

October 2022

Digital Banking Maturity 2022

Spotlight on Singapore

Deloitte.



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- 01 About the DBM study
 - 02 Singapore versus global benchmarks
 - 03 Learnings from global innovation
 - 04 The way forward



DBM is one of the biggest benchmarking of digital banking channels in the world

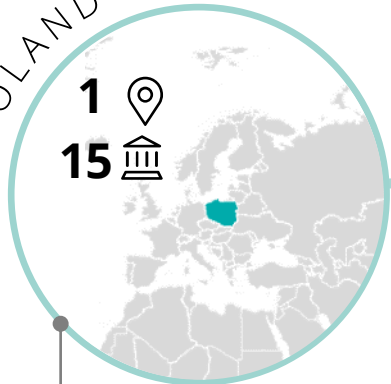


LOCATIONS



BANKS

POLAND



2016

Thought leadership material for European Financial Congress

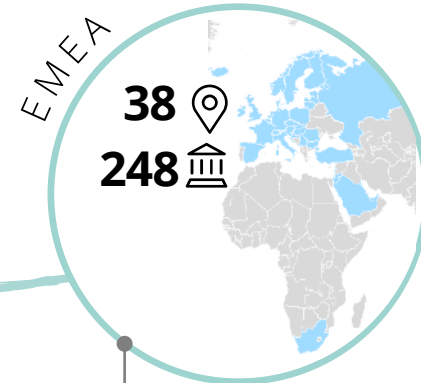
CENTRAL EUROPE



2017

Covering 15 additional CE locations and over 100 banks

EMEA



2018

Expansion from CE to Western Europe and EMEA region

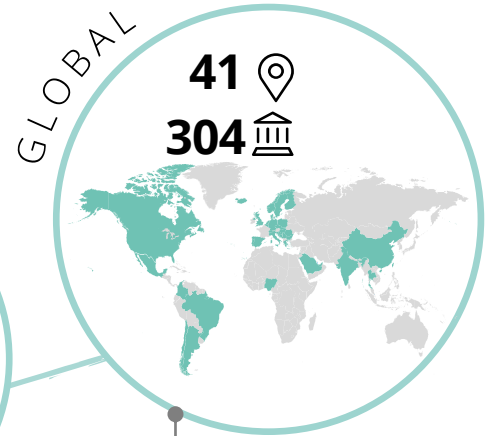
INTERNATIONAL



2020

Expansion to new regions and continents, including Americas and Asia

GLOBAL



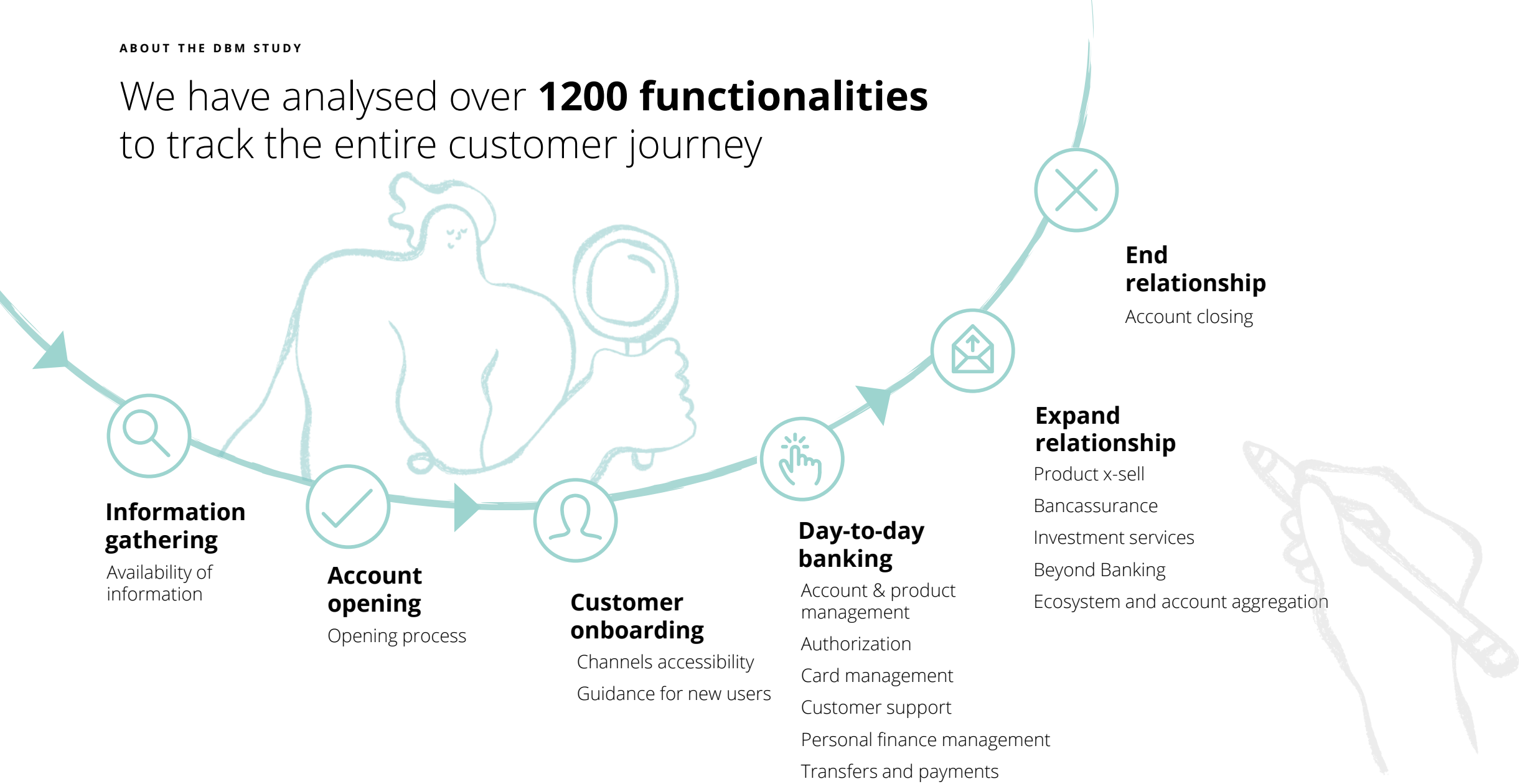
2022

Biggest global digital banking study with participation of key global economies: USA, China, India, Brazil

Digital Banking Maturity 2022 covered 41 locations from 5 continents



We have analysed over **1200 functionalities** to track the entire customer journey



Examples of DBM survey questions asked across the customer journey to assess functionalities

Does it provide an overview of products dedicated to specific needs (e.g. saving, lending, mortgage)?

Is it possible to open a current account fully in this channel (i.e. via the public website) in end-to-end process?

Does the bank provide a "light" version of the website for mobile devices?

