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HUMAN OR TECHNOLOGY: THE FUTURE OF CUSTOMER EXPERIENCE IN PRIVATE BANKING & WEALTH MANAGEMENT

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Abstract. The Private Banking & Wealth Management industry is one of the most conservative and restricted spheres. It is slow to innovate and often strives to achieve security, risk control, back-office process excellence and compliance with ever-increasing regulatory requirements. However, nowadays this industry needs innovation more than ever. First of all, innovation in the field of attracting customers, creating and maintaining relationships with customers and establishing a better customer experience. Everything in the world is changing – from the nature of money and transaction technologies to the sociology and psychology of clients. Trust is fundamental, same as two hundred years ago. In this study, we will examine how thanks to innovations the most valuable asset in business – namely relationships with clients – are preserved by private banks and wealth managers.

Key words: Private Banking, Wealth Management, Affluent, Mass Affluent, Premium Banking, business model, customer experience, employee experience, innovations.

Introduction. Banks and other affluent industry players face many challenges. Financial crisis 2008-2009, large-scale acquisitions, increased regulation around the world, market volatility, emersion of new service channels, emergence of new asset classes, pandemic, declining margins, inflation, turmoil in the digital asset market, changes in geopolitics, Russian aggression against Ukraine – it's hard to believe that all of these has occurred in 15 years only. Crisis events force wealthy clients to think and look for new ideas for creating and saving their capital, reevaluating their financial goals and life aims. This also has implications for the delayed retirement of older wealthy clients and the transfer of wealth to younger millennials, who are 80% likely to turn to new wealth managers.

At the same time, the Private Banking & Wealth Management industry has enormous "tech debt" and faces devastating competition from fintech companies and non-financial players who have learned to understand their clients better.

In fact, today's challenges are being felt throughout the financial services industry. Companies are actively transforming their business models to survive and grow. We are convinced that competition in the future will only be possible in the field of customer experience: the Internet and digital technologies make products transparent and identical, so competition in functional qualities is impossible.

Changes also take place in the life priorities and values of wealthy people. Knight Frank analysts published the annual report The Wealth in January 2023 [1]. It contains a lot of interesting information about the preferences of wealthy people. For example, respondents identified the following as the most interesting areas for investment:

1. Real estate sector (47%).
2. Technology (33%).
3. Capital market (28%).

Classic business tools for managing large capital took only the third place.

Here's our view of what's coming next in the Private Banking & Wealth Management sphere and what leaders can do to stay ahead of the competition.

Basic theoretical and practical provision. The KPMG company in the document Future of Wealth Management 2022 describes three business models with an analysis of their prospects, success factors and risks separately for each region for the coming years [2]. These business models best fit our vision and experience and help shape the strategies for asset managers.

All three future business models are based more on matching customer preferences rather than focusing on wealth. Each has unique characteristics and success factors, making it difficult for any organization to participate in all three models at once.

The first model is the most realistic and widespread, so we will dwell on it in more detail. We will talk over the customer experience that business models should shape, without delving into the product and processes and we will show the specific features of the regions.

First model: The financial well-being provider.

It’s a relatively simplified (but not simple) model. A retail bank plays a major role in achieving clients' life goals and financial well-being. Typically, this model is chosen by universal banks, where there is Private Banking & Wealth Management or Premium Banking division in the retail banking structure. Many banks don’t have dedicated Private Banking and are limited to offering Premium Banking, which in fact is just a retail product in a premium package. The architecture of such a product is a solution from an international payment system (Visa, Mastercard etc.) with additional services and a loyalty program. This product is often targeted towards the Mass Affluent and Affluent segment. The challenge for a bank is to create value for the customer at minimal cost.

To succeed in this business model, providers must become popular brands. High awareness inspires confidence. Many wealthy clients choose this model because of the simplicity and access to digital technologies that provide uninterrupted, secure service at a low cost. The modularity of the product allows the integration of digital and human resources. Successful companies will be able to combine the best of digital technology and personal physical contact using a scalable, standardized approach to product creation and delivery.

