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Digital Banking Maturity 2020

Spotlight on Singapore

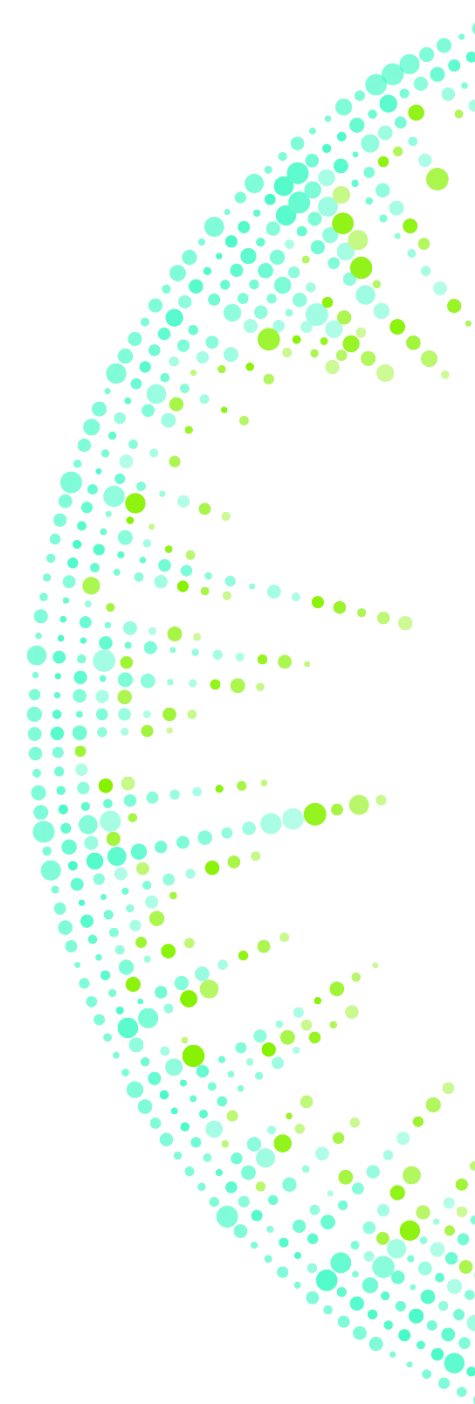
DECEMBER 2020



Digital
Banking
MATURITY

Overview

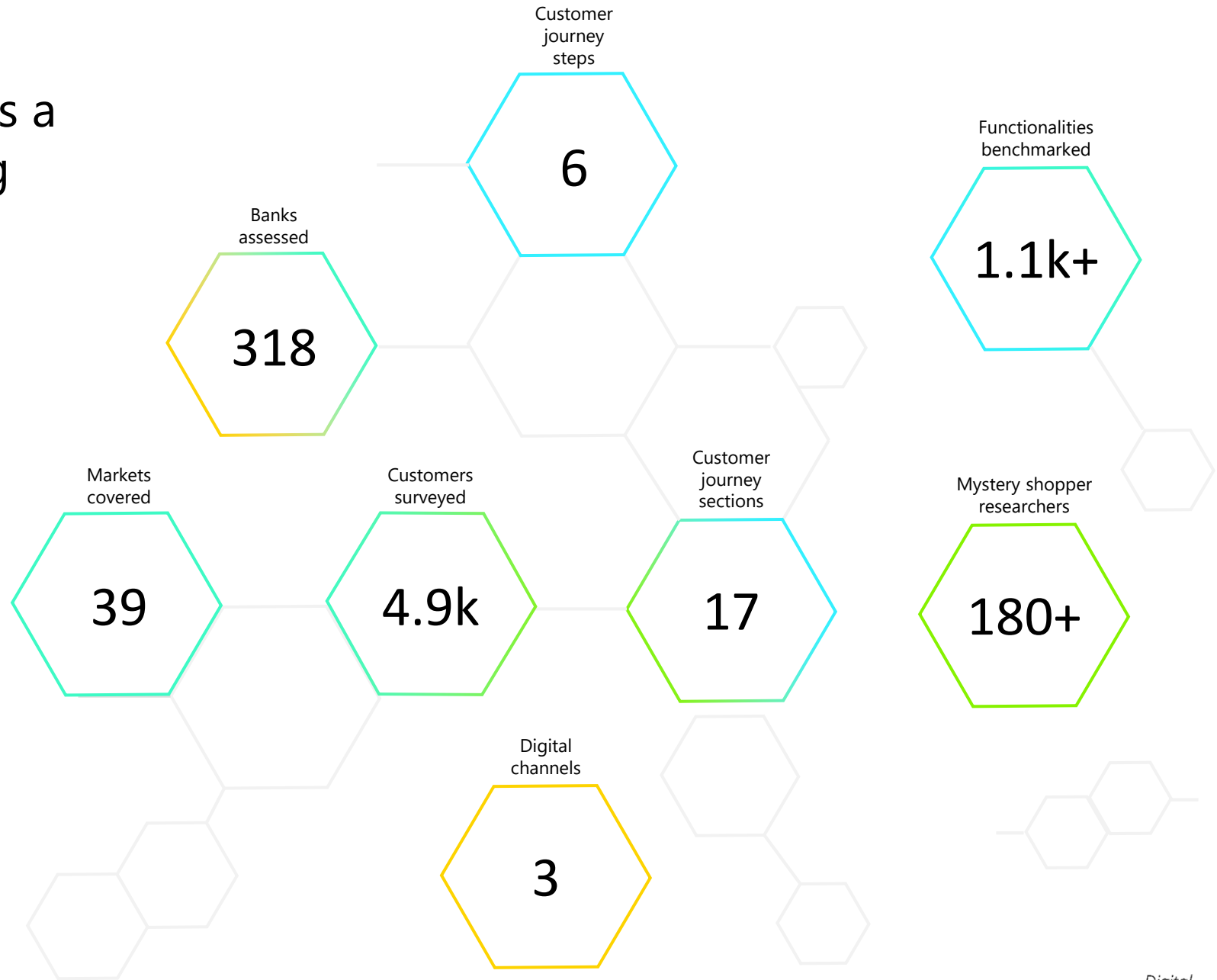
1. About the study
