline tickets, calculator, GPS, Barcode scanner, mail ***(www.geckoandfly.com, 2017)***. An MBA group in South Africa identified more than 200 things that have been replaced by smart phones especially if mobile applications are considered.

[1] Article on video marketing statistics published in September 2017 by worldstream.com

[2] See www.geckoandfly.com, 2017

For the Millennials, they cannot do without their phones, if they forget their phones at home they would not be able to function. They pick up their phone first, and can leave their wallets at home, as they use the phone as a wallet.

We also have founders that are the Generation Z, also known as Post-millennials, the iGeneration. These are young teens that were born with iPhone-in-hand, who are already technologically savvy before they started working, therefore their expectations are much higher.

In the next 10 years, Millennials will be the main users of financial services. Learning and understanding the language of Millennials is therefore important for banks.

KEY TRENDS THAT COULD IMPACT RELEVANCE OF BANKS IN THE FUTURE

- There are 10 emerging digital banking trends on which banks can leverage on to remain relevant to the millennials and the Generation Z[3]:

1. Blockchain – The distributed Ledger technology of shared databases enable speed, transaction security, efficiency and cost savings.
2. Gamification – Applying game principles and mechanics to engage and motivate customers to perform specified activities Banks can use this to engage customers and employees and enhance customer experience. The Millennial generation is so exposed to games and are experiential and constantly seeks for better experience. For example Nedbank South Africa opened its first digital only branch during the first week of November 2017 where clients can engage with the Bank in a digital environment. The branch has interactive wall which includes touch screens. In addition, there is a virtual reality that uses gamification to prepare clients for the future of banking.
3. Nudge theory – convincing someone or something by experience to influence the motives and decision making of a group or individual. Banks can make use of this theory in targeting Millennials by promising to significantly facilitate them to achieve their long-term financial goals.
4. Robo advisors – Artificial Intelligence (AI) driven virtual advisors who investors communicate with through their smart phones. Banks can save money if the use Robo Advisors and will respond more quickly to customer requests, and Banks become more accessible.
5. Voice processing – These are speech processing systems that allow clients to talk to bank information system. This allows for routine banking services to be available in client's home and the bank has increased capacity to handle more calls from customers. This offers bank's customers private, fast and convenient service which are the propositions that Millennials look for.
6. Biometrics – The technology can be used to register customers, manage customer identity, and authenticate customer transactions. It helps banks build a multi channels approach as the millennials expect information about transactions completed via one channel to be readily available via another.
7. Social integration – Integrating social media and digital banking channels as the millennials and future customers demand to be heard, understood and valued. Strategic use of social media can significantly impact how banks market their products, how they conduct risk management (including credit scoring), product design, business forecasting, competitive analysis and customer education. ***(Furlonger, 2014).***
8. Personalisation - making the banking products age-appropriate, and products that are driven by customer demand that cater for the financial needs of the specific class of customer rather than offering generic products across.
9. Big Data – This refers to large volumes of data, structured and unstructured which banks can analyse for insights or use to constantly monitor their customers' transaction behaviour in real-time. This then enable the banks to provide the resources the customers' need. This enables the banks to meet the needs by the millennials of being heard, valued and getting personalised service and products.
10. Open APIs and The Cloud – banks should be open for integration with third party services. PSD2 legislation in the UK forcing banks to open their systems to Fintechs.

The mobile is the main carrier or delivery mechanism of the above emerging trends.

Other developments affecting the banking sector include:

- The Internet is allowing groups of people to set up means of exchange that are independent of both Banks and the state (New Scientist 2011).
- In China, there are more payments processed through non-banking channels. For example, 67% of payments made in convenience stores in China are through Alipay, WeChat, Pay QR code, with credit and debit card and cash constituting 33%.

Banks have stiff competition and high benchmarks to

[3] *Source: module 1 presentation by IAN Merrington CEO of The Cape innovation and Technology initiative and the Bandwith Barn*

consider, which is why younger Millennials are less satisfied with their experience with digital banking than older Millennials.