Operational efficiency in this model is often linked to economies of scale and is of paramount importance.

For example, clients in the Asia-Pacific region are most receptive to digital innovations that help them securely manage high-growth capital. A reliable and popular brand is a success factor in America. Clients in Europe and the Middle East are content with standard services and access to advice. All regions are consistent in their commitment to partner with trustworthy brands that share their environmental and social values.

Second model: The domestic wealth manager.

Those who choose this model are targeting relatively sophisticated HNWI and Ultra HNWI customers who value strong trusting relationships, personalized products and attention, physical contact supported by digital technology. Products will include advice and solutions in various areas such as taxation, financial planning for the family, ideas for an investment portfolio, education, medicine, jurisdictions, legal support, etc. Players can be independent or work under an agreement with banks and position themselves as “trusted managers” of their clients’ fortunes for several generations.

Unlike the First Model (The financial well-being provider), these players will serve more complex and individual requirements of the clients. These are truly wealthy clients – they are reach enough to have particularly difficult tasks. It is important to have a strong country or regional level brand and clients-entrepreneurs, preferably generation lasting. The service is highly personalized and supported by digital technology. Clients interact in the way that suits them. This may include a variety of activities and connecting the client to a wide range of offerings for personal, professional and business needs.

The Asia-Pacific region has 15 million HNWIs. The second largest concentration of such clients is in the United States. Even young investors strive to a high level of personalized service.

The challenge for model 2 (The domestic wealth manager) is searching for qualitative differences from the first business model at ever-increasing technology costs. This model also requires a fundamentally different staff. The quality of service and customer experience is formed through the competence of managers, and digital tools just support managers, but do not completely replace contact.

Third model: The global investment expert.

A state-of-the-art wealth management segment with global reach for the exclusive, wealthiest and most sophisticated clients. Providers benefit from reliable advice and transactions, cross-border interests.

This model is for the elite from the very best. Consultations include topics on taxation and regulatory changes in different markets, geopolitics, control over money laundering, etc. Overhead costs are very high. Given the range of services, the entry threshold is extremely high.

Companies must have global capabilities and experience in the world, have intellectual leadership, experience in foresight and forecasts. Clients have global financial and business interests and demand a flawless experience. Asset managers must have large-scale operations in global financial centers and cross-border capabilities.

Costs and management difficulties, regulatory risks, cross-border taxation is the prerogative of a relatively small number of global financial institutions, family and multi-family offices.

An analysis of the implementation of these models in different regions should be carried out:

1. Asia-Pacific region

In Asia Pacific, managers operate in an unprecedented five-generation market. Many young clients from China, Hong Kong, Singapore, South Korea have become rich through their own efforts, which characterizes their profile and expectations. Having assets located around the world they face low rates, so they are looking for better solutions to generate income and protect their families in a changing world.

Implementation of digital technologies in Asia takes place across all age groups via using of platforms and instant messengers to access financial services. Millennials are looking for personalization in self-service, managing their finances themselves and operating in the stock market. At the same time, these tech-savvy clients require training and counseling as they don’t have sufficient experience due to their age. Retail investors, including a growing segment of wealthy employed women, are demanding access to the same investment strategies provided to the wealthiest clients. There is a growing demand for advice on a wide range of products according to KPMG, including alternative and more 'sustainable' assets, ethical investments. According to KPMG, more than two-thirds of investors are planning to focus at least 10% of their portfolio on ESG. Clients also invest in cryptocurrencies and virtual digital assets [3].

As asset management in Asia Pacific becomes commoditized, attracting broader mass market, providers have to implement automation and algorithms. At the same time, clients continue to seek interactive analog-to-digital communications with their asset managers.

Banks in Singapore is a good example of how local players are blurring the lines between regional and global asset managers, providing digital simplicity and versatility at a time. In fact, they are combining all three business models. This is possible due to a large number of tech-savvy young customers who are ready to experiment and innovate, and who appreciate a high level of transparency in digital channels.

