Immersive Banking:
A New Paradigm for Customer Engagement in Financial Services

White paper

An RPG Company

“The metaverse has become the newest macro-goal for many world-tech giants.”
- Matthew Ball, EpyllionCo.

As immersive technologies evolve primarily powered by investments from big techs like Apple (Apple placing its most recent bet with Vision Pro), Meta in Metaverse, and related AR/VR technologies, the possibilities are further enhanced by the revolution in the Generative AI space by leaders like Open AI (ChatGPT) and Google (Bard).

Digital banking, specifically mobile banking, has become a ubiquitous and primary engagement channel. But now, the financial world has opened new possibilities beyond the established online/mobile channel engagement standards. In the last few years, the BFS space has seen a rise in adopting metaverse, immersive, and AR/VR/XR, upgrading them from tech industry buzzwords to a widely discussed business strategy. While Meta (aka Facebook) may have jumped into the promise ahead of time (and now re-calibrating itself), the buzz is real and only growing. It has started reaching the corridors of financial services players with likes of JP Morgan opening Onyx Lounge, with a plan for customers to provide a complete in-bank experience in the metaverse to HSBC purchasing virtual land and DBS becoming the first bank in Singapore to make a foray into the metaverse, both using Sandbox.

Some banks across the globe are already extending the concept of digital twins to branch banking, like BPI (CaixaBank Group) Portugal and the Union Bank of India (Uni-Verse), which are operating 100 percent virtual branches in the metaverse.

This paper explores this new paradigm shift and the possibilities of immersive banking powered by metaverse and generative AI technologies.

The metaverse is a massively scalable, persistent network of interconnected virtual worlds focused on real-time interaction where people can work, socially interact, transact, play, and even create.

At the core of the concept is the idea that the digital experience can be far more immersive and integrated, with profound consequences for how the world communicates, using advanced virtualization and communication technologies to fully immerse the user into the virtual world.

While the word metaverse was first used in Neal Stephenson’s 1992 novel Snow Crash to describe a virtual world, the idea of an immersive virtual space has been around in other shapes and forms in the gaming worlds of Roblox, Second Life, and more. However, the larger non-niche global audience only took note when immersive experience-based projects from large international brands like Nike and NFL spiked interest in the space.

Today, much of the conversation has been centered on virtual/immersive experience pioneers in the world of gaming, and isolated experiments have taken place in retail and the arts to gauge consumer interest in adopting and experiencing the immersive, which will undoubtedly make many curious:

- Is the metaverse just another buzz, a tech bubble waiting to burst?
- Does digital remain at the forefront in a post-pandemic world – especially for metrics like customer acquisition, growth, retention, or NPS?
- Can metaverse “create pull” to drive sales or redefine customer experience to make it the new sales and marketing channel paradigm?

And since immersive worlds promise to coalesce as a holistic experience of digitality, they must touch every sphere of social life and not isolated spheres. Hence, banking should not be any different, which would make one think: If it is not a buzz, how will it reshape business in the BFS industry?

In this article, we shall discuss these thoughts and explore what avenues they can open for financial institutions and how?

‘Preferred channel of engagement’ is always the primary focus for any bank. The advent of digital shifted focus from branch to mobile banking. Now a new frontier beckons which presents the power and possibilities to combine the personal touch of a branch with tech features of digital. Welcome to immersive banking. Enabled by metaverse and AR/VR/XR and supported by a range of AI including generative AI, this new frontier can forever change how banks offer in-person social experience to the old(er) and “cool quotient” to the new(er) customers – all from the convenience of their homes.

Metaverse:
Massive market size projections

Before we jump into the intricacies of the metaverse, let us understand the market's take on it. McKinsey, JP Morgan, and Goldman Sachs have valued the metaverse 2030 market size at anywhere between $1 to $12 trillion globally. No surprise then that industry giants like JP Morgan, Goldman Sachs, HSBC, and MasterCard and neo-crypto banks like Sygnum have entered the space with much interest.

What the metaverse offers, and why is it relevant?

Industry leaders in BFSI have been missing the macro picture by assessing metaverse-related investments against micro goals, for example:

- Creating virtual worlds only to augment the customer experience in the metaverse
- Enabling a decentralized payment infrastructure only for customers to create, monetize, buy, and sell digital assets and services
- Building the technology stack only to facilitate the shift to 3D

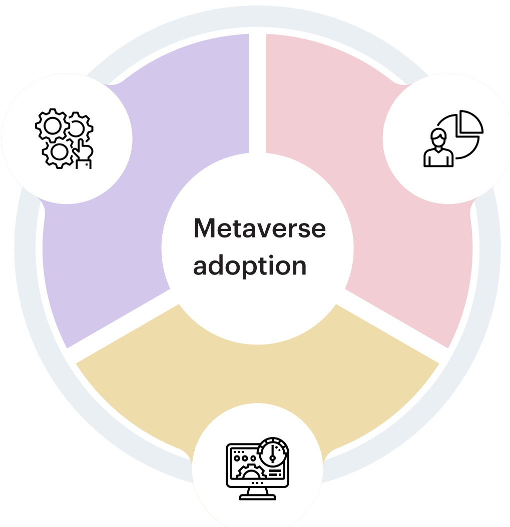
However, **metaverse-based immersive worlds can do so much more. It is competent to become a new-age channel** for immersive customer engagement across sales and services. Financial Institutions (FIs) need a customized business strategy around immersive banking based on their vision, what they want from this new frontier, and **metaverse readiness. A bank's presence on the metaverse can range anywhere from just another sales and marketing and customer services channel to a full-fledged marketplace that facilitates both direct product sales and indirect revenues, thereby realizing the true potential of an embedded finance play.**

While these claims seem far-fetched and in the distant future, underlying trends state otherwise – the adoption is happening faster than ever. So FIs that play it just right would be betting on and getting a head start in the next big transition of banking channels after mobile/internet banking.

