



IDC Financial Insights Expects Growing Investment in Intelligent Automation to Reshape the Indonesian Financial Market and Improve Customer Engagement

JAKARTA, October 4th, 2018 – IDC hosted its annual Fintech Innovation Summit at the Shangri-La Hotel Jakarta today, exploring the roadmap of technology strategies for leading banks and insurers in the country. It was revealed during the summit that the emergence of Intelligent Automation will be a key area of investment among leading Indonesian financial institutions to improve customer engagement. Intelligent Automation brings together cognitive-enabled channels, business process reengineering, Robotics Automation, and Human-Augmentation through Artificial Intelligence. IDC expects technology spending for the Indonesia financial services industry will have a compound annual growth rate (CAGR) of 12.5%, reaching IDR 23 trillion in 2022 from IDR 12 trillion in 2017.

"Intelligent Automation will put the customer at the center of financial services. More than ever, the needs, behavior, and intent of Indonesian customers will be used to design personal and meaningful customer engagement. Interactions will be supported by greater automation so that not only are they efficient but that they also become more real-time," says [Michael Araneta](#), AVP for IDC Financial Insights Asia/Pacific.

IDC Financial Insights further predicts a clearer correlation between investments into new tech and the institution's success in customer engagement. "The market for customer relationship management will grow by 12.9% in the next 4 years reaching to IDR 234 billion by 2022," said [Handojo Triyanto](#), Senior Research Manager for IDC Financial Insights.

"The double digit CAGR that we are expecting for customer centricity is driven by emerging technologies that will see massive customer adoption in the next 2-3 years such as mobile payments, external APIs, connected core, lending as a service, corporate banking analytics, customer experience, and next generation security. Financial institutions in Indonesia need to be bold in their approach to reconfigure existing technologies to support the customer centricity," [Triyanto](#) continues.

IDC believes that the focus on the customer centricity has been sidelined previously by other areas of concern such as risk management, fraud management, and regulatory compliance. The Indonesian financial market is set to make new investments in customer experience which will be personalized, real-time, and proactive.

- **Personalization** of engagements will be based on current initiatives in single customer view, including greater understanding of the needs of new customers of the bank/insurer. This will be based on the greater ability to digitize information about the customer so that data about them can be analyzed.

- **Real-time** capability will be brought about by the ability to sense and respond trends and developments happening to the customer (including fraud management). This will be based on the ability to orchestrate business processes and utilize data dynamically across these business processes.

- **Proactive** capability will be based on greater use of analytics, particularly in automating analytics-based decisions in crucial customer-facing business processes.

The IDC Fintech Innovation Summit 2018 brought together regional industry leaders and prominent financial experts across Indonesia. The insights offered at this event will help financial services leaders plan their strategy in advance to deliver solutions that meet the challenges of today's FinTech-disrupted market conditions.

For more information about this event, visit [here](#). For more information on the insights presented at the event, contact Handojo Triyanto htriyanto@idc.com. For media inquiries, please contact Elliza Celia at ecelia@idc.com.

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About IDC Financial Insights

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