Global online lending, from traditional to non-traditional lenders for example, lending trees linking borrowers to those with the money to lend directly, lenders come to you, you don't have to go to the bank. Other Fintechs such as Quicken loan in USA a customer complete forms online and the customer receives a support call while still completing forms. These disruptors are faster, cheaper and have very simple requirements. This is not only occurring in the small loan size consumer space. The US-based non-profit organization Accion International and venture capital firm Quona Capital Management Ltd raised a $141-million fintech fund to invest in companies that work on providing access to financial services for the under-served in emerging markets. The Accion Frontier Inclusion Fund aims to accelerate fintech innovations in areas such as alternative credit, payments, small and medium enterprise (SME) finance, and Insurtech that expand access to quality financial services in emerging markets[4]. The Fund will support innovators using new technologies to help create a financial system that works for everyone. By focusing on both social impact and financial returns, we believe the Fund shows the importance of harnessing the capital markets to solve society's most challenging problems (Michael Schlein, CEO and President of Accion Frontier)

Another example of a disruptor to banks in lending is Lenddo which does credit scoring on its users based on their habits for example, recharging phones and social media activity. This however can be a solution for African countries who are yet to develop strong credit Bureaus. Lenddo is the world's first online service empowering the emerging class to build their creditworthiness and access local financial services based on their online social media connection. Founded in 2011 and based in Hong Kong, Lenddo is a start-up company that attempt to create credit scores based on Social Media with its corresponding character-based-user identification system. Lenddo is now recognized as the world's leader in online verification and social online credit scoring. The new and special featured technology.

which Lenddo uses is based on its own algorithm of social authentication and scoring technology. It works differently than traditional bank credit scoring as it's based on social indicators to guarantee certain credit level. They use proprietary software for scoring and verification systems to provide economic opportunities for the unbanked and lower emerging classes around the world. They are servicing the main emerging markets in the world. Today´s Lenddo motto is: "Lenddo: Leveraging technology solutions in Credit and Verification. The list is endless, WakaWaka is Dutch company that makes solar panels and it raised $0.5m without going to a Bank, did not write a Business plan, and did not need collateral.

These examples of disruptors impacting the banking industry demonstrate the kind of technology Millennials are exposed to and the options they have for getting banking services from non-banks. These Fintechs because they understand the Millennials, for example Millennials want simple and few processes to sign up for products, hence, they capitalise on that and attract millennials to take up their products. Banks are lagging behind in the area of simplifying processes for the customers, especially the Millennials.

From the session we had with Ian Merrington there are 3 key innovations that are important and need more investment from African banks, they are in the following areas:

1. Artificial intelligence (AI) – Banks can leverage on this as they apply the technology in their businesses by offering personalized financial assistant and advice to the customers and through behavior based predictive analytics they can enhance their customer experience.
2. Bank as a platform – Banks should open up their systems for integration. Most banks have legacy systems, and these may not cope with the amount of data and speed of transaction the digital revolution in bringing and the millennials are demanding
3. Foreseeing bank services – User-centered approach, personalisation, all about speed and computing power. Traditional banks' clients are always complaining that you must complete all information on new applications. Millennials and even non-Millennials hate filling out those long forms!

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[4] *https://www.dealstreetasia.com/stories/quona-capital-accion-close-141-mn-fintech-fund-for-emerging-markets-includes-india-sea-66601/*