Let us first understand why immersive banking – specifically the metaverse – is even relevant to FIs in the first place.

Why is the metaverse relevant in a strategic context?

Strategic needs arising from competition and the need to stay relevant



Business needs arising from the change in consumer behavior

Consumption of technology enablers indicating a move toward Web 3.0

Consumer needs are changing – and FIs must keep up

<table>
<tr><td colspan="3">Consumer-led business needs in a post-pandemic era</td></tr>
<tr><td>Need to stay relevant</td><td colspan="2">Needs arising from changing consumer behavior</td></tr>
<tr><td>Banking platforms and interfaces that resonate with Millennials/Gen-Z</td><td>An ecosystem enabled with Embedded Finance products at every transaction point</td><td>A virtual bank in Metaverse — finance and fun in one place</td></tr>
<tr><td>The current FintTech market, with the help of open bank APIs and data sharing, has provided Gen-Z with alternatives that they can easily switch to. Thus, stickiness with primary lending/banking partners is now at risk more than ever, especially among young customers. The expectation of Millennials and Gen-Z customers lie more with a tech-savvy interactive environment. Given that Gen-Z makes up 40 percent of the US market, FIs need to explore metaverse as a platform which resonates with them.</td><td>Metaverse real estate prices soared by 700 percent in 2021. Sectors such as real estate, e-commerce, and travel are slowly transitioning and growing in the metaverse. Ecosystems with virtual viewing of the options followed by Embedded Finance/Payments options are a must for these businesses to monetize and grow. Consumers want a seamless experience in one place, thereby generating the need for Embedded Financial services such as Embedded Payments (BNPL, cross-border payments, offering mortgages, credit loans, and insurances) while transacting on non-financial digital platforms.</td><td>Post-pandemic, the reduction of branch operations has led to the closure of multiple bank branches across the globe. This, in turn, accelerated the need for omnichannel platforms to perform banking transactions. According to the FIS survey, 26 percent of respondents started a new relationship with a regional or community bank for digital banking services. This appeals to audiences and virtual platforms so that with the advent of digitization, the touch and sense of belongingness will not be missed.</td></tr>
</table>

Consumption indicators also reflect a growing market for Web 3.0 tech

While consumer behavior drives business and forces FIs to rethink, consumption and industry drivers indicate that consumers are already actively invested in the future.

<table>
<tr><td colspan="4">Consumption-based leading drivers indicate the metaverse is poised for growth</td></tr>
<tr><td>Increasing adoption for AR/VR market</td><td>Growth in the banking industry</td><td>Technological development for industrial support</td><td>Emerging curiosity amongst customers and businesses</td></tr>
<tr><td>The increased demand for AR/VR-based social applications usage, where customers collaborate in a virtual world. This shows a growth height in the market with CAGRs of 75.1 percent and 72.8 percent in the US and Europe, respectively. As per IDC statistics, AR/VR spending in the United States is $5.1 billion, and in Western Europe is $3.3 billion.[1]</td><td>The growth, especially during the pandemic, has increased the demand for virtual platforms and services. The metaverse market share in finance has already risen and is expected to increase to $50.37 billion from 2021 to 2026 at a CAGR of 20.93 percent.</td><td>The current internet penetration in the US is 63 percent. The growing cloud computing industry market reached $410.92 in 2021 and was predicted to reach $495 billion by the end of 2022. The internet with cloud competency forms the base for infrastructural support and is one of the driving factors for growth.</td><td>User interest spiked during landmark announcements in late October 2021, when Facebook rebranded in the name of Meta platforms at the corporate level. Non-fungible tokens (NFTs) were picking up in the market during a similar timeline and were trending because of promotions from the entertainment industry. Additionally, 12 percent of US online users showed interest in using the Metaverse (March 2022).</td></tr>
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Together they indicate a ripe ground for Web 3.0 and metaverse-based immersive channel adoption and its success. That's not all. The technologies that enable Metaverse/AR-VR-XR/AI are also developed and are now widely available and adopted.

Technology enablers for metaverse adoption are improving

While Web 3.0 (Blockchain, AI, ML) is vital to immersive experiences, other infrastructure considerations exist. Maturity in all these technical and infrastructural capabilities is critical to a successful implementation, and they are improving and adapting quickly.