The pandemic has increased the focus on health besides financial gain. Asset managers, pension funds and insurance companies, even neo-banks are increasingly releasing Lifestyle products, sometimes providing better financial terms to clients with healthier lifestyles. Confidence and trust are becoming key factors as clients seek businesses that align with their values and are committed to ESG investing.

To thrive in a highly competitive regional environment, many providers are consolidating or entering into alliances to expand digital capabilities. The partnership includes FinTechs and other providers that can quickly deliver advanced digital products and services at an affordable price, creating an ecosystem around the customer.

As consumers demand personalized self-service options with access to an advisor, asset managers will likely explore innovative ways to promote education of making informed decisions for clients.

2. EMEA region

The pandemic has updated the request for migration to online services, online shopping, and remote employment. Using data that is needed when making decisions is more critical issue here than in other regions. The industry is being challenged by neo-banks operating exclusively online. Profitability is declining. The economic growth rate is low.

Clients choose relatively standard secure services, consultations and self-service.

Providers working in Model 2 (The domestic wealth manager) offer more personalized, emotional relationships that help build client confidence and trust.

Experts working in Model 3 (The global investment expert) provide unique, sophisticated services, products and expertise at regional, national and global levels. However, they make more effort to overcome the restrictions and meet growing regulations than to serve the customers.

In the UK and continental Europe, with the exception of Switzerland, national players more often become The financial well-being provider or The domestic wealth manager.

Greater integration between investment companies and banks is also expected, as banks control the largest share of the asset management market and now are facing a low interest rate environment combined with excess cash flows.

Within the framework of The financial well-being provider and The domestic wealth manager models, there is a movement towards hybrid services to provide remote global investment advice to the mass market, as Credit Suisse did. Europe is experiencing increasing complexity of data exchange and use regulations.

3. Middle East

Traditionally, personal connections and communication were of great importance in this region. However, in recent years there has been an increase in the share of digital interactions. Also companies operating in the field of Islamic banking are attracting young investors who are prone to digital scenarios.

In response to increasing economic uncertainty, clients are seeking to manage risks more effectively by integrating portfolios with regional and international assets for greater security. Clients are planning the wealth transfer to next generations.

4. Africa

Alliances of asset management companies with digital platforms and fintech companies are being formed to serve clients in an underdeveloped market and to achieve rapid large coverage. For example, in 2021, the leading insurance group and asset management company joint forces with the mobile operator to launch digital investment product. This makes it possible to bring to market a full range of products available on the phone all over Africa.

Studying the regional specifics of building a business with asset management allows you to find interesting ideas for your companies. Often ideas for breakthrough strategies and products come from other markets.

Here the analyze of work on creating and managing customer experience should be carried out. Different business models form differentiated customer experience and attract different customers.

Customer experience is a complex concept, shaped through all types and channels of interaction. The experience will be positive, or better yet, outstanding, with companies that systematically work to create and manage customer experiences. Customer experience distinguishes companies, especially when it is almost impossible to stand out with rates and tariffs. Additionally, clients compare the experience they receive from different providers with the best practices they have ever had anywhere else. It makes it really hard for banks and financiers, because an experience with a cruise or an amusement park, a luxury brand or airline is likely to be more varied and memorable than a boring and functional experience with a bank. Traditionally banks have been built around processes and security – which is primarily important for business.

Increasing customer centricity as a strategy is indicated as one of the priorities. According to the study Future of Wealth Management (KPMG 2022), client-centricity is in 2-3 place among top strategic objectives of wealth managers in the region [4]. There are interesting features in the "top" for different regions. For example, in the USA and Asia, customer centricity is in second place after "improving service reliability, corporate resilience, and cybersecurity posture". However, next in the US is "improving business efficiency and using analytics to inform business decisions". In Asia, customer centricity is followed by "cost reduction". The importance of implementing customer-centric strategies traditionally has the greatest importance in Asia – 34%, in the USA – 32%.