2. Spotlight on Singapore
3. Insights from Digital Leaders
4. The big questions for Singapore
5. How can we help?



ABOUT THE STUDY

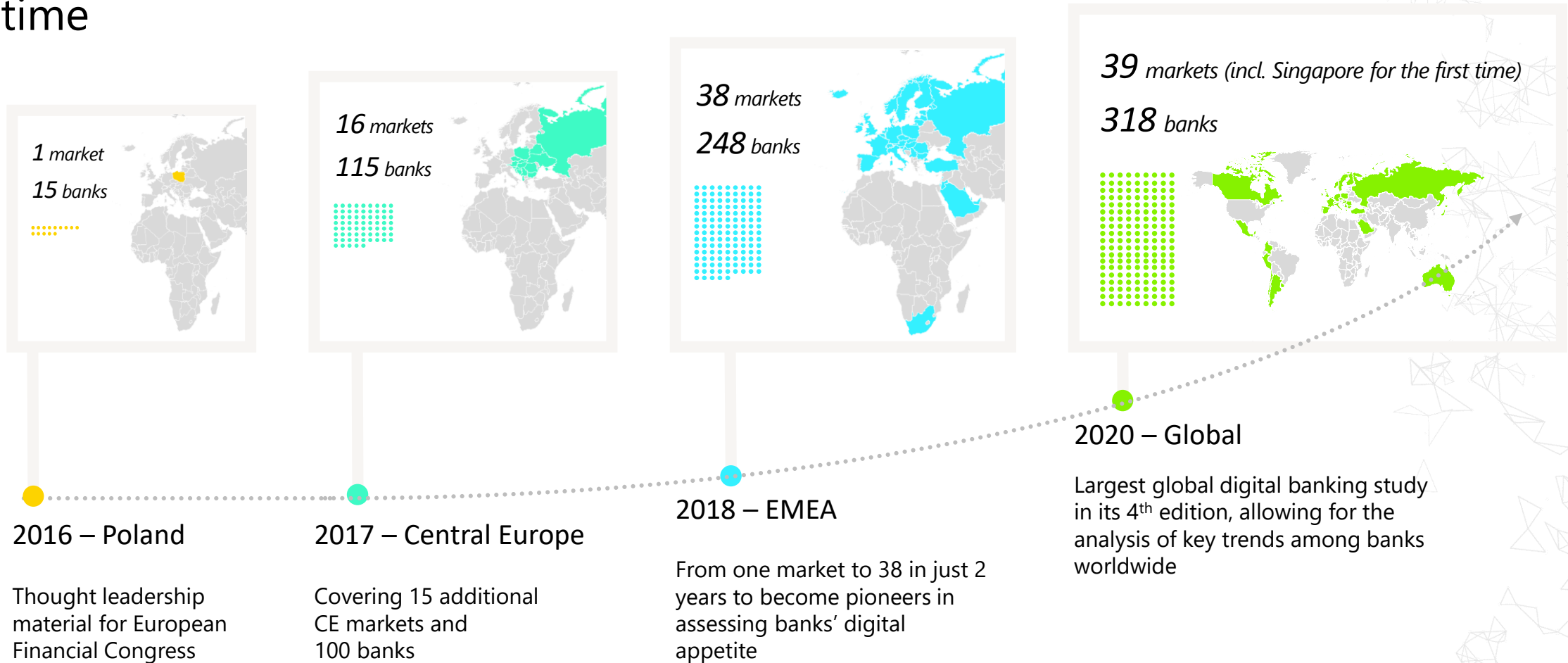
Digital Banking Maturity is a global accelerator helping banks respond to change

