

Customer engagement has been an afterthought for FSI for too long. Today's customers however demand world-class customer experiences that most FSIs struggle to deliver. Digital Engagement Platforms offer a fast, needs-based and cost-effective way forward.

# Getting Ready for the Next Generation of Customer Engagement

February 2025

**Written by:** Tom Zink, Senior Research Director

## I. Introduction

Customer experiences in banking have come a long way in the last decade, but still too many initiatives fail to deliver the expected results or simply fall short of customer expectations in a digital world. Investigating the root cause for these failures, the most common problems remain fragmented and aging legacy systems and data siloes. This has not changed since the early days of digital transformation. Fortunately, technology is evolving fast and the new platform era leveraging APIs, microservices and the cloud finally opens a promising, cost-effective, and fast way out. This becomes even more important as new tools, such as AI, will further elaborate customer expectations yet they need to build on a solid foundation of data, security, and governance. Once more, platforms will have a critical role to play to enable the next wave of customer experiences.

This paper will highlight the advantages of a platform strategy to transform a bank's customer engagement with an eye on scalability, simplicity, innovation, hyper-personalization, and AI enablement at relatively lower cost and risk compared to other approaches.

## AT A GLANCE

### KEY STATS

- » 53% of Middle Eastern banks identify the lack of platform capabilities as an obstacle to gain better operational control and deliver innovation, personalization, and data insights to customers.
- » 46% of ME banks are working towards AI-powered customer advisory and self-service leveraging agentic AI but lack a foundational layer and platform capabilities to unlock the full potential of AI.

## II. Customer experiences in banking still falling short of expectations

Despite heavy investments in the digital transformation of customer engagement and digital customer experiences for over a decade, a large part of the financial sector is falling behind in delivering world-class digital engagement, sales, and experiences. Heightened customer expectations for seamless digital services led by other industries; the rise of new digital banks and the impact of progressive regulations (e.g. UAE Financial Infrastructure Transformation (FIT), KSA Personal Data Protection Law (PDPL), UAE Open Banking Framework) lead to more competition, increased data privacy/protection requirements, and more cautious security safeguards to counter fraud and cyber risks. The UAE is pioneering a new, centralized approach to open banking leveraging an API Hub managed by the central bank including a trust framework and standardized API platform including shared infrastructure services such as consent management, dispute resolution, and a sandbox.

Consumer protection has been another regulatory theme across the Middle East (e.g. UAE Consumer Protection Regulation effective as of December 2020, the KSA Financial Consumer Protection Principles and Rules effective from 15. July 2023) forcing banks to rethink customer education; complaints mechanisms, product transparency in terms of risk, cost, accuracy and completeness; and ban deceptive marketing practices.

A recent PWC study confirms the decline in customer sentiment particularly for the UAE, where net sentiment has dropped by 13% since 2022. A quarter of online discussions display negative sentiment in the UAE compared with 12% in KSA. The study points primarily to operational issues, particularly customer service concerns, accounting for 50% of complaints around turnaround times, staff competency, and overall responsiveness across different channels. It is important to note, that digital experiences (18% of complaints) saw the steepest drop in net sentiment by almost 13% due to higher fraud, perceived compromised account security, as well as stability of digital platforms leading to failed transactions, lack of alternatives, and poor call center support. To avoid any further erosion of trust, banks must address these issues quickly and sustainably.

Dissecting the root cause of these operational issues, the observation must be made that these have not really changed over the last decade. Legacy IT constraints have been identified by 56% of ME respondents in an IDC survey from October 2024. This includes monolithic app design limiting innovation (32%) and a broad variety of data issues spanning, poor data governance (58%), limited data accuracy (48%), insufficient data management capabilities (42%), poor data timeliness (40%), and data silos (36%). Also, the high pace of change driven by regulation and the never-ending race for security challenge the sector. 48% of respondents see constantly evolving security features as a challenge, API security (56%), but also a lack of trust in digital identities (58%) and biometrics (42%) and high cost (50%) are frequently stated obstacles.