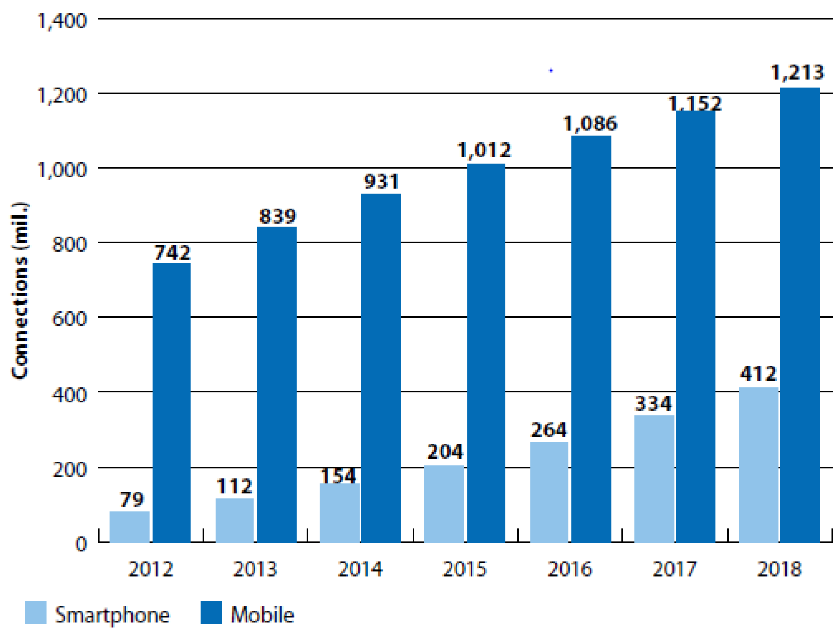
AFRICA MILLENNIALS

Africa whose countries are often regarded as developing economies, have not developed at the pace of the rest of the globe in many areas. As part of our journey, we observed this as we interacted with the general population in the markets of Senegal and Zambia. There is high inequality in Africa with wealth not being equitable.

However, this presents an opportunity for growth and Africa will grow. The resource endowment in Africa is vast, and 'Africa Rising' narrative was very much alive in all the countries we visited. The African Millennials are not wealthy currently, some will move into the middle-class driven by education, governance, urbanisation and domestic credit extension.

Although African Millennials are not yet the rich majority, they cannot be ignored as their percentage of the total population of Africa renders them the future major customers for the banks . They are also growing with the same exposure of technology as the rest of the world. In Zambia for example, we found that Millennials from Chibolia one of the poorest compounds had mobile phones.

Smartphone penetration in Africa was 79 million devices in 2012 and is anticipated to exceed 500 million by 2020 as these devices become increasingly more affordable. Although there is non-smart phone devices growth YoY, this is anticipated to slow down post 2019/2020 (Informal Telecoms & Media).



Source: Informal Telecoms & Media

- Of all mobile phones, 99% can access USSD, smart phone penetration into Southern Africa will increase from 8% in 2010 to 57% in 2017
- Statistical analysis released in 2016 by the World Bank found, less than a quarter of Africa's 1.4 billion people have a bank account but approximately 40% own a mobile phone. Smartphone penetration in Africa is expected to double in merely four years – from 17% to 34% by the end of 2018 (Informal Telecoms & Media). This justifies the need for mobile payments innovators to take note of the opportunity before them.

During our journey in Mauritius, we had an opportunity to interview a group of university students, who fall under the young Millennials. Some of the key insights we got on their behaviour, attitude and preferences regarding banks are as below:

- Their ideal bank is a bank without queues, as they want fast service.
- They want simplicity, banks should communicate to them in simple language they understand
- They prefer Mobile banking when compared to Internet

banking since it is faster and instant and they believe it is easier to keep track of your transactions through mobile banking.

- They perceive their generation lacks financial education, therefore banks that offer as added services things such as budgeting tools, and personal financial management are the ones they would prefer banking with.
- They are also looking for discounts from banks.
- They want convenience for their banking and simple processes.
- They are already buying online.
- Still want some form of Human interaction and touch from the banks.
- Acquiring a property once the completed their studies was a top priority.

WHY IS IT IMPORTANT TO BANK MILLENNIALS?