Digital Banking Maturity is the largest global digital banking study, providing a comprehensive **outside-in 'mystery shopper' assessment of retail banks' digital channels** and **furthering discussion about future developments.**



ABOUT THE STUDY

In this 4th edition, we are able to identify key digital trends shaping the banking industry across the globe, with Singapore participating for the first time



In order to compare digital maturity between banks we assessed three components



FUNCTIONALITIES BENCHMARKING

Analysis of 1108 digital functionalities through 'mystery shopper' approach on real retail current accounts in each bank.

- Assessment of 6 customer journey steps
- Analysis of digitalization of 13 core banking products
- Functionalities library with world's leading practices



CUSTOMER NEEDS RESEARCH

Survey-based research focused on identifying 26 most important banking activities and preferred channels (branch, Internet, mobile).

- Customer preferences between channels in terms of most common banking activities



USER EXPERIENCE STUDY

Supplementing analysis of customers perception of user experience.

- 19 UX scenarios reflecting 10 areas of customer activity from all of the stages of relationship with a bank
- UEQ survey covering a comprehensive impression of UX of mobile apps

DBM BENCHMARK

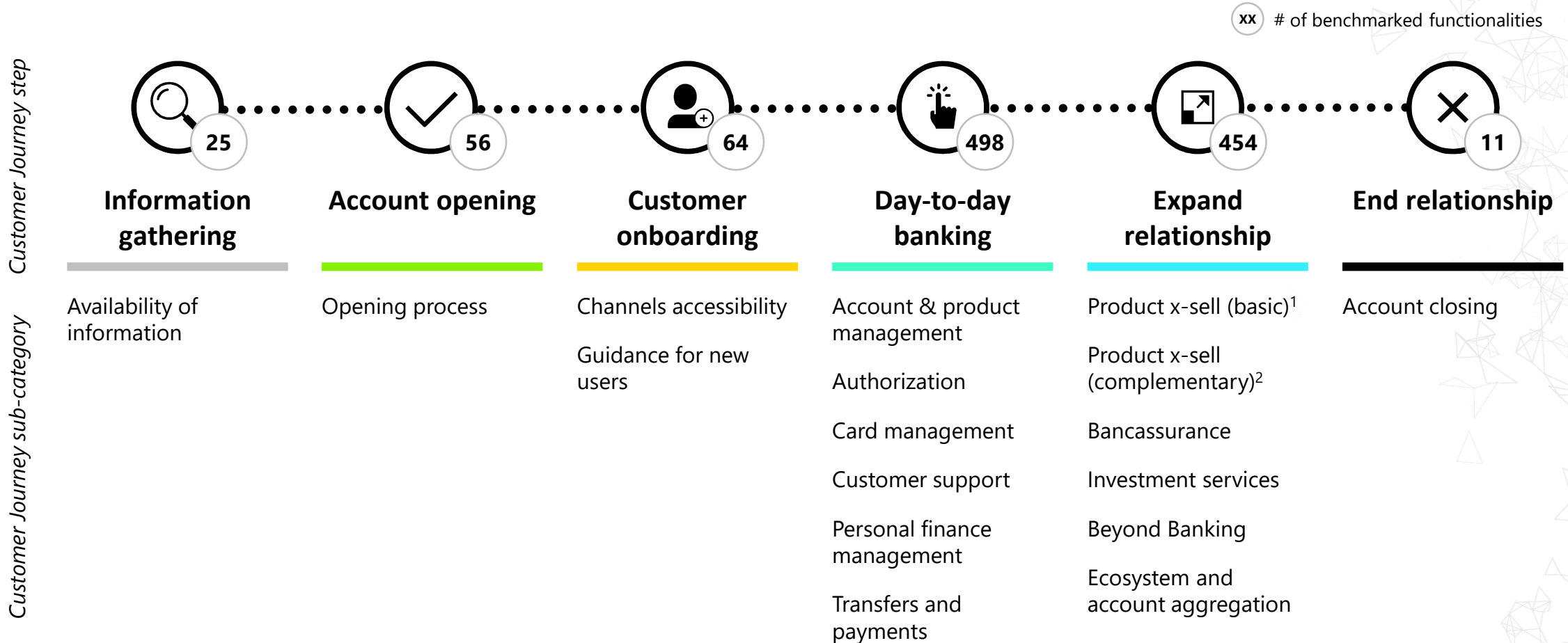
An exhaustive overview of digital maturity between banks