Does the bank offer gamification to facilitate the onboarding experience?

Can the customer update personal data on his/her own?

Are you automatically logged out after certain time?

Can the customer activate new card?

Does the website / mobile app offer appointment scheduling?

Can the customer set and track savings goals?

Can the customer set automatic transfers from current account to mutual funds?

Can the customer activate card insurance?

Can the customer book hotels, flights, or trains?

Can the customer aggregate credit/ debit cards from other banks?

Is it possible to buy/sell mutual fund units?

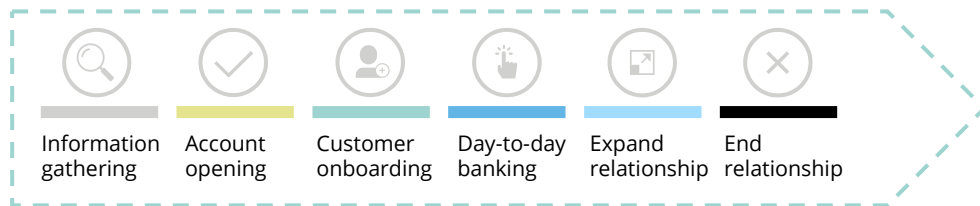
Is information about current interest rate / fees / commissions for mortgage clearly available?

Is the option of closing the current account available?

Functionalities were weighted according to customer preferences, as determined by a survey with over 5000 respondents

5084 respondents' answers provided insights on customers' perceived importance and preferences with regards to the customer journey steps. The results were then used to apply an appropriate weightage to the 1208 digital banking functionalities.

1 How often do you perform the following banking activities?



2 Which of the channels is/would be your preferred choice for each of the following banking services?



What kinds of activities were researched?

The activities cover all areas of engagement for bank customers. Examples:

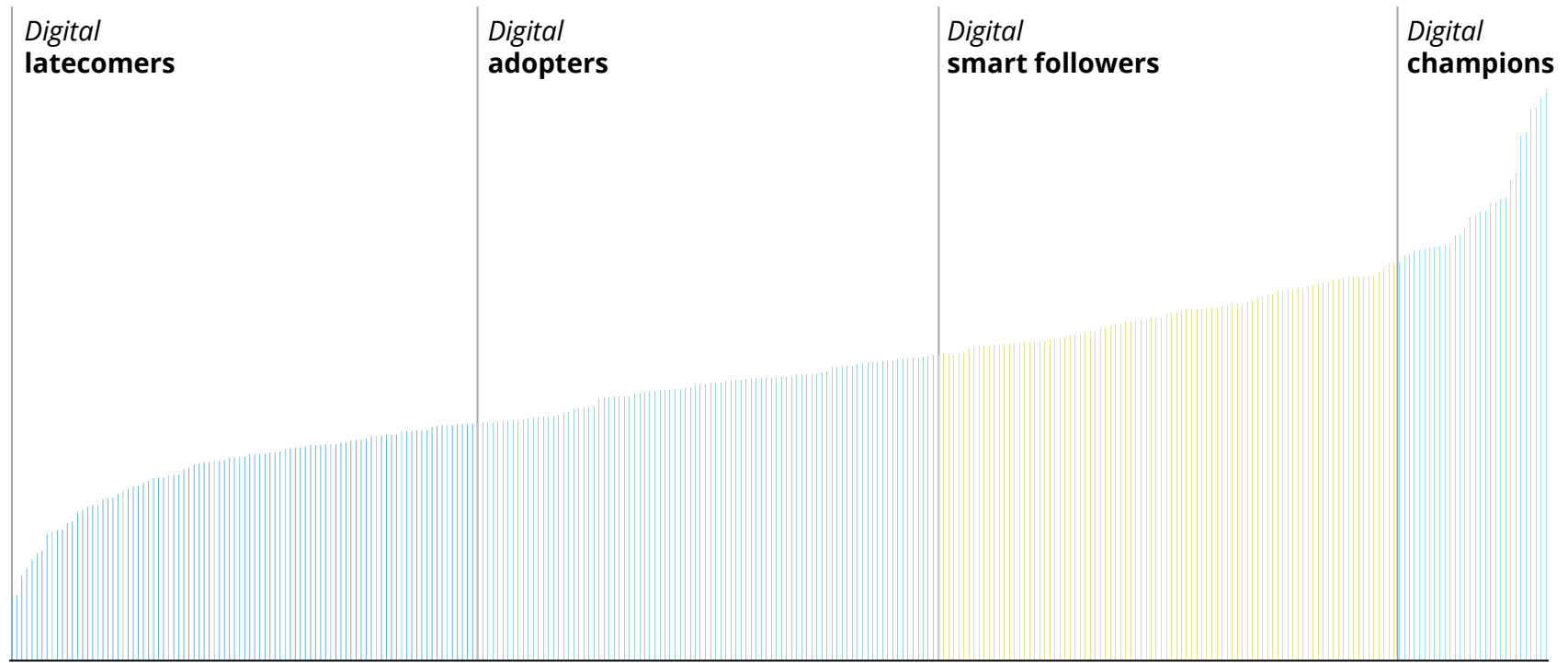
- **Looking for information** about current accounts
- **Opening** an account and/or debit card
- **Managing** your account
- Looking for **customer support**
- Checking current **balance** or **transaction history**
- Making **payments/transfers**
- **Applying** for a personal loan
- Active **investing**

The study identified digital champions, and compared Singapore against global benchmarks

Digital champions offer a **wide range of functionalities relevant for customers** and a **compelling user experience**.

Digital champions set **key digital trends** and have **leading market practices**, which makes them examples to learn from.

DBM index¹



Note 1. Data for 304 banks which were covered in 2022 edition

Note 2. Selection of 30 banks defined as Digital champions. Ranking is based on weighted average score of functionalities from the 6 customer journey steps (information gathering, account opening, customer onboarding, day-to-day banking, expand relationship, end relationship), and scores this across the channels internet banking, public website and mobile app.

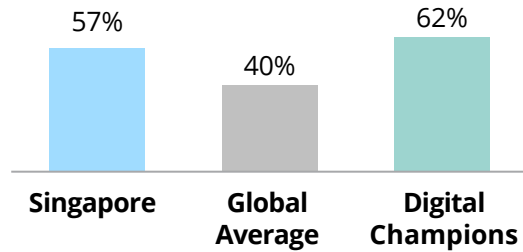
**Defined as
Top 10% of banks²**

SG banks performed well with internet banking, but lagged behind digital champions with mobile banking

DBM score by channel, %

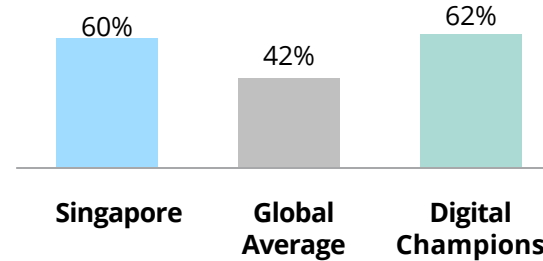
All researched channels