- They are not yet the rich, but banks need to prepare for them as they are a major composition of the population. One of the presenters in Zambia, a CEO of one of the banks highlighted their focus as the older generations for they are the wealthy. The contribution of consumer banking to banking profitability is important to note nevertheless and Millennials primarily make up this consumer segment.
- They are the future and prospectively they will become the majority of bank customers and wealthy.
- Technology is changing customer expectations African banks need to be prepared and evolve to offer new products in line with new customer preferences and expectations.
- Increase in FDI into Africa, will change the economic position of Africa's Millennials.
- Senegal has youth farming projects, several countries in Africa engage in Youth economic empowerment programs that are changing the financial status of the less privileged Millennials. Mauritius is capitalising on human resources, free education. However, most of their Millennials are the "Have's". African countries as they also work on diversifying their economies, improving their economic circumstances will focus on how to manage its growing young population going into the future.
- In Senegal, the Executive from Wari (an innovative mobile banking solution) considered the current African Millennials as not rich and profitable for banks. However, they regarded this as an opportunity and came up with a model for Mobile money transfer which allows Millennials to transact electronically even for the small amounts. For example, if a customer gets a dollar, then probably make one of 2 transactions out of it and fees are charged to facilitate those two transactions. Nevertheless, the volume and the technology which allows Wari to facilitate the transactions at a cheap rate make the model viable. Wari gains significant revenue out of it, and are now a strong player in the Senegalese economy. The key for them is a low-cost solution, and volumes. As banks we need to therefore start thinking differently. Wari also targets students at University to use their platform when they receive scholarship funds. Clients that are unprofitable to banks, are profitable for E-wallets. Banks in Africa therefore, need to leverage on technology such as blockchain to enable themselves to offer competitive, efficient, and cost effective products to the African Millennials.
- From our interaction with the executives from Wari Senegal, they clearly see opportunities in Africa as Africa has a low banked population and a huge informal sector. An opportunity exists to link the informal and formal sector. Wari is in 30 African countries with 152 Banks connected to its platform. Now working with regional Banks on facilitating intercountry settlements. They are also working on buying a Bank, they are seeing opportunities which Banks could not be see.
- "Africa does not lack money, but lacks organisation". These were the words of one of the business executive we met in Senegal, therefore other banks need to watch out for such opportunities
- The CEO of the United Bank of Africa in Senegal (UBA) estimates that the average age for Senegal population is 18 years! She concluded that millennials cannot be ignored.
- African countries are beginning to focus on knowledge economies. As banks we must be prepared to be part of this and to be an enabler to avoid being left out.

Competition for banks coming from unlikely sources as we know, such as Equitel bank in Kenya, have market share of 20%, Zoona in Zambia is a company that facilitates payments on mobile wallets. MFS Africa is working to integrate mobile wallets across the world, this will disintermediate banks in International payments. All these competitors are innovating to accommodate and cater for the Millennials.

Banks are usually product-centric, and when they see a nimble, agile competitor taking over a market they think they should own, they copy the competitor. Where is the customer focus? In a separate panel discussion in Zambia, Airtel asserted its mission as focused on convenience; making the customer experience the easiest, simplest and best it can be. It's all about easy, frictionless simplicity of making and taking mobile payments. Yes! This is what the banks do not get, they said. Banks believe that banking products are what mobile money customers want. It's not. It's the ease, security, trust and belief that this is the best way to do things.

MILLENNIALS AS EMPLOYEES:

1. Ron Guerrier identified 3 areas that stand out when it comes to attracting millennials' talent:[5], Provide community service opportunities - offering employees the chance to engage in community service as they seek fulfilment. Community service opportunities provide a sense of purpose to the employees beyond their day-to-day work.
2. Work-life balance, which has long been a central selling point for Millennials, is no longer a priority in today's increasingly technological world. There is transformation from work-life balance to work-life integration. The smartphone—once a fancy gadget—is now an integral part of daily life from a business and personal perspective. The Millennials need to know that their manager trusts them to handle their workload and won't be looking over their shoulder all the time throughout the day.
3. Open your office - Millennials seek clearly defined expectations for their roles, and to know how their success will be measured. This should be clearly and concisely communicated both upfront and throughout their careers.

Africa population is largely constituted by young people. The population is growing with more than 60% under the age of 25 years. Sub-Saharan Africa is already the world's youngest region today and, by 2030, will be home to more than one-quarter of the world's under-25 population[6]. There is no doubt that these are the future customers and employees that we need to start attracting and catering for.