UX ASSESSMENT

Assessment of digital banking channels from customer experience perspective

Note: Complementary assessment comprise KPIs and Covid-19 response surveys.

We analysed 1100+ functionalities to track the customer journey focusing on day-to-day banking and expanding relationship

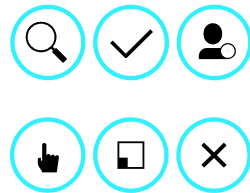


1. Product x-sell (basic) includes: debit card, credit card, overdraft, cash loan, cheque, bank draft.
 2. Product x-sell (complementary) includes: car loan, mortgage, currency account, saving account, term deposit, private banking account.

Presence of UX-related functionalities was measured along persona user scenarios representing all the stages of relationship with a bank

19 scenarios that cover 10 processes represented by 4 personas

- 9 desktop
- 10 mobile



We have assigned one of 4 personas to each scenario. The personas differ in age, career stage, and level of technological advancement which influence their consumer behaviour



Scenarios

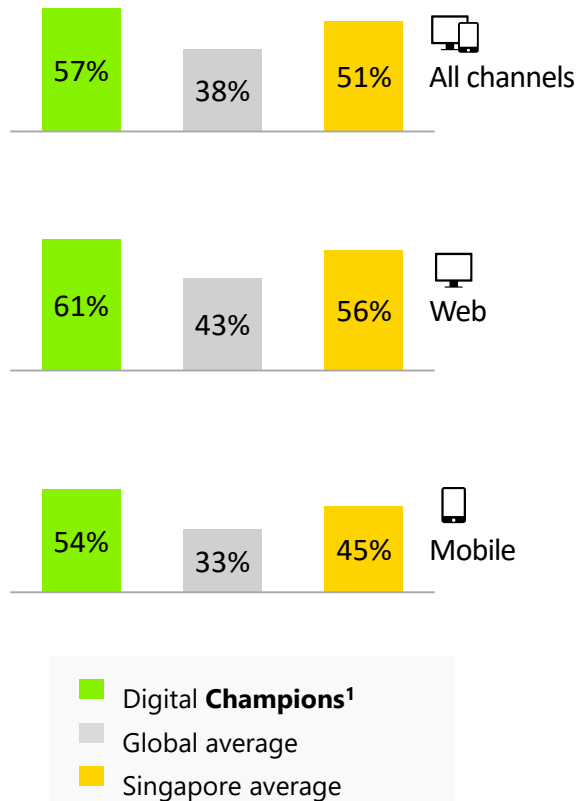
We created 19 scenarios to examine **step by step actions** that customers are taking during **representative processes** from **all of the stages of relationship with a bank**. These scenarios should be treated as examples and do not reflect local specifics and regulations e.g. multi-factor authentication.