Technological factors that can enable widespread Metaverse adoption

Virtual and augmented reality (extended reality)	Blockchain	Artificial intelligence	5G network
Combining these two immersive technologies leads to extended reality applications, which drives the **concept of 3D modeling and metaverse 3D representation.** Every day, 200 million Snapchat users interact in AR, and Nintendo has already included AR in its Pokémon mobile game. With the growing market, organizations can leverage these technologies to expand their horizons.	With blockchain, enterprises can build decentralized and transparent solutions to provide digital proof of ownership, collectability, value transfer, and interoperability. Offerings can range from BNPL merchant settlements and smart contracts to digital currencies, NFTs, etc	**Conversational AI** can simplify interactions between humans and the virtual world. **Generative AI** can create environments that really exist in the physical world or make a **3D replica from still photographs, with fewer human inputs. Facial expressions and body movement interpretation** can all be mapped to the **digital twin or avatar.**	Metaverse requires a robust and reliable infrastructure with high throughput and low latency. 5G networks can enable remote user interactions with inter-connected objects with **less than 1 ms of latency (difficult to distinguish between virtual and normal natural interactions). Such low latency (tactile intelligence) forms the technological foundation of the metaverse.**

The generational paradigm shift

A generational shift is happening – the balance of economic power is slowly shifting to the younger digital generation. Millennials are either at their prime or are slowly nearing retirement, while the new-age digital-savvy Gen Z* customers are approaching or have just entered earning period and will soon enter their prime and would thereby become the key target segment for banks and FIs.

While Millennials specifically prefer experiences, 60 percent of Gen-Z prefer a cool product to just a "cool experience," a superb product is still simply the price of admission. The products and services are not just competing against immediate sector rivals – **they're fighting for a share of wallet**

DIY and D&I

- **Gen Zs have embraced a DIY culture to shape their career goals.** But they are using digital as a bridge to take them where they want to go, a platform that facilitates connection and productivity. This means every digital platform solution must also cater to the social angle.
- **There are certain other softer but important aspects too, especially involving large financial institutions.**

Only 6% of Gen Z trust corporations, compared to 60% percent of adults and thereby, are comfortable with only those large brands (e.g. Instagram) that provide space for **unfiltered self-expression,** which is **sensitive to diversity and inclusion** and provide **tailored, immersive experiences** rather than run of the experiences.

against the experiences Gen Z can have with entirely different brands like Amazon or Starbucks and expect the same at a healthcare service, for example.

While Gen Z are digital masters and **keener on the speed of service and convenience than human interactions,** across research and buying stages of the customer journey, failing to visualize the product has still been a critical pain point, and a whopping

This spells doom for something, dare we say, traditional banking!

83 percent like to be influenced by someone knowledgeable before making a buying decision. Gen Z likes this **integrated within the customer journey** that allows **try and buys,** helping them visualize and receive instant validation of their choices.

Contextualizing the core propositions of the metaverse for FIs

The new digital generation prefers the comfort and convenience of 'as a service' and DIY while "being who they want to be." Metaverse allows them to do both, and when done right, that can be a game-changer in the financial services world. The advent of the metaverse presents a significant opportunity for brands to play a more defining role in creating, co-creating, or owning customer experiences virtually.

To be precise, the **ability to offer a tailored, immersive, visualization-enabled customer experience that is fast, DIY, and yet embedded with human touch while championing diversity, inclusion, and socializing is what sets metaverse apart from all other channels –** and the target customer segment resonates with that proposition. This lays the foundation on which FIs should build.

Creating an immersive channel presence – the first step!

This is the basic level of what any FI can do with metaverse – create a presence in it – add the cool quotient to the brand image and stay relevant and resonate with the younger generation who are/would be their customers, build visibility and branding, and then, further extend it for presales and marketing. Banks can think of innovative ways to use this platform for brand interactions, product queries, and generating sales-qualified leads. They can offer pre-qualifications for cards or other lending products and offer AI-developed visualization of each product with the option to visualize any personalization. They can choose to provide a gamified investment dashboard to their HNI clients. They can even offer connected immersive experiences to visualize products like cars and homes through embedded partnerships. Once the basic infrastructure for the next level is ready, this platform can also be the stepping stone toward account opening and other customer onboarding operations – including all the opportunities mentioned above.