The situation in Europe is slightly different: the implementation of a customer-centric strategy is only in third place with an indicator of 28%. In general, Europe is more concerned about regulatory challenges, climate and socio-environmental issues than other regions. This largely corresponds to an older and less ambitious wealth population.

The division by region is very arbitrary and reflects only the most generalized features. You should not completely rely on them when creating your strategy. We will analyze these features in order to "recognize" our clients in them.

What do all regions have in common? There are several wake-up calls for those who care about their condition: individual dependence on pension savings and responsibility for retirement, dependence on non-financial assets, actualization of inheritance transfer issues to the next generation, significant financial stability. Despite these and other challenges associated with falling revenues in the private banking and wealth management industry, there is great optimism because today's professionals are playing a key role in the financial well-being of an increasingly wide range of clients of different age and wealth levels.

Advisors strive to take the place of the "chief advisor" in clients' lives and not just in financial sphere. Attention to products fades into the background. There is an increase in "value" requests, when clients demand that their managers comply with their life values. This is especially true for the youngest and most ambitious clients. Young clients have a whole life ahead of them, they are more romantic, concerned about social, ethic problems of the modern world.

Digital technologies are being introduced everywhere to service and maintain relationships with clients, but new ideas are not always well received when they are aimed at reducing providers' costs at the expense of service quality. Providers are striving to make their business more efficient – this is a top priority in all regions. This movement is enabled by the digitization and standardization of processes which clients want to see as completely personalized and customized.

Digital technologies were driven for several years by the emergence and rise of digital assets. The current state and volatility have reduced the "digital euphoria".

The pandemic has taught clients and managers to work anywhere in the world under any conditions, to be always in touch and make quick decisions. Asset managers are now working to harness the potential of clients being "digitally literate".

A recent 2023 Global Asset and Wealth Management Survey from PwC found that 46% plan to switch wealth management providers or enter into a new wealth management relationship in the next 12 to 24 months, or both [5].

Over the past three years, 39% of respondents said they had already changed and/or established additional relationships. This switch is strongly pronounced among wealthy investors under the age of 55, especially those aged 18 to 34.

Many questions arise in connection with the aging of the "boomers" and the upcoming transfer of fortunes to young, ambitious heirs as millennials begin to inherit the wealth accumulated by their baby boomer parents. By 2030, $68-73 trillion could be transferred from baby boomers to millennials [6], claims the 2022 Bank of America Private Bank Study of Wealthy Americans.

Will the heirs' capital remain under the management of managers who served their parents? The average age of a financial advisor in the United States is 53, and most studies show that 80% or more of heirs will seek a new advisor after inheriting their parents' wealth. In Asia Pacific the industry is younger. Our Singaporean colleagues noted that the younger generation almost radically does not want to be served by their parents' consultants.

Many of the millennials will not just inherit capital – they have already learned how to earn money themselves. New capitals have a completely different nature, same as the economy in which they were created. This will increase the need for technology-enabled services. Millennial expectations are also likely to stimulate further demand for investment in new asset classes.

Attitude toward investing differs markedly across generations, causing delays in the transfer of wealth across generations, creating new challenges for financial advisors.

Having lived through the financial crisis and the current volatile economic downturn, young generation is questioning the transparency and reliability of traditional financial institutions. So, young investors:

1. Do not believe in the high returns of traditional stocks (75%).
2. Seek success in various asset classes (80%).
3. Almost half (47%) have cryptocurrency assets and pay more attention to companies that correspond to their ideas about sustainable development and social justice.

For example, 73% of millennials have "sustainable" investments, compared to only 21% of older clients. When it comes to philanthropy, only half of young clients support the same ideas as their parents.

97% of young clients said that financial literacy is important, and 38% noted a lack of educational resources.

Besides ambitious youth, wealth among women is increasing significantly. This adds even more ethical and value issues. There are more clients who choose to invest in organizations that share their commitment to more just and sustainable world. Wealth managers must align their mission, values and behavior accordingly.