Scores

The steps in scenarios are related to the questions from the DBM questionnaire. **The results in bar charts** show scenario coverage (presence of UX-related functionalities) of particular banks.

Singapore banks are well-positioned in overall digital maturity...



Ahead of the game

Singapore ranks in the top 5 markets for maturity in 2020 for both web and mobile channels. Singapore's banks scored highly across almost all areas of the customer lifecycle, with the only significant exception being in extent of functionality to close an account online.

Areas for improvement

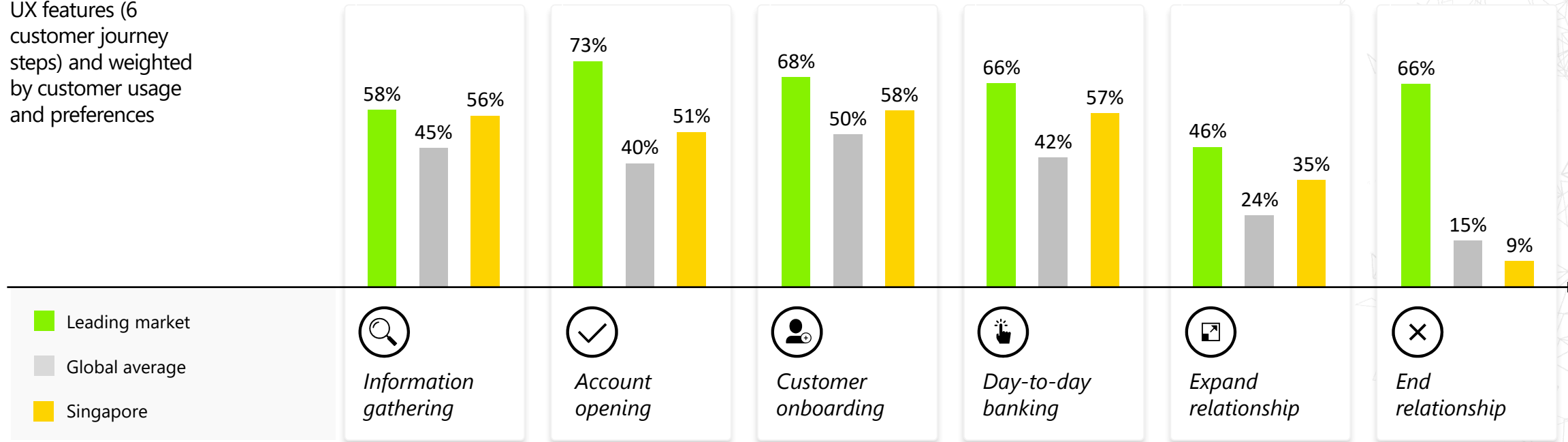
However, the details of the study also showed a few areas where banks' digital offerings in Singapore can learn from Global leading practices. Equally, the amount of differentiation potential from upcoming regulation (e.g. FPDS) may cause significant change in the near future.

1. Digital Champions: Average of global top 10% (31 of 318 banks) score

... with credible base of capabilities across the customer lifecycle...