---

*53% of ME respondents identify the lack of platform capabilities to gain better operational control and deliver innovation, personalization, and data insights to customers.*

---

### ***III. Vision for a platform-driven customer engagement***

While the root causes for subpar customer engagement have not fundamentally changed, banks have considerably more options at hand to break free. One of the most promising options for organizations who prefer a fast and progressive approach is platformization. The platform approach introduces a middleware layer between a variety of source systems, line of business systems, and the engagement layer including all channels, marketing, CRM, event streaming, etc. With the help of a microservices architecture and APIs, data can flow through the organization more freely and faster. Governance and security can be centrally managed and controlled, new products and services can be developed much faster and without the constraints of antiquated IT systems, tools, processes (e.g. batch processing; data reformatting; flexible, modular, reusable services reducing dependencies; scalability, and development speed).

A customer engagement platform (CEP) is a dedicated technology to deliver seamless, personalized, and contextualized services and products across all channels, customer segments, and potentially even business lines. An engagement platform depends on the free flow of data across a wide variety of systems (e.g. CRM, system of record, channels, payments, risk, products), external data sources (e.g. open banking data, partners, loyalty), compliance (e.g. consent, personally identifiable information (PII), privacy). Moreover, it is the foundation for process simplification and automation to remove manual bottlenecks, increase transparency, accelerate turnaround times and resolve issues as early as

possible. Bringing all this data together is crucial to unlock a genuine digital customer experience characterized by relevance, context, personalization, and suitability in real time and across all customer touchpoints.

IDC identifies four priority areas for banks to transform customer engagement and develop world class digital customer experiences:

1. **Hyper-personalization at scale** will depend on an organization's ability to unlock the power of data as described above. Personalization will be instrumental to bridge the chasm left by the loss of human touch due to shrinking branch networks and the commoditized nature of financial products. Customers expect simplified customer journeys, which ultimately boils down to embedded finance capabilities at a time, context and place relevant to them. Platforms will play an essential role to orchestrate, secure, govern, and deliver these experiences, while AI will play its part in scaling, personalizing and contextualizing customer experiences at a place and time relevant to the customer. This journey will start for many organizations with self-service augmentation, but soon pivot to customer engagement, sales and advisory and eventually agentic AI enabling goal-oriented behavior and adaptive decision-making with minimal human oversight.  
*52% of MEA banks want to move towards real-time contextual experiences and 46% work on dynamic customer segmentation to improve customer experiences.*
2. **Accelerate and derisk your first AI footsteps.** Today most Middle Eastern banks are still in the early adoption phases of AI exploration with a third identifying and exploring AI use cases and another 40% at minimum viable product and pilot stages. This puts an increased focus on ways to accelerate adoption, rather than building AI capabilities yourselves. 40% of ME FSI look at using public foundational LLMs for their own initiatives, but a larger share taps into embedded AI solutions (34%) and platforms (37%) or SaaS-based solutions (37%).  
A solid data foundation is an essential prerequisite for the next wave of customer engagement powered by AI. It is crucial to control and govern the flow of data and ensure processing/ analysis of data complies with applicable regulatory, ethical, and organizational safeguards as the industry advances into AI-powered, data-driven decision making. This is also where a lot of the regulatory inhibitors lie as upcoming regulations will aim to establish guardrails on controlling bias and preventing discrimination, ensuring privacy, decision explainability, clear documentation, and preventing model deterioration. A platform with strong governance and control mechanisms will be instrumental to manage, control, and ensure compliance.  
*46% of MEA banks are working towards AI-powered customer advisory and self-service leveraging agentic AI. It is no surprise that employee productivity is the most important success metric for AI, identified by 49%.*
3. **Drive functionality innovation:** The struggle to innovate and launch new features and functionalities remains one of the biggest challenges in aging, monolithic system architectures. Yet customers today expect customer-centric, simple, and relevant features around self-service, consumer controls, personalized offers and advice. Platforms can serve as innovation layer without the constraints of legacy systems, whether that's real-time processing, reusable APIs and services, data access and simplified integration of new technologies, fintechs and ecosystem partners. This accelerates development and/or implementation and reduces the cost to innovate.  
*Functionality innovation is the #1 driver for platformification seen as important/ very important by 47% of MEA banks.*
4. **Reduce complexity, fragmentation and cost** through centralization, standardization and economies of scale. As such, platforms can help to reduce system redundancies across lines of business, products, and processes.