Since many senior professionals are getting ready to retire, new ones are urgently needed to replace them. KPMG states that there is a diverse talent pool outside the Private Banking & Wealth Management industry [7].

As always, understanding of customer preferences is critical. Approaches to customer segmentation are always more difficult than they might seem. Different customer segments require different levels of digital solutions, balance of technology and physical contact. They also have different ideas about what personalization is.

Analysis of many studies shows that various criteria for segmenting wealthy clients have been applied around the world and several segments have been identified. Let's take data from the McKinsey European Private Banking Survey reports as an example; McKinsey Global Banking Pools; McKinsey Asia wealth management post-COVID-19: Adapting and thriving in an uncertain world [8, 9, 10].

1. Mass Affluent 100K-250K.
2. Affluent 250K-1M.
3. High Net Worth Individuals (HNWI) 1M-25M.
4. Ultra HNWI >25M.

The Mass Affluent and Affluent segments engage 50-60% of total assets.

As we can see, the range of wealth sizes in each segment is very large. There are regional differences as well. There are no uniform standards for segmentation models even in individual markets.

Take, for instance, the HNWI 1M-25M segment. The clients who find themselves in this segment with capitals from 1 to 25 million are completely different people. Their needs and aspirations will vary greatly. We see the same in other segments. Therefore, providers more often choose The financial well-being provider model, which is more focused on the Mass Affluent segment with relatively homogeneous and simple requests.

According to a KPMG study, the main criteria for customer segmentation are [11]:

1. Wealth profile – 74%.
2. Risk tolerance – 61%.
3. Age (generation) – 52%.

Classifiers related to clients' lifestyle appear much later:

1. Life stage – 41%.
2. Customer interests (hobbies, activities) – 40%.
3. Gender – 21%.

This shows that asset managers continue to consider their clients as assets, without paying much attention to what these people make money for.

Understanding the lifestyle and preferences of customers would allow to offer relevant products the most effectively and be a valuable partner in achieving life goals. And also assess the required level of digital interaction, acquiring online/offline balance.

Segmentation based on lifestyle can mix customers from different segments. For example, the most passive ones from HNWIs in Europe and the US can be quite content with standardized products for Affluent, getting everything they need. At the same time, active and ambitious young Affluent will have access to sophisticated products created for the UHNWI audience, making them even more ambitious. We are seeing this in the Asia-Pacific region through the introduction of digital services. Therefore, we recommend that consultants and managers in emerging markets study East Asian experience.

In order to qualitatively differentiate services for different categories of clients and effectively use the corresponding levels of digitalization, Singaporean banks OCBC, DBS, UOB, for example, may have 3-4 separate business units for wealthy clients. They separate not only the Private Banking and Affluent segments, but also distinguish 2-3 subsegments within Private Banking and Affluent, plus additional service lines, for example, young investors, Chinese investors, Islamic banking, etc.

Boston Consulting Group, in its Global Wealth 2021 study, claims that client income in Asia will grow faster than any other market in the world, almost doubling over the next 5 years to $52 billion. Asia is also becoming a larger hub for cross-border transactions. In 2023, Hong Kong, as the largest financial center of cross-border transactions, will overtake Switzerland, encroaching on its 200-year leadership [12].

Thanks to Asia's "wealth factory", asset managers are turning their attention to a large and untapped market. It consists of people who have relatively simple investment needs and limited financial literacy. These clients have wealth ranging from 100K to 3M. BCG calls them the "simple-needs segment".

Clients with capitals up to 1M are of particular interest since they receive very little attention. And 3M clients often suffer because asset managers offer them too standard set of products. The result is low level of personalization and featureless customer experience with no wow-factor.