DBM score by CJ step, %

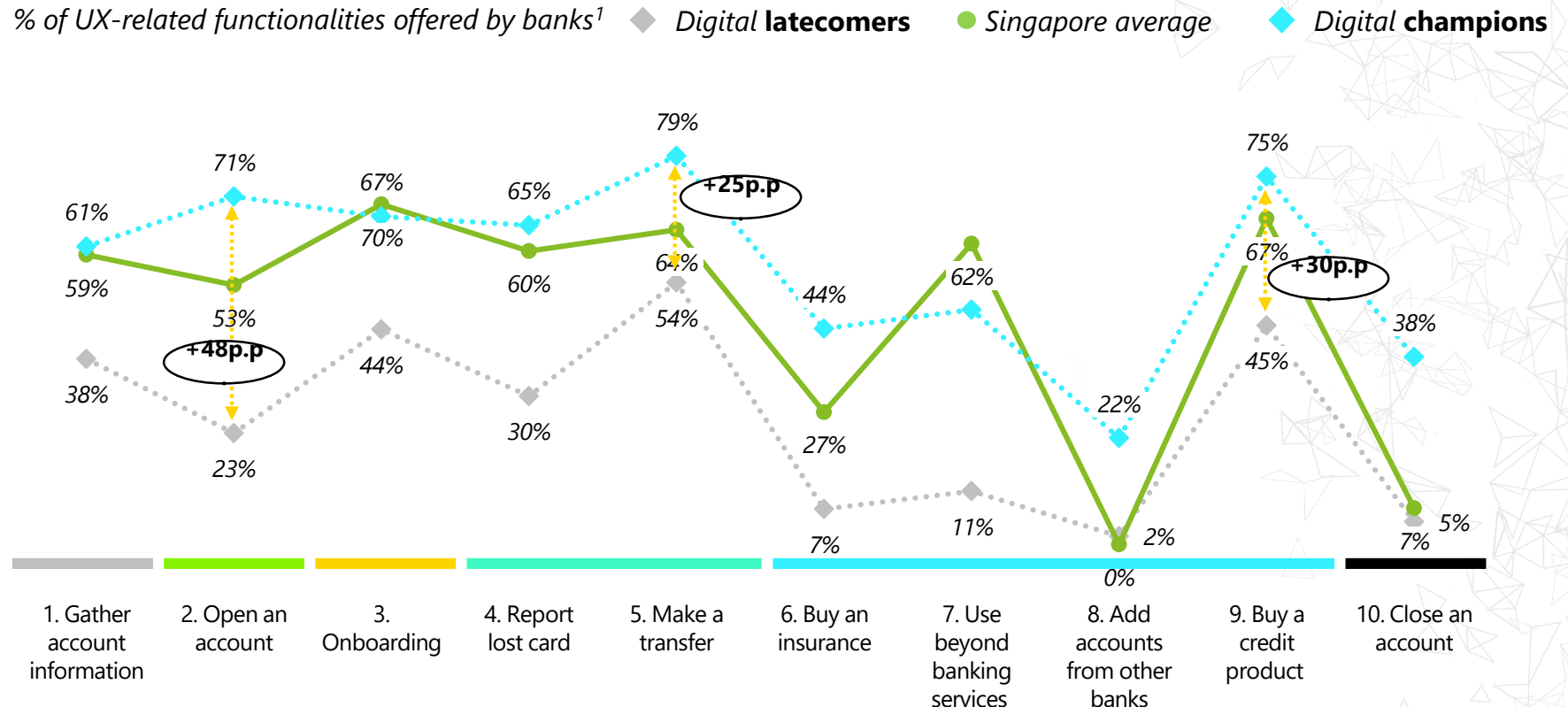
Based on 1108 functionalities and UX features (6 customer journey steps) and weighted by customer usage and preferences



...and good levels of UX functionalities in our persona-based testing – particularly in onboarding and non-financial product information

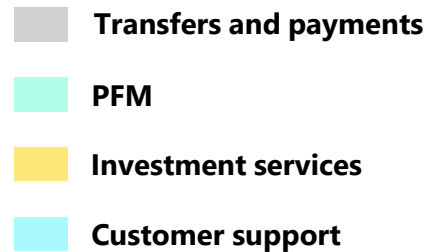
User experience along the customer journey

A global assessment of **19 user scenarios reflecting 10 areas of customer activity** provides insight into the development of UX along the customer journey