Particularly complex processes like onboarding, underwriting, origination can be simplified, standardized and scaled through automation with the use of engagement platforms. Identifying delaying factors such as missing documents, incomplete or faulty information early in the process and resolve those digitally accelerates turnaround times and improves customer experiences tremendously.

*Platforms enable omnichannel experiences, which banks have tried to deliver for over a decade, yet 30% of MEA banks are still working on it.*

## V. Vendor Profile: Considering Adria Business & Technology

Adria Business & Technology is a provider of innovative digital banking solutions, with a strong presence across Africa, Europe, and the Middle East. Adria B&T offers a comprehensive suite of solutions designed to help financial institutions modernize their digital infrastructure while delivering enhanced customer engagement. Its offerings include Digital Onboarding with eKYC, Mobile and Web Banking, Open Banking, Digital Lending, Digital Corporate Banking, E-Wallet, Digital Signing & Sealing, Agency Banking, and Trade Finance.

Adria B&T's mission is to empower financial institutions to lead in the digital age. It offers scalable, secure, and forward-looking platforms that drive customer engagement and optimize operational efficiency. Adria's platform is built to ensure seamless customer interactions across multiple touchpoints, maintaining high standards of data security and regulatory compliance.

### Why Adria?

- **Scalability & Simplicity:** Adria's platform-driven approach enables banks to scale their operations quickly and efficiently, reducing complexity and operational overheads while ensuring a seamless customer experience.
- **Innovation:** With a strong focus on innovation, Adria equips banks with new features and functionalities that keep them ahead of the curve, fostering a culture of continuous improvement and staying competitive in a rapidly evolving market.
- **Hyper-Personalization:** Adria solutions empower banks to deliver highly personalized experiences at scale, building stronger customer relationships and enhancing customer loyalty through tailored offerings that meet individual needs.
- **AI-Driven Engagement:** By leveraging AI and advanced analytics, Adria enables banks to optimize their customer engagement strategies, providing valuable insights to anticipate customer needs and create more meaningful interactions.

### Adria's approach to customer engagement

Adria B&T believes that the future of banking lies in building long-lasting, personalized relationships with customers. Its engagement platform allows banks to interact with customers seamlessly across multiple channels, ensuring a consistent, integrated experience. By leveraging AI and data analytics, Adria B&T enables banks to create tailored offers and deliver relevant content, driving deeper engagement, enhancing customer loyalty, and improving satisfaction.

### Use Case: Transforming Banks with Omni-Channel Digital Banking Solutions

Adria Business & Technology has successfully implemented omni-channel banking platforms, including mobile banking, corporate banking, and seamless digital onboarding with eKYC. These innovations have enhanced customer engagement, streamlined operations, and strengthened banks' ability to meet the evolving needs of both retail and corporate clients.

Leveraging Adria's AI-driven engagement platform, empowers banks to deliver hyper-personalized services across multiple channels, optimizing customer interactions while boosting satisfaction and loyalty. Adria solutions help financial institutions modernize their infrastructure, reduce operational complexities, and maintain a competitive edge in an increasingly dynamic market.