BCG claims that the "simple-needs segment" has 331 million people, owns $59 trillion, and has the potential to generate twice as much in assets for managers [13]. But to conquer this segment, a radically different segmentation based on a deep understanding of the client's needs and lifestyle is required. Service can take place mostly remotely, but the client should have a feeling of care and personalized attention from the manager. Not only products, even terminology requires simplification. There is a need for educational content. Thanks to non-financial terms, visual materials, infographics, video tutorials, and gamification, you can convey complex concepts and help make decisions consciously. Nowadays ESG-related products are getting more popular among customers. Providers can therefore digitally highlight relevance of their offerings to this trend, for example by visualizing the carbon footprint of a client's portfolio. Just like airlines do.

The managers' efforts to improve the client's literacy will be perceived by the client as personalized attention. Content can be posted not only on financial portals and provider channels, but also on third-party sites. Customers should be able to "dive" deeper into product features simply by opening new tabs. Each client will receive the necessary depth of awareness that he considers sufficient to make the right decisions.

Such practices should be implemented to simplify pricing. Traditionally, clients complain about lack of transparency. Complex pricing structures irritate clients and are often perceived as hidden fees, even if they are reasonable and fair from the point of view of the asset manager. New models may have a hybrid structure, combining asset-based pricing and subscription fees. Clients with a capital of less than 1 million should be completely transferred to subscription. This multilevel pricing system would reflect the customization rate that is widely used in other industries. It also gives asset managers greater predictability of earnings.

Commonly, an asset manager's ability to devote time to any given client is limited by the operating model and personal preferences. Digitalization will help overcome such limitations.

BCG identifies "The Five Sources of Client Friction", each of which can be significantly reduced through digitalization [14]:

1. Excessive product complexity.
2. Lack of cost transparency.
3. Limited financial literacy.
4. Lack of engaging experience.
5. Lack of personalization.

Employee experience will be critical in competing for wealthy clients.

On the other side of the phone line from a wealthy client is an asset manager or private banker. He also gains his experience – employee experience. These people and the companies they work for deserve an equally detailed look at the challenges they face and a conversation about the resources they need to keep up with their customers. Customer experience directly depends on employee experience. The ideal situation is when the client and manager have such close and productive contact online and offline that they receive a common experience, the highest level of trust and confidence in the correctness of decisions. In this section, let's look at how the work environment of managers is changing and how their experience is being formed.

Several years ago, my company carried out a project for a Private Banking office in Prague, Czech Republic. The space for wealthy clients is located on the ground floor of the bank's head office. On the floors above there are various departments, including all of the bank's management. Typically, banks seek to minimize costs for back-office space, giving preference to luxurious client areas. One of the main principles that were adopted in our project is identical approach in organizing space, design, selection of furniture, etc. for client areas and all back-office areas. The quality of the space for clients and employees is at the same level. Firstly, the staff really appreciated this approach, realizing that this bank respects employees and creates a high-quality, motivating and developing work environment. Secondly, wealthy clients saw that the space for them was organized according to the same principles as the other areas and concluded that the staff was not only valued, but also more competent than in other banks. Clients noted that the staff work conditions are important for them as they feel a greater degree of "partnership" during interaction.

Similar approaches should be used in organizing workplaces, interaction scenarios and IT support for this interaction.

Deloitte's study The future of wealth management revisited, 2020, provides several recommendations, within which it notes that clients increasingly perceive experience, rather than products, as a differentiating factor when choosing an asset manager [15].

Back in 2017, Deloitte formulated the expectations of asset manager qualities from clients [16]:

1. Sentient, intelligent, and highly engaging.
2. Human, modern, transparent, and trusted.
3. Highly automated, frictionless, integrated, and collaborative.

Conducting research every year, Deloitte claims that customer demands are constantly growing, increasing the requirements for managers.

In fact, the work of managers focuses around clients' life goals: education, real estate, retirement and healthcare. By now, it has become an industry standard for banks, insurance companies and asset management companies.

For example, the same infrastructure and workplace can be used by a manager and a client. A manager can switch his computer or tablet from “advisor mode” to “client mode” and present information or create plans and timelines with the client, trying out and comparing multiple options as they build a portfolio. When the best solution for a customer comes from co-creation and shared experience, it has more of importance and is more credible.