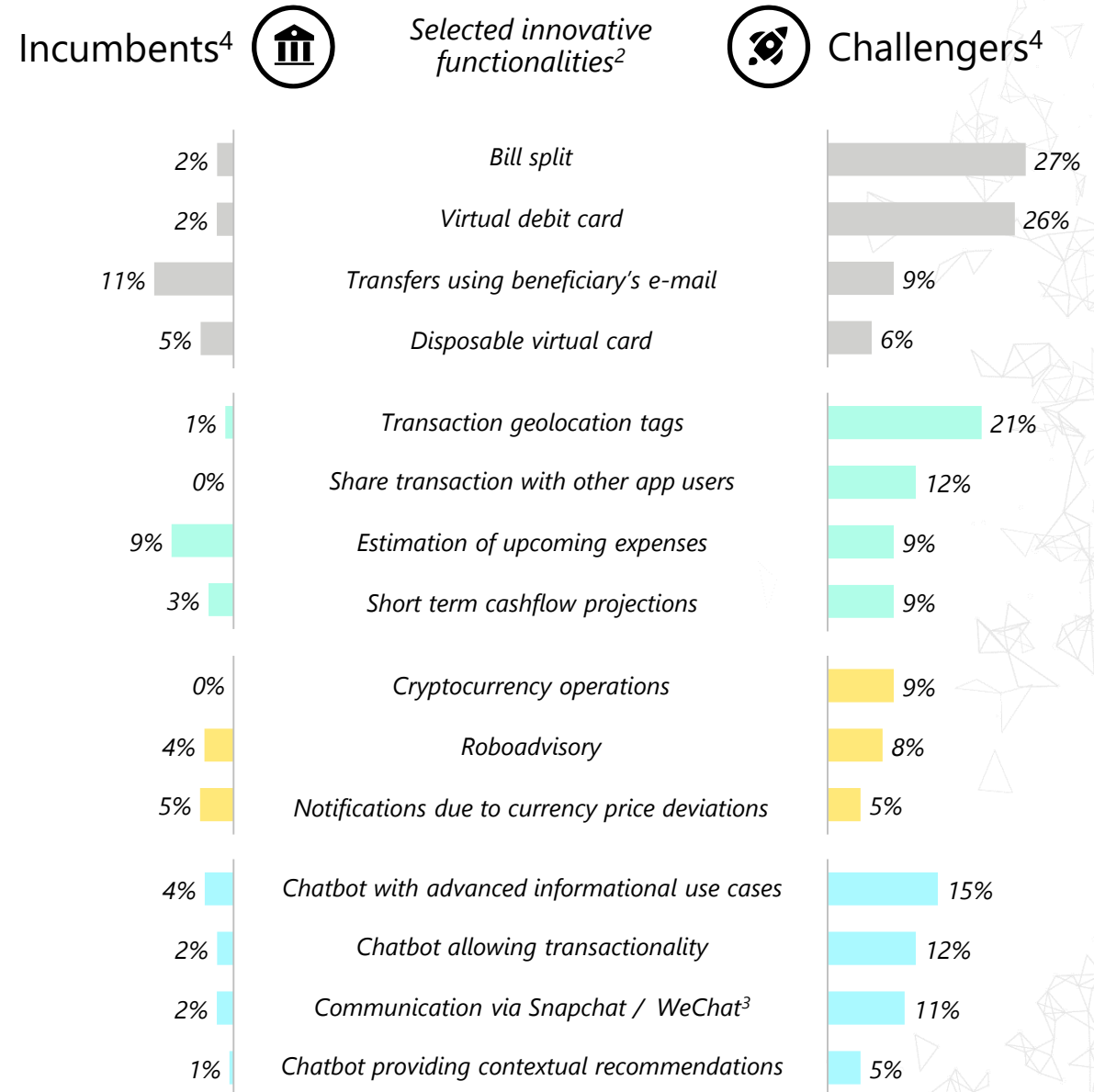


1. Data for 31 banks classified as Digital champions and 93 banks classified as Digital latecomers which participated in 2020 edition. UX score based on 209 unique functionalities. 65% of Digital champions have been classified in top10% of banks by UX score.

There are lessons to be learned from global challengers that have launched innovative features



1. Data for 280 banks classified as Incumbents and 33 banks classified as Challengers which participated in 2020 edition.
2. With global threshold of 10% for rare features.
3. Communication via other social media platforms benchmarked (YouTube, Twitter, LinkedIn, Instagram) had a much higher global adoption level than 10% (ranging from 82% - 95%)
4. Incumbents – banks with long-established position on the market. Challengers – relatively small bank competing with large long-established banks.



The key questions for the Singapore market as we approach 2021...



What banking products and services should I be supplying beyond core deposits and lending?



What partners and ecosystems should I be engaging with to provide products and services beyond banking?



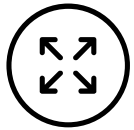
How can I provide customers with more ability to manage their products?



What level of personalisation is appropriate for my customers?



How can I further enhance customer service experience?