WHAT THE MILLENNIALS WANT FROM BANKS AS CUSTOMERS:

- Seamless experience across channels - from becoming aware of a product to researching it and then buying it, customers expect a seamless service that works across all the channels they interact with for the specific organisation. They also demand payment and delivery options that are hassle-free and quick to arrange. Retailers such as Amazon are constantly experimenting with different delivery options to keep up with customer expectations in this area.
- Anytime, anywhere - the advent of the Internet has brought the customer expectation of real-time access to information about a product or service into the mainstream. In today's digital age, this expectation has extended to the product or service itself, where customer experiences in industries such as financial services and e-commerce set the standard for on-demand products or services across industries.
- Self-service - customers across industries are now willing to take greater control of their own product, service or brand experience. Not only in cases where they can customize product features, but also for models that provide them with the necessary tools and information to resolve issues. As innovations such as 3D printing enter users' homes, this aspect could gain much greater importance
- Transparency - customers expect to be able to access transparent information, which clearly sets out the features of a product or service, before making

[5] *Ron Guerrier. 2017 "The future of your workforce, so how do you attract millennials".6601/*

[6] *www.weforum.org "The Future of Jobs and Skills in Africa"*

a purchase. They also value transparency from companies about the extent of data collection prior, during or after a purchase. Users want to keep control of their personal data and are comforted by the choice to opt into data sharing in exchange for an explicit value proposition[7].

- Great user Interface, it must be usable, accessible and pleasurable. The user Interface must be simple to use and pleasurable. Millennials love quirky personalization.
- Their frame of reference is to live more and Bank less, hence they would want to spend as less time as possible doing their banking.

WHAT THE MILLENNIALS WANT FROM BANKS AS EMPLOYEES:

- Banks should obtain new skills and apply them, i.e. Design thinking adopt robotics. As banks, in your board rooms and meetings, how much time do you allocate to thinking and focusing on the future? To remain relevant to the millennial and post millennial generations we should do this daily as banks.

RECOMMENDATIONS ON WHAT BANKS IN AFRICA NEED TO START DOING

In Zambia in the 1980s, there was a popular American television series that captured the imagination of Zambians both young and old, called the Six Million Dollar Man (Bionic Man). Shot in the 70s, but the series only came to Zambia in the 80s. In this series Steve Austin is an Astronaut who is injured severely in aircraft crush and is rebuilt in an operation that costs US$6million (just over US$34million in 2017 dollars). His right arm, both legs and the left eye are replaced with "bionic" implants that enhance his strength, speed and vision above human norms. He uses this strength to fight evil as a secret agent.

Technology, robotics and augmented intelligence has come a long way since then. The 4th Industrial Revolution has presented many opportunities to enhance performance and improve human life. It follows therefore that African banks should benefit from this technological advances and provide simpler but advanced banking solutions. Max Kaizen Co-founder and Chief Intelligence Officer of Treeshake gave thoughts on the influence of Ethnography on digital banking, lending, payment, blockchain, big data and regulation technology. She surmised, the combination of humans and technology as the sustainable solution for banking into the future. Culture eats strategy for breakfast, and in a continent rich with culture, it would be naïve for African Banks to ignore African culture and the value of human interaction in banking. We cannot ignore the consequences of giving machines moral responsibilities. This was evident in South Africa, Mauritius, Zambia and Senegal were a lot of trade was taking place in markets and there was a high level of human interaction.

Nevertheless, understanding the interaction between future customers and employees, the Millennials by African banks remains a critical issue. Banks need to start focusing on ensuring relevance of the bank of the future to the millennials. The reality is that Fintechs like Wari in Senegal and Mpesa in Kenya, where mobile has taken over as the preferred transaction mode of the economy is disrupting banks. This disruption may lead to significant reduction in market share even extinction.