Thanks to seamless integration, the manager can see his “managerial side” of the client’s digital application, plans and events in the client’s life – in order to interact on time, when it really matters. Unified platform and technology.

These are just a couple of examples of how attention to staff affects employee experience and customer experience, ultimately improving business performance. We used similar techniques in different markets – in the UK, the Philippines, Ukraine and other countries and saw similar results everywhere. Asset managers need help building partnerships. And the importance of this goes up as the size of assets under management increases.

Wealthy clients require more attention and contact, so now they can choose whether it will be personal physical contact with the manager, remote contact with the manager through digital channels, full self-service, including receiving advice using technology without direct involvement of the manager. However, unlike retail banking and many other services, in Private Banking & Wealth Management, behind all these scenarios there is trust in the brand and credence in the manager. The more challenging times are; the more important personalized support is. At the beginning of the pandemic, when financial markets collapsed, worried customers cut off the phone lines of contact centers. Many independent investors were affected by panic and sold their shares. Those with professional advisors generally continued to invest despite the storm. Human contact and personal trust were more important than ever. Although many people lost their jobs and income, the Wealth Management industry managed to weather the storm, and the life-threatening situation even led to an increase in products related to retirement planning and inheritance products, creating opportunities to attract a new generation of clients.

There is an interesting opportunity to evaluate and analyze a new vector of digital technologies application. According to many researchers, we are about to see not only huge state transmission to a new generation, but also the movement of approximately 70% of interactions and transactions to self-service as a result of customer rejuvenation [17]. At the same time, customers expect a higher level of service from companies through simple, convenient solutions for mobile devices and a seamless online/offline experience. Automation can speed up customer responses on portals, reduce errors, increase transparency, and provide analytics to customers and managers in order to improve the customer experience.

The 2022 WealthStack Study from Wealth Management IQ / Informa Connect argues that banks and wealth management companies don’t invest enough in technology to attract and retain clients, instead giving preference to internal and back office processes [18]. Historically, business technology strategies have not served the customer experience.

The Financial Times, in its article Choosing a wealth manager in the post-Covid world, reflects on how technology can help clients and their managers [19]. It is stated (using the UK market as an example) that when serving clients whose wealth is below £250,000; it becomes increasingly difficult to provide personalized advice in a cost-effective manner. But technology helps reduce costs by running semi-automated services with very limited human support. Robotic consulting services allow banks and wealth management companies to promote services to lower segments. Lloyds Bank, JPMorgan Chase, UBS are working on this. Only companies serving clients whose wealth is approaching £5 million can fully provide "human" service, attracting the most trained and highly paid staff.

Conclusions. The conclusion of the study is clear: relationship is the most valuable asset. It is impossible to imagine the Private Banking & Wealth Management industry without a high degree of trust between providers and clients. It is also impossible to imagine future without technologies, which are already present in every area of customers' lives. There are three approaches that characterize companies in introducing innovations to solve problems and achieve business goals [20]:

1. Innovators are the firms that invest in technology to differentiate the organization and provide the best possible customer experience.
2. Operators invest in technology largely to improve operations and internal efficiency.
3. Laggards are firms that do not prioritize technology or leverage it effectively.

It is noteworthy that these three types of companies invest in innovation with the same activity, only with differences in priorities. They also state a desire to increase investment in 2023 and beyond. We will see how the conservative Private Banking & Wealth Management industry learns to implement and use innovations. Wealthy clients will demand this because they are already receiving the best service they deserve and are able to pay for in many different areas of their lives.

As always, the financial industry has many restrictions. One of the tasks of technology is to make customer journey exciting, and the employee journey easy, allowing all participants to focus on achieving goals rather than overcoming limitations. Asset managers and private bankers are those who will become guides and assistants in achieving the life goals of wealthy clients. Technologies will complement human contact, making it even more meaningful.

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