Week 7

Your Name (First M. Last)

School or Institution Name (University at Place or Town, State)

**Week 7**

Topics: Confronting Major Financial Challenges in the Financial Industry

**Introduction**

The spectrum of the financial market has witnessed an unprecedented transition since the past decade. Financial firms are faced with detrimental challenges in a post-crash market, with stringent regulations, competition exploiting troublesome business models, demanding consumers and adversities to integrate innovative technologies. Irrefutably, the topic is of paramount significance because financial corporations and marketers ought to advance and enhance strategies related to customer services and financial support. The onus relies on stakeholders and financial marketers to devise profound policies to confront financial threats.

**Discussion**

It is imperative to highlight the economic crisis of 2008 which still dominates approach, action and intentions of consumers. It calls for promoting confidence in the economy through the provision of factual evidence to consumers that the economy has strengthened and recovered from the financial downturn. The financial challenges have caused consumers to expect real-time mobile and social experiences form financial brands. However, financial corporations are inclined toward cultivating uninspiring and primitive channels distorted with a potential lack of security and integration with enhanced functionality (“Six Financial Sector Challenges for Emerging and Developing Economies,” n.d.). Irrefutably, the digital transformation of financial models and interaction with customers is the most prominent and efficient technique pursued by leading corporations. The fundamental grounds of digital transformation for financial stakeholders and marketers ought to be customer-centric, extend beyond conventional measures to recognize the mix of digital channels essential for growth and effective consumption of resources.

Moreover, a critical assessment of various factors associated with these challenges needs to be examined for ensuring a successful digital transformation for financial sectors. First, customer experiences play an instrumental role to offer the basis for data analytics. Financial corporations should pay heed to data analytics to comprehend the interaction of institutional services and consumers. The investment in data analytics tools can prove productive as it dispenses information related to friction and inform marketing strategies to move forward (“The Financial Industry Needs to Start Planning for the Next 50 Years, Not the Next Five,” n.d.). New entrants in the market are keen to locate weaknesses that are embedded in the structure of financial institutions to retain their consumer base. However, it is essential to recognize the opportunities available and challenges faced by specific sector of bankers. It is closely associated with the topic of discussion and is similar. Macroeconomic risks are the most detrimental for not only banking sectors but also for other financial sectors and insurance companies (BFSI).

The primary threat to traditional BFSI sectors has been the incompetency to innovate and introduce rapid modes of technologies for consumers to transfer money. The banking sector has undergone drastic digital transformation but there exist numerous disadvantages to critically address advanced infrastructures to ensure privacy and mitigate macroeconomic threats. As per a report published by the Center for the Study of Financial Innovation in New York in 2015, high debt and interest rate were the foremost concerns for bankers which are derived from latest trends in the world economy (“Opportunities and challenges for banking regulation and supervision in the digital age, SUERF Policy Notes .,” n.d.).

**Conclusion**

Financial challenges in the financial industry are essential to be discussed to enable financial corporations and stakeholders to devise strategies and integrate innovation. Digital transformation is a key factor to advance in the financial industry. However, it will require a keen inspection of digital analytics and investment in digital analytics tools to harness advantages. The baking sector is worthwhile to be associated with the topic as it is faced by several challenges in the wake of fluctuating global economy. Previous economic crises have caused the consumers to remain uncertain and on top of that, macroeconomic factors are main concerns for the banking and other financial and insurance sectors.

References

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