

World Retail Banking Report 2018



Prioritizing the Customer Journey is Key for the Bank of the Future

Traditional Banks still have work to do in customer experience



Barely half of customers have a positive experience across various channels:



51.1%



46.9%



51.7%



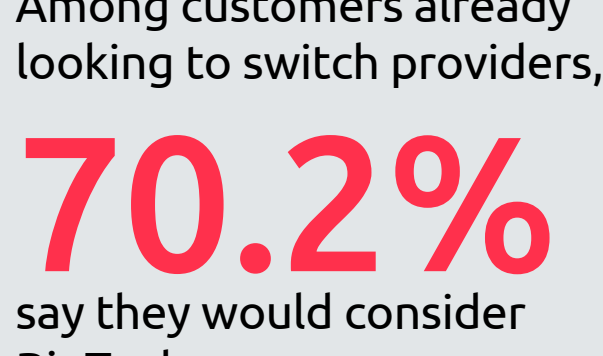
Customers want:

- Convenient banking services
- Faster response time
- Higher value for their money
- Personalization

Customers reporting positive customer experience:



BigTechs¹ that prioritize customer experience are around the corner

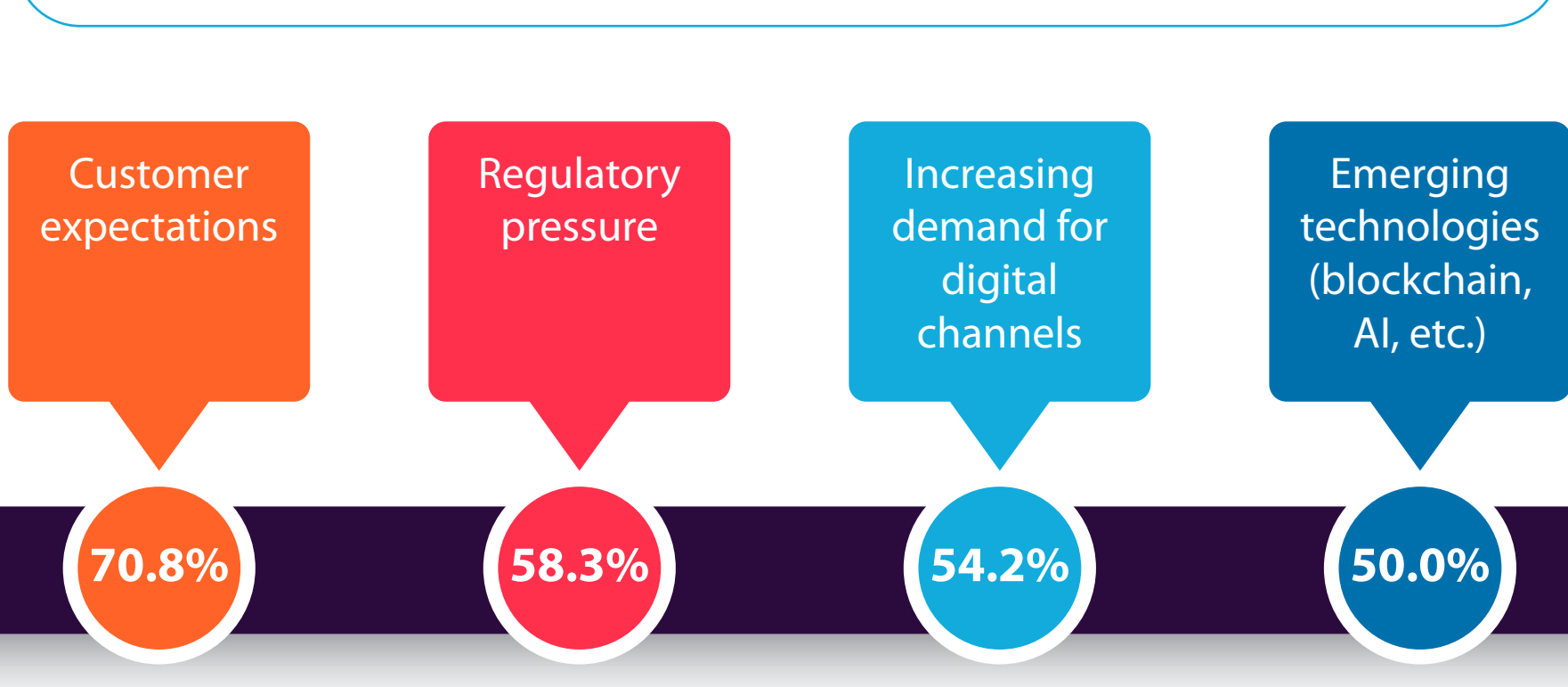


Banks can look to customer experience trendsetters from other industries for best practices