And the biggest question for 2021: how do I exploit the potential of Open Banking?

DBM is part of Deloitte's suite of Digital Banking accelerators – it enables us to help both *existing* and *emerging* digital propositions to future-proof their digital strategies...



What's in it for you?



We know the digital maturity of retail banking channels

Gain insights into the positioning of an individual bank in comparison to local and global leaders and key gaps.

Outcome: Identification of opportunities and strategic implications based on your positioning versus peers.



We've identified leading market practices worldwide

Learn more about the latest trends and developments in digital retail banking channels.

Outcome: Introduction to trends, innovations and example use cases with assessment of relevance.



We understand the importance of UX for customers

Examine how UX features and functionalities are helping improve customer satisfaction.

Outcome: Overview of leading UX market practices and identification of key improvement areas from a customer perspective.

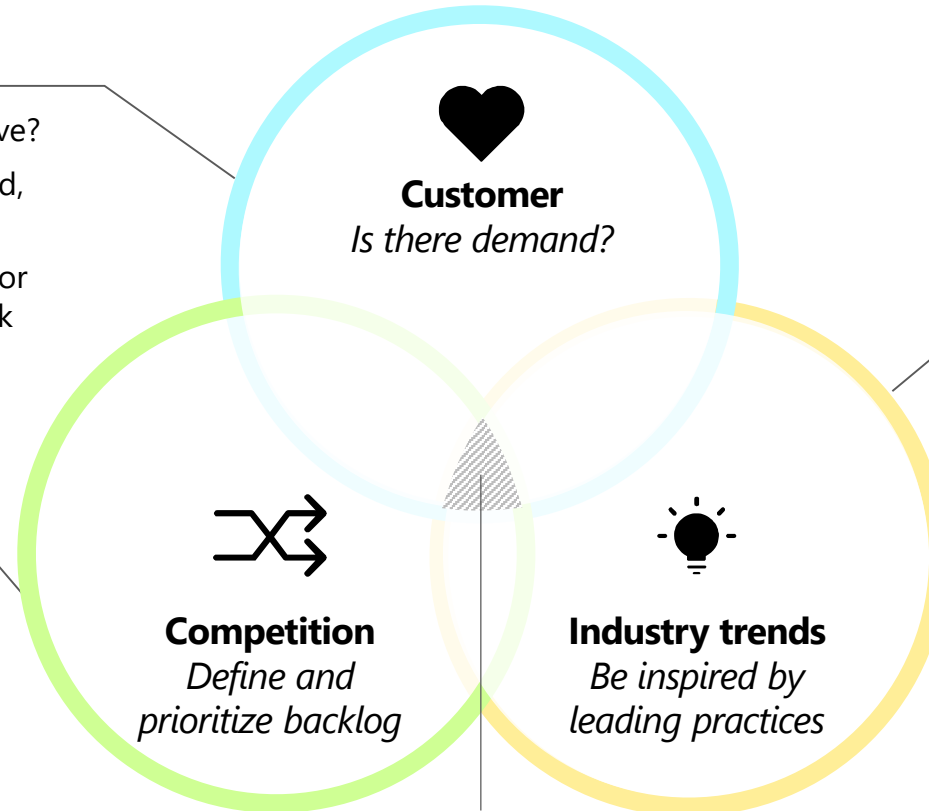
...and accelerates digital strategy development by helping you answer questions from three perspectives

CUSTOMER PREFERENCES

- What's desirable from a customer perspective?
- What needs to be true for users to want, find, consume, and value the solution?
- What channels and UX are most engaging for customers? Do customers keep coming back ('stickiness')?
- What will make customers love us?

LOCAL COMPETITION

- What features, products and services should be offered?
- What to implement to catch up with the market or to differentiate over competition?
- What will bring meaningful upside over competitors value proposition?
- Which functionalities can drive acquisition, engagement, monetization?



A successful digital proposition is desirable, competitive and informed by industry leading practice

INTERNATIONAL INDUSTRY DIRECTION

- What emerging digital trends are relevant for the local market?
- What international leading practices to adopt to leapfrog local competitors?
- Where are *Digital champions* investing for the future?
- What innovations are gaining traction globally?
- What partnerships to create to leverage the ecosystem landscape?

HOW CAN WE HELP?

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