## Challenges

Adria B&T has a strong presence across North Africa, West Africa, and Europe, and building on its established experience in the Middle East, is strategically expanding its operations within the region. This is a highly competitive market with strong international and regional competitors. However, some of these incumbent players merely offer legacy systems with a digital face lift and tend to sell new features and functionalities at a premium. With new platform players entering the market, IDC expects the increased competition to benefit local banks by democratizing innovation, AI and platform capabilities in the market.

The Middle East is currently undergoing a major regulatory push resulting in new rules around privacy and data protection, as well as a fundamentally new approach to open banking in the UAE. The UAE has announced a centralized open banking infrastructure, managed by a subsidiary of the central bank. While this has the potential to accelerate the open banking transformation, it will also simplify and standardize the way banks access/share data and provide a comprehensive set of shared services around consent management, service assurance, reporting analytics, dispute resolution tools, and potential value-added features. Embracing and navigating these new regulations, frameworks and infrastructures will be a challenge for foreign vendors and particularly new market entrants.

## VI. Conclusion

Customer engagement in banking is currently hindered by fragmented legacy systems and data silos. Despite significant investments, many banks struggle to meet rising digital customer expectations. Digital platforms can help to overcome these challenges and enhance customer experiences, while keeping the cost under control.

Platform strategies leverage APIs and microservices to enable a seamless flow of data, centralize governance, and ensure robust security. This approach accelerates innovation, simplifies processes, and ensures compliance, creating a solid foundation for enhanced customer engagement in banking.

Banks under pressure to improve their customer experience strategy should:

- **Weigh the benefits of a platform strategy vs the other modernization approaches.** While there is “no-one-size-fits-all” approach, exploring the various options based on an organization’s individual needs and strategy is paramount to futureproof the organization for a new digital era powered by AI.
- **Identify core competitive and must-have functionalities** that align with your overall business strategy. This will help execute your strategy in a focused, needs-based approach also factoring in available budgets and required building blocks. Aim for quick wins as you build capabilities for more complex projects.
- **Develop a transformation roadmap** with clear priorities, timelines, and evaluate your own development capabilities versus that of various vendors. Keep it flexible enough to allow for reprioritization depending on external factors such as regulation, customer needs, and market trends.
- **Explore the vendor ecosystem** to identify partners best suited to empower your individual transformation roadmap. While incumbent vendors and market leaders are often the first point of contact, it is worthwhile to explore alternatives in the marketplace to differentiate, accelerate and reduce cost. Working with a new player can yield unexpected benefits such as co-development, better customer support, and competitive differentiation.



## About the Analyst



### Tom Zink, Senior Research Director

Tom Zink leads IDC's Worldwide Financial Services Platforms and Technologies research program since 2025. His research focuses on platforms, AI, cloud, cybersecurity and IT services within the financial services domain worldwide. He also wears the functional hat of Head of EMEA IDC Financial Insights managing the regional financial services analyst team since 2016.

### MESSAGE FROM THE SPONSOR

**Adria Business & Technology is a leading partner in digital banking transformation, offering cutting-edge solutions that help financial institutions enhance customer engagement and drive operational efficiency. Our platform-driven approach enables hyper-personalization, AI integration, and simplified customer experiences. As a trusted partner, we support banks in the Middle East, Africa, and Europe in their digital journeys, empowering them to meet the demands of the next generation of banking customers. Discover how Adria's solutions can shape the future of banking and customer engagement at <https://adria-bt.com/en/>.**



The content in this paper was adapted from existing IDC research published on [www.idc.com](http://www.idc.com).

**This publication was produced by IDC Custom Solutions.** The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. A license to distribute IDC content does not imply endorsement of or opinion about the licensee.

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2025 IDC. Reproduction without written permission is completely forbidden.

IDC Research, Inc.  
140 Kendrick Street  
Building B  
Needham, MA 02494, USA  
T 508.872.8200  
F 508.935.4015  
Twitter @IDC  
[blogs.idc.com](http://blogs.idc.com)  
[www.idc.com](http://www.idc.com)