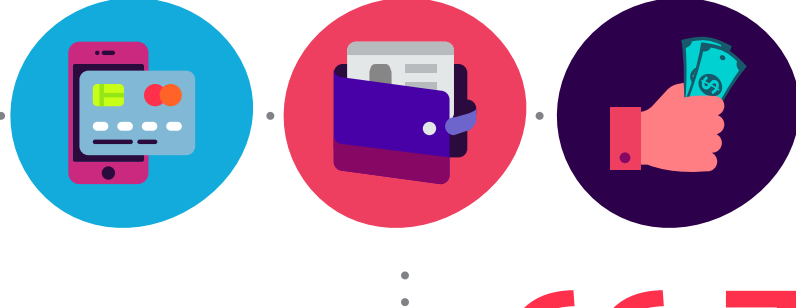
Firms Embracing Disruption Show Phenomenal Growth

Leading new-age digital banks with new models are now valued at USD\$1 billion

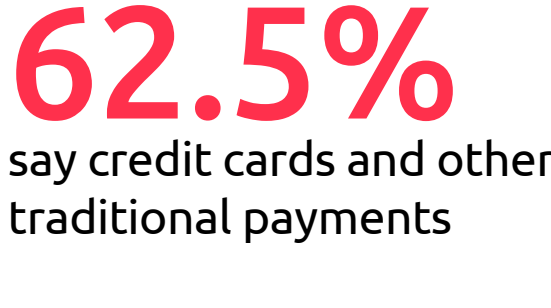
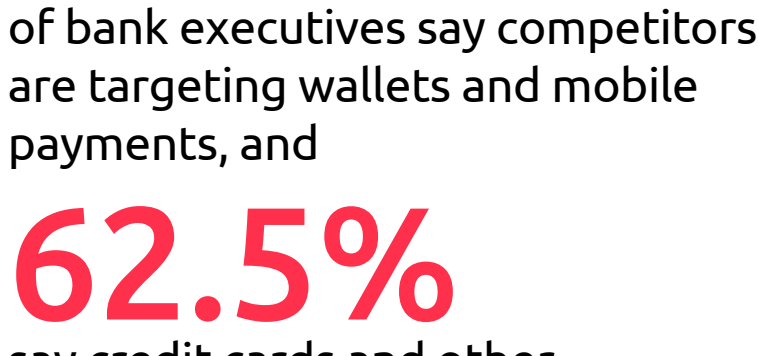
Top factors causing disruption, according to bank executives:



24/7 connectivity and digitization are helping to converge and blur lines between traditionally different industries



Digital-only banks, FinTechs, BigTechs and non-financial services firms are adding a new dimension to the competition that banks are facing