Therefore, our recommendation from our African journey is the Bionic Bank. A bank based on mobile banking as the primary user interface and links banking to the lifestyle of the Millennials. In this set up, value propositions combine human judgement with data power. Mobile banking has been around for a long-time and Mpesa in Kenya is a good example of success in mobile money transfer. The next step for African banks is making banking not only instant on the mobile phone but also link banking on the mobile to customers' lifestyle. Leveraging off the digital footprint of the customer to allow the customer to simpler banking experience. A hybrid banking experience that combines digital banking and convenient banking points of presence that fit the customer. However, making banking easy is not easy. There are many complex processes that should be undertaken to get the customer the experience that they currently have. Bionic Bank of the future will be a combination of humans and non-humans. It is a bank

[7] *Source: World Economic Forum/Accenture analysisnnials".6601/*

having physiological functions augmented or replaced by electronic equipment. Manual labour force in the future will be replaced by robots, for example, in Japan robots are replacing caregivers. In the banking sector, the Bank of America in the US opened a branch that is mainly operated by robots. Nedbank during the first week of November 2017 announced opening of its first digital only branch where clients can engage with the Bank in a digital environment. The branch has virtual reality are that uses gamification to prepare clients for the future of banking.

THE BIONIC BANK SHOULD BE AS FOLLOWS:

- Payments should be easy and fast as instant messaging. Instant and imperceptible authorization such as Alipay on singles day were millions of transactions are processed and approved (120 thousand transactions approved each second), that is the scale banks need to build. Another example is Lemonade Insurance Company where it takes 0.3 seconds from the time of submitting a claim to payout! Unbelievable, they adopted Artificial Intelligence. These solutions that process hundreds of thousands of transactions each second would need banks to partner with Fintechs to be able to handle such as everything will be processed through mobile. Banks need to be brave with APIs and move away from closed systems. However, there should be a balance between simplicity and compliance & security, this means we must use more technology for example, Regtechs to manage and ensure compliance.
- One stop point for all bank accounts. There is a big case for Mobile only accounts. An example is Mobile banking products such as Zoona in Zambia that also cater for the unbanked and unemployed Millennials generation that banks don't focus on. In the future, mobile may be the only solution. The UK is experiencing the growth in challenger banks which are just digital banks for example Atom bank in the UK, which is an all-Digital bank and Starling Bank, which is a mobile only bank, i.e. accounts are entirely mobile.
- Proactively do credit ratings on clients and offer them limits, without them applying, invest in technology that make use of their social media profiles and activity.
- Detailed information on every transaction should be available at the click of a button.
- Banking user experience is key, there is a need for Gamification skills, Chatbots, Virtual reality. It is key for the Millennials as that is what is more important for them Frictionless UX requires banks to understand WhatsApp, Snapchat, Facebook and Instagram. Now how many banking executives make decision are on these platforms, yet you are not on any of these platforms? Your personal Financial 'AI' assistant would also improve the experience.
- Videos and blogs, to have video editing skills. Use technology to understand customers and market appropriately. Banks should invest in technology that will enable the clients to transact through videos and Biometric technology as other industries are already doing this.
- The African banks need to invest in technology that will enable them to have Robo advisors where clients communicate with virtual advisors through their smartphones. Banks can save money if they use Robo Advisors and will respond more quickly to customer requests, and Banks become more accessible which is what the Millennials are now expecting.
- Banks in Africa should also offer added services through mobile applications such as personal financial assistance as most millennials are still poor in Africa. Also, checklists for tasks related to life events, online budgeting tools and financial dashboards to clients.

CONCLUSION

The Future will be driven by technology. Banks should view digital as the basis everything is built on rather than as a channel. Banks will need to enter partnerships with Fintechs that come with latest, nimbler technology compared to banks' legacy systems. This will enable banks to leapfrog and offer service at the speed that the millennials demand.

Banks also need to focus on investing in technology including machine learning which can predict what will happen in the future, e.g. predicting that a person might resign or client might move to a competitor Bank. Banking 2.0 that is horizontal, one and shared, all about customer. Alvin Toffler a Futurist said that "The illiterate of the 21st century will not be those who cannot read or write, but those who cannot learn, unlearn and relearn"

Now is the time to reach out to the Millennial generation, not just regarding technology, but also to deliver new ways of meeting their evolving banking needs.

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