

Location intelligence is the secret weapon of data-driven banking

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Geographic information systems (GIS) are transforming banking by integrating location-based insights with CRM tools



New technologies are rapidly reshaping the banking sector, signalling a shift from traditional, branch-centric models to a more data-driven, customer-centric approach.

Geographic Information Systems (GIS) play a crucial role in this transformation by integrating location-based insights with CRM tools. This allows banks to analyse customer demographics, spending habits, and branch proximity based on their geographical location, all of which translates to greater financial inclusion.

Financial inclusion boils down to a simple question: Who gets financial services and who doesn't? It's about where banks and agents are, how far people travel for services, and what's available where. Leveraging geographic data can hugely boost banks' understanding of who's in and who's out, pushing services further and pinpointing where the economy is leaving people behind.

"Leveraging geospatial data to strategically locate financial service points greatly enhances the ability to track and boost financial inclusion, narrowing the divide between urban and rural communities," says Brian Civin, chief sales and marketing officer at AfriGIS. "And the benefits extend even further."

"By combining spatial data with customer information, banks gain deep insights into the behaviours, needs, and segmentation of their customers by region. This fusion of geographic intelligence and customer insights is changing the way banks engage with their customers and deliver services."

Civin says banks employ GIS technology to analyse and understand how communities cluster in specific geographical areas, uncovering patterns that align with economic means, lifestyles, and preferences. For instance, the demographic



Brian Civin, AfriGIS chief sales and marketing officer

profile of a neighbourhood-whether it's a golf estate, an equestrian community, or a lower-cost housing area-significantly influences the financial behaviours, spending capacity, and service needs of its residents.

"Such granularity in understanding allows our financial services clients to tailor their products and marketing strategies to meet the nuanced needs of different customer segments and personas more effectively," he says. "They can use this information to develop microloans, savings plans, or insurance products tailored to these needs, promoting financial literacy and empowering individuals to participate in the formal financial system."

Choosing a GIS solution partner

The adoption of GIS in banking is not without challenges. Quality, up-to-dateness, and reliability of spatial data are vital. Banks must select GIS solutions and vendors that adhere to high data quality standards and offer comprehensive maintenance and verification processes. "In a sector where precision matters, the choice of a GIS vendor becomes critical, with a need for a gold standard in data quality and management practices," Civin says.

Overcoming silos

Even though there are obvious advantages, blending GIS technology with CRM strategies can be tricky for banks. The main hurdles come from the way banks are organised into separate departments, or silos, which can make it hard to share data and work together effectively. To create a unified spatial view of the customer base for growth, risk management, and targeted marketing, banks have to overcome these silos.

"Banks must also handle compliance and privacy issues, particularly as regulations for customer identification (KYC) and anti-money laundering (AML) become stricter," says Civin. "GIS systems help in this area by allowing banks to carry out due diligence and validate customer information in a way that respects privacy while still meeting regulatory standards."

In short, merging GIS with CRM systems is a game-changer for banks. It's a competitive advantage in an increasingly digital and data-driven world. Banks that embrace this integration can look forward to deeper customer insights, more effective marketing, personalised service delivery, and enhanced customer satisfaction. The question is not whether banks can afford to integrate GIS into their operations, but whether they can afford not to.

About AfriGIS

AfriGIS is the leading Geospatial Information Science company in Southern Africa that specialises in location-sensitive data and solutions. It provides customers across the board with a suite of web-based tools and APIs to connect to, enhance, and enrich their own data with location intelligence, insights, and trusted data. The organisation was founded in 1997 and celebrates more than 27 years in business. It is a level 1-certified broad-based black economic empowerment (B-BBEE) business, with more than 100 employees, in Pretoria, Durban and Cape Town in South Africa, Dublin in Ireland, and Dhaka in Bangladesh.

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