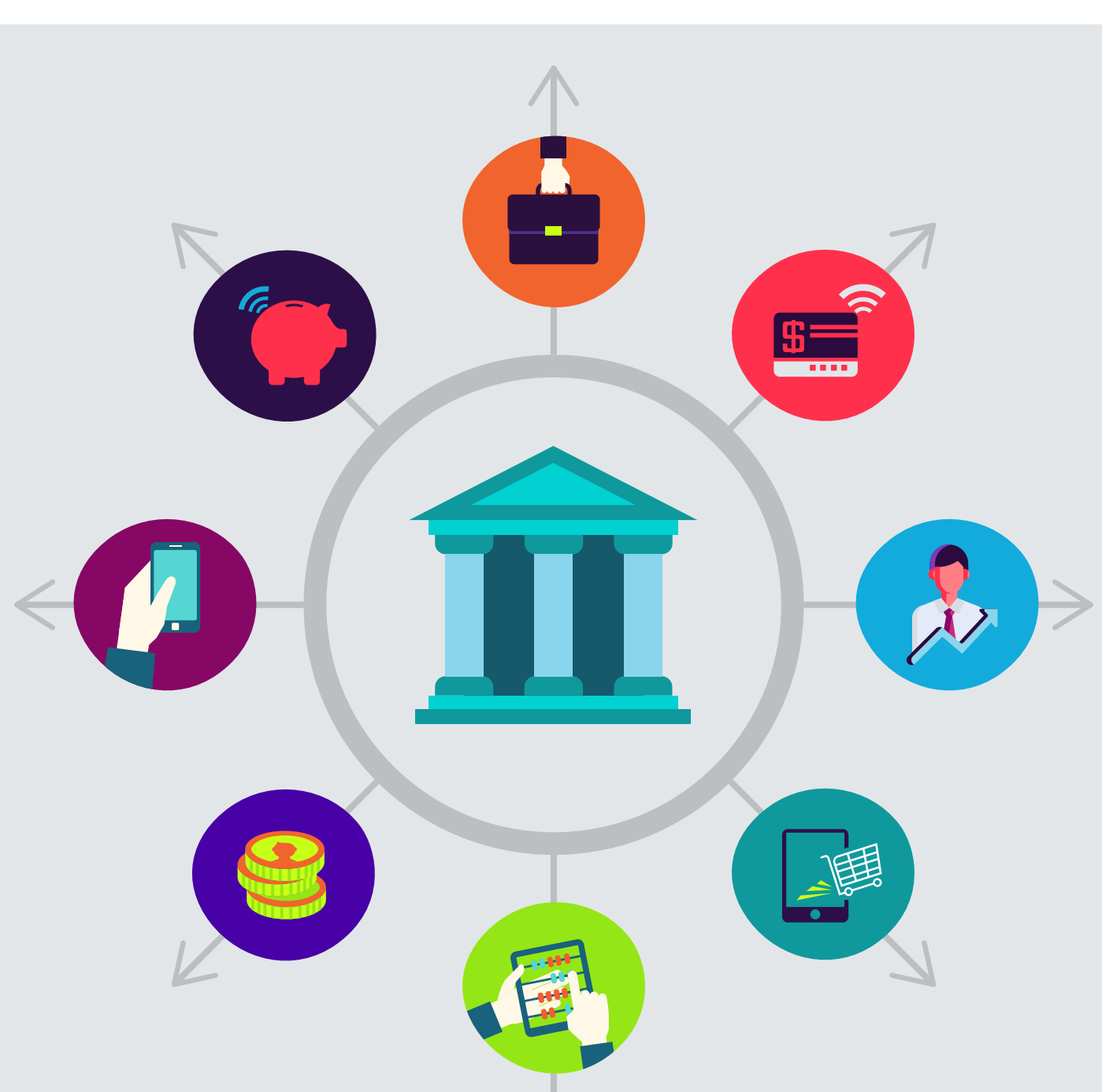


Regulations, like GDPR and PSD2², are a cost of doing business but can also enable banks to innovate and develop future-focused capabilities

Modern Banking Models Require a Digital Ecosystem

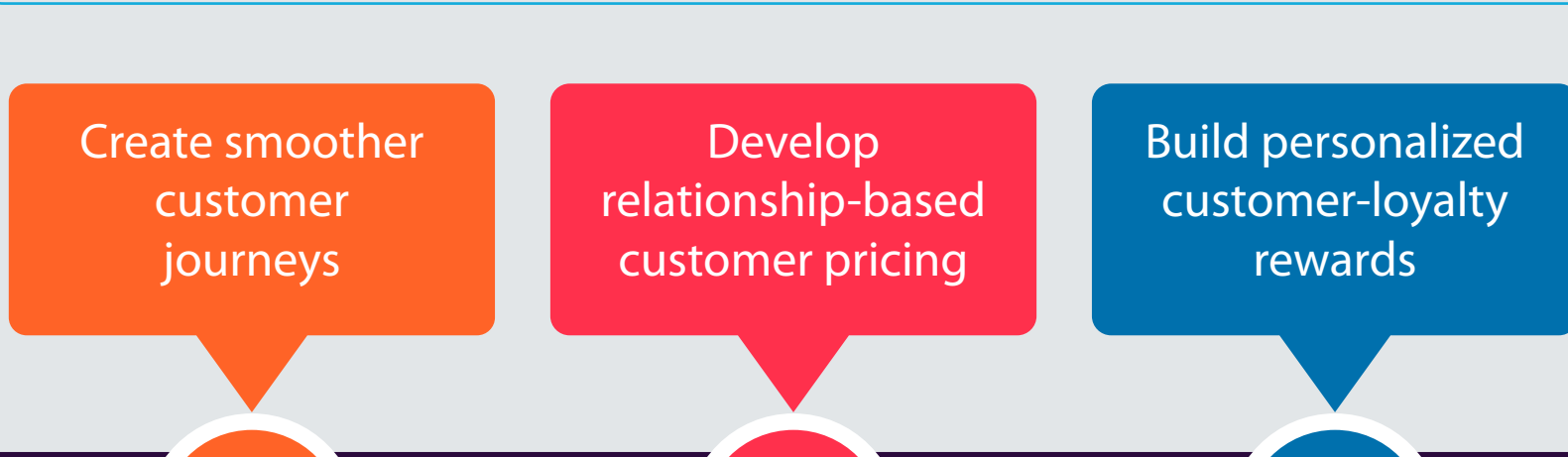
A new, open digital ecosystem pushes innovation and attracts and retains customers

A digital optichannel banking model contains



- Innovation and non-traditional revenue streams
- 3 layers - basic ledger, core systems and third-party connectors
- APIs to integrate and collaborate with other ecosystem members

Strategically leveraging data helps banks provide a differentiated customer experience. Bank executives say they will strategically use data to:



1 – BigTechs are large, multinational technology firms such as Google, Amazon, Facebook, Apple, Alibaba, Tencent, etc.
2 – GDPR – General Data Protection Regulation, PSD2 – Revised Payment Services Directive