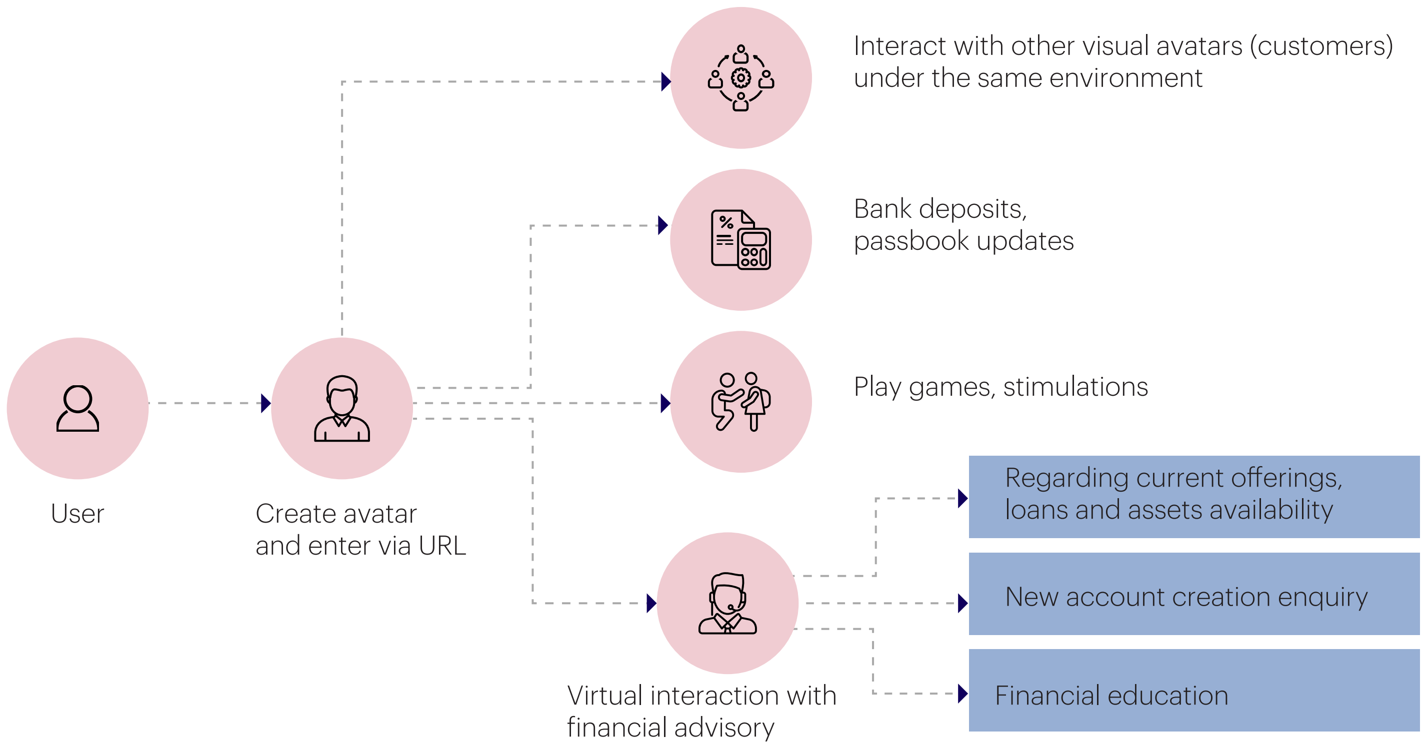
What should the first step be?

Be who you want to be – experience led by avatars: An avatar is a 3D representation of a user that is updated constantly and further aids in decision-making through simulation, ML, and reasoning. Customers are free to take the avatar of characters they like. For example, in Fortnite, you can pay 1,500 V-Bucks ($15) to be Iron Man or a Patriots player, attracting millennials. IBM has its own Digital IBM Twin Exchange, which can be used in real-time. The platform must have avatars in some shape and form to excite the customers, especially Gen Z.

And how would the bank enable it?

Customers would connect with the metaverse lounges/platforms through consumer-facing, interactive, and immersive platforms built with the help of the above technical enablers.

Open metaverse-based lounges:
The application will be accessible to users who can enter with an avatar via a browser and a URL on a PC or mobile device without any centralized server. Examples of such metaverse include Vircadia and Sandbox.



Unlocking a new sales frontier: Extending to basic banking operations

Once the bank has established an essential brand presence, it would want to slowly build its operations and infrastructure to offer primary banking products and money movement operations. This would help incentivize customers to migrate from traditional mobile and internet banking to a more personalized interactive experience.

The developments can then transpire into more complex offerings of embedded finance products across traditional plays like home, auto, cards, POS, and e-commerce to innovative ones like NFT financing, in-immersive tourism financing, CBDC and crypto-based payments, ViBans and Virtual currency-only accounts, market place and decentralized finance (DeFi), and so on – all based on the customized metaverse maturity strategy discussed earlier.

The operations can start with basic hygiene features such as:

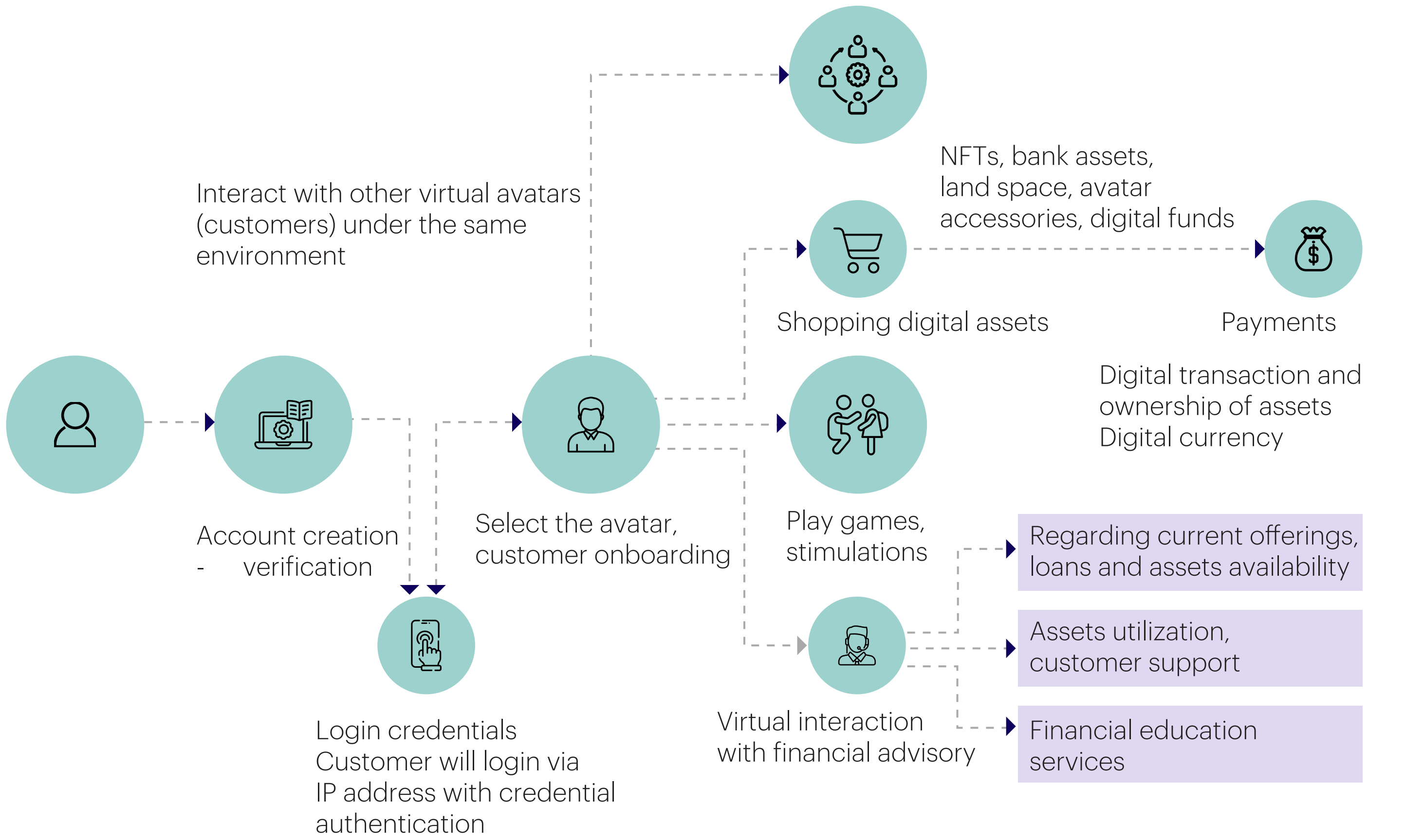
- CASA account opening and KYC
- Lounges with branding and banner, AI/ChatGPT-based RM, customer onboarding (B2C), HNI RMs, and financial planners
- Basic money movement operations like ACH/wire transfer
- Basic banking operations such as checking current balance, ability to view/download bank statements, issuing/ordering debit/credit cards, and blocking lost cards
- Virtual account setup – all secured with MFA (multi-factor authentication)

This can further be augmented with an extension of the consumer lending product portfolio enabled by straight-through processing and many value-added services.

Using these, banks can onboard any new customer and enable them to start experiencing the latest frontier of banking from day one. Here's how:

Using closed metaverses for hyper-personalization

Once customers are onboarded, based on their data and preferences, FIs can offer further hyper-personalization of avatars. The customer data of their accounts, products, and money movement operations would help banks create hyper-personalized product offerings using predictive and prescriptive AIs. To achieve this, banks would onboard their customers into a closed metaverse.



Tailored and immersive experience using closed metaverse-based applications for registered users:

metaverse is only accessible through a download of a proprietary source IP for which users are required to sign in with an end-user license agreement for access. Only authorized users can access the functionalities in a closed metaverse application. **Fortnite, Roblox, Call of Duty, Minecraft, and League of Legends are all examples of such a closed metaverse.**

The road ahead: How will this mature into an ecosystem offering?

Brand differentiation, better margins, and customer engagement can only be achieved by building on a 360-degree view of consumers and consistently delivering exceptional experiences. Once customers start using these products and the metaverse platform/lounge, banks will have more data to hyper-personalize and provide an even better experience.

While the experience bits will play out and mature based on the data, the platform interaction and product usage data would also act as a feedback loop for the banks to build on the next set of capabilities and offerings ranging from CBDC interoperability and cross-metaverse referrals to embedded finance-based POS in metaverses of other industries (in-game buys, virtual tourism, next-gen real estate/auto sales, etc.) to marketplaces where banks can extend both the platform and BaaS services to third parties (3Ps) as a new revenue channel to DeFi (decentralized finance) and P2P banking.

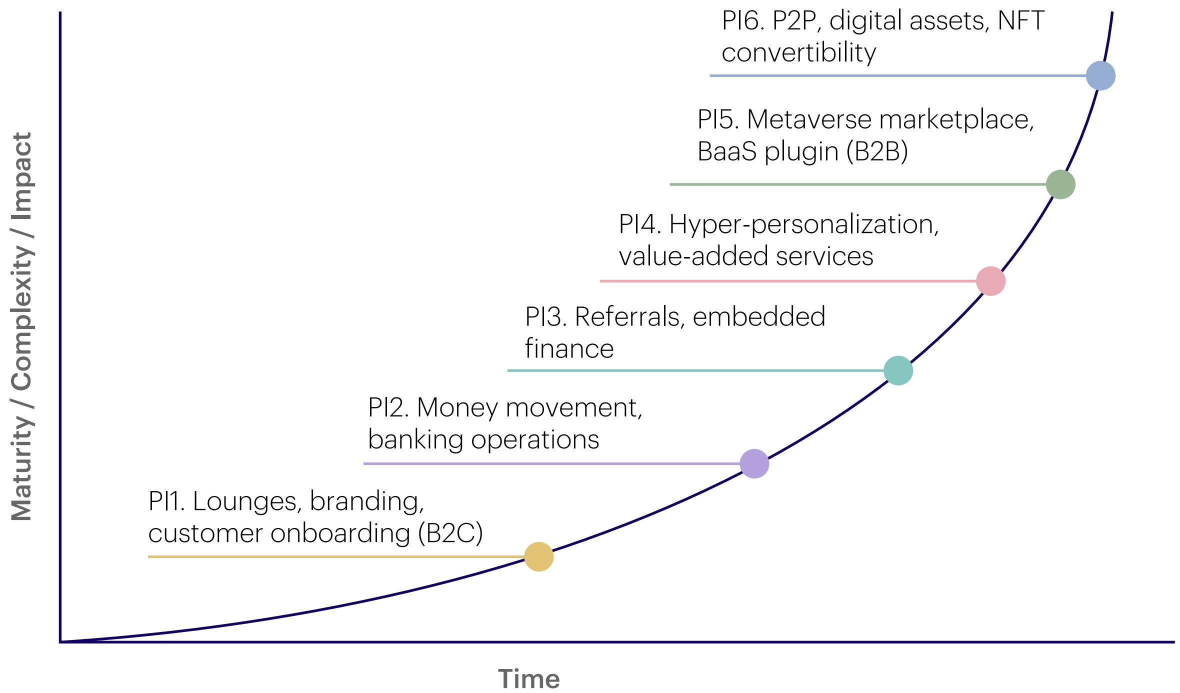


Fig: Zensar's Immersive Banking Framework* lays out how a bank's metaverse platform evolves into the primary engagement channel and ecosystem over time

To navigate these challenges, Zensar also offers an *Immersive Banking framework. This is a componentized, customizable, low-cost, low TTM SaaS-based solution framework.

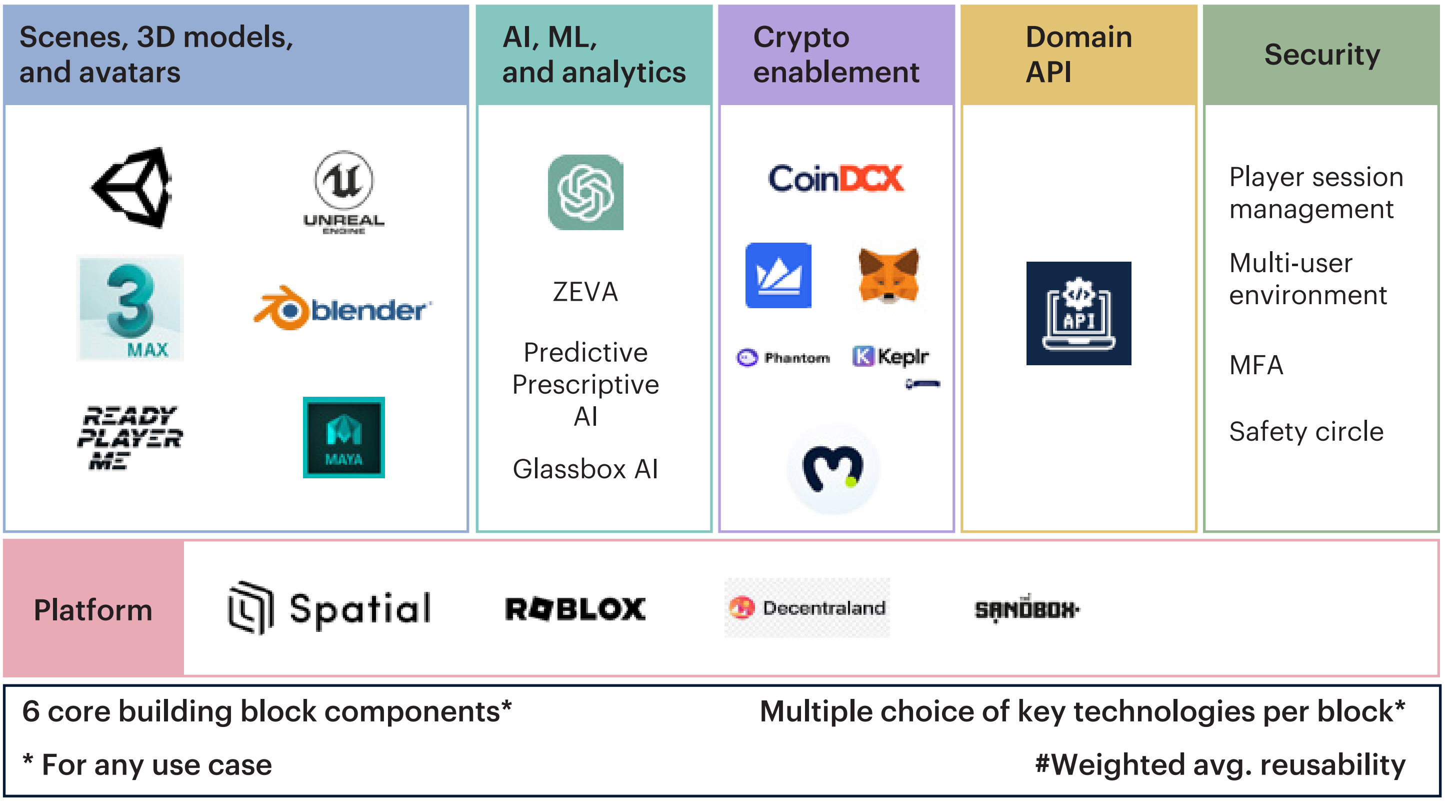
It helps create a unique identity for each bank, differentiated from existing digital channels by immersive engagements. The engagements can happen via dedicated platforms or regular channels augmented by AR/VR.

The engagement medium can be built upon the existing digital infrastructure using the six core building blocks, fungible tech stack, and choice of third-party software.

It also lets banks test their 'immersive maturity,' customer segment alignment, and product-market fit through low-cost, low-risk pilots and an opex-based, managed capacity service on implementation.
As a member of the Metaverse Standards Org, Zensar is cognizant of emerging global standards in the development processes.

This can also be extended as a white-label offering.

Empowered by cutting-edge reusable tech stack



Here is a quick look at what each of the framework levels means in the context of platform maturity CBDC, cryptos, NFTs, and tokens:

Metaverse tokens are currency units used to purchase virtual goods in the metaverse. Some tokens are available on exchanges like tokens offered by WazirX, Coinbase, and Binance, whereas some tokens are unique and immutable – NFTs (non-fungible tokens). The token holds the real money conversion value like the current value of SAND (a sandbox token) equals $1.28. The platform can also have CBDC and cryptocurrencies as modes of payment – thereby making blockchain technologies and currency interoperability critical areas for success.

B2B offerings – marketplaces and BaaS plugins:
A marketplace on the metaverse allows third-party providers to extend services enabling finance and payments across any industry, including retail, insurance, medical bills, and tourism. The bank advances the metaverse platform and BaaS to all these third-party institutions on a revenue and risk-sharing basis. These can be provided using a simple open metaverse, available even on mobile browsers (like the Nike swoosh).

Asset interoperability and interoperable payments will play a key role here. They provide customers with a single wallet that can converge NFT/crypto/CBDC or other digital currencies/payment methods with real-time money and eliminate the need to maintain separate digital and metaverse wallets. Banks can either form their interoperable payment ecosystem or partner with leading fintech to provide wallet services in the metaverse. The rails could also offer interoperability of assets between the virtual and real worlds, which will help with dynamic inter-metaverse transactions and help banks to provide innovative, tailored financial products.

While there are no set guidelines for interoperability between metaverses, the Metaverse Standards Forum oversees the space. Zensar is in the process of becoming a member along with other leading IT and tech companies. Their guidelines would help players to build and regulate secure interoperable metaverses for these offerings.

Here are a few use cases of how the B2B offerings are expected to mature:

Embedded finance and inter-metaverse dynamic referrals: Third-party providers can offer a product on their metaverse enabled with a product tour. Bank can offer embedded finance and VAS extensions at different POSs. Innovative products like BNPL/mortgage against NFT and land parcels bought on the metaverse can emerge.

Bank-owned metaverse for product hosting and payment financing:
Banks can offer a Metaverse platform where:

- Rental property owners can list their properties that can be viewed/experienced on the metaverse (AR/VR). They can use embedded financing options for home improvement, refinance, personal finance budgeting, and property management tools.
- Auto dealers can do easy listing, and banks can offer embedded auto finance and valuations.
- Real estate agents can offer simple home tours to leads and provide easy financing and bundled appraisal, title, and servicing options.

DeFi facilitates the peer-to-peer finance model. The DeFi ecosystem (dApps) has successfully established P2P lending and borrowing platforms alongside tokenized digital currency and stable coins by providing transparency. A metaverse-based lounge enabled by a digital appraisal, tokenization, and possible securitization of the underlying asset (NFT Marketplaces) and P2P lending would create an incredible platform for an authentic DeFi experience.

Additional returns of investing in metaverse infrastructure has other returns as well!!

Gamification for customers

Banking activities might be tedious and involve wait-time. Therefore, banks are engaging their customers with simulations and games. HSBC has invested a block of land in The Sandbox metaverse, which it plans to develop in order to engage hire sports, e-sports, and gaming enthusiasts to increase customer engagement.

Training and employee onboarding to increase retention and productivity

Per the a PWC report, learning platforms enabled with AR/VR trained 4X times faster and 275 percent more confident in their customer-facing skills. Banks are also adapting new innovative ways to make enhance their employees experience, including better includes employee training additional hours, orientation expenses, and job trainings.

Bank of America launched a virtual reality training program for its employees in over 4,300 financial centers covering 50,000 employees. Training programs will help in improvingmprove employees' employees'' client-facing skills and helps to build a strong customer relationships with banks.

Hana Bank and NH Nonghyup Bank held an induction for recently hired employees using the Zepetto platform. Employees' impressions have molded the banks to find innovative ways to improve experiences.

Challenges that banks must address

As no centralized authority governs or owns the metaverse, there is a potential risk in how customers and businesses will utilize metaverse services. However, with companies forming consortiums (USDF), there is hope for more structured and continuous innovation in the metaverse. That said, some challenges for market players include:

Interoperability between the virtual world and physical world as asset mobility and fund transferring between virtual spaces and physical world have constraints in metaverse due to connectivity gap between real and virtual worldand physical worlds, as asset mobility and fund transferring between virtual and physical spaces have constraints in the metaverse due to the connectivity gap between real and virtual worlds. Current The current infrastructure of the metaverse is built as self-contained silos which need to be addressed by financial institutions when moving to virtual space.

Privacy and data security:
The nature of the transaction should not be revealed subsequently before and after, and details in virtual identities are critical and should not change on and after the submission of data. Privacy of user activities to be carried out in an isolated manner without linking back to them.

Identity Theft:
About 75 percent of survey takers have stated a fraud issue as a prominent reason to switch banks. Secure and efficient identity management is the basis for avatar interaction and service provisioning in metaverse applications. Digital Identity identity contains information about users than a physical individual at any given time. When users are allowed the same digital identity over multiple metaverse platforms, it can be misused easily for cybercrimes.

Financial Literacy:
Customers require appropriate individualized exposure and experience. Understanding the finance system, services, and offerings provided by the institutes enables customers to increase their knowledge base about its implementation in a virtual world.

Governance vs. Defi: - A Balancing act that needs guide rails

Web 3.0 and a true DeFi-led metaverse harps on complete decentralization. While it may be great, it also increases the chances of fraud, money laundering, and credit defaults. Thereby guide rails around even DeFi can make the offering much more sustainable.

DeFi protocols could allow trusted third parties, and identity providers to perform the KYC and verify the users instead of a central entity. Successful verification and AML screening create a whitelisted safe-listed wallet address. This way, DeFi remains decentralized while boosting trust and security.

What banks should expect in the metaverse

Brand image:
The banks' investments in the metaverse serve brand image objectives. The metaverse is intimately linked to NFTs, the crypto universe, and consequently to the younger generations. Banks are keen to appeal to this younger generation. Using a presence in the metaverse to demonstrate their modernity would not be an inappropriate marketing strategy. Of course, at the center of this strategy are the early adopters. Besides showing their modernity to customers, the metaverse also allows them to position themselves well with regard to rare profiles (see our article on recruitment in the metaverse). It's a safe bet that banks will use this tool to attract the good graces of developers, data scientists, and other IT profiles who are always looking for a company to help them embellish their CVs.

Learning:
Banks are at the beginning of their learning curve beyond the strategy of occupying the virtual terrain found in other sectors. Their presence in the metaverse is currently used to "get their feet wet," i.e., experimenting with new ways of delivering value to their customers. They may feel that experimentation costs are still low compared to what they could become in the future. The metaverse is still in its infancy today, and in the absence of pressure, it is still easy to test without having to meetmeeting specific targets.

Occupying the field:
Few banks believe in the potential of the metaverse. Their investments are only aimed at "occupying the field" and blocking the arrival of competitors. Remember that the supply of landland supply on The Sandbox or Decentral and (the two most famous metaverses) is limited. As in real life, banks hope that their purchase ofpurchasing potentially strategic locations will give them a competitive advantage in the future. The reasoning behind this is a "first-mover advantage.".

Conclusion

The metaverse is here. With Gen Z at the helm, it is just a matter of time before it becomes a mainstream channel for everything. Technologies enabling the metaverse are also maturing amazingly fast, and soon it will be universally acceptable. Once this happens and banks allow money movement in the metaverse (both fiat and crypto), it will become the primary engagement channel for Gen Z and rapidly for everyone. We anticipate this to happen even faster than it took for the internet and mobile banking channels to leave branch banking behind in terms of being primary for customer engagement and revenue generation.

We have defined a progressive and detailed roadmap for banks to create an immersive customer engagement and sales channel. We strongly recommend banks take the plunge now and be at center stage in the metaverse for financial transactions and embedded banking services.

We at Zensar have a comprehensive, immersive banking offering in a white-labeled fashion and as-a-service. This allows banks to dip their feet in the metaverse and establish themselves as tech-savvy for their customers. This service is a highly componentized, customizable, low-cost, faster time-to-market, OpEx-driven, SaaS-based solution that fast-tracks banks' foray into the metaverse.

For banks, now is the right time to create their presence in the metaverse and woo Gen Z customers to onboard them early by harnessing their curiosity around a metaverse branch. Let them come for the curiosity, but make them stay for the immersive experience that has potentially infinite space with seamless integration to other metaverses. Also, engage them, listen to them, and offer them the hyper-personalization they seek, making them loyal partners in this immersive banking journey. Let them design their avatar, offer them financial education, and let them help you further enhance solutions for them, so they don't just stay but act as social influencers for your brand.

Five key takeaways for banks

Consider investing in immersive banking if you want to:

- **Capture Gen Z** customers and help them **grow** into **brand evangelists**
- **Create a digital-first image** and differentiate with digitally-savvy branding or as pioneers of immersive
- **Foray in the future of engagement channels** for customer acquisition or retention of older customers
- **Offer** interesting products like banking and lending **for digital/virtual assets and universes**
- **Offer** the **"golden days"** of social interaction during in person/branch banking experience from the **convenience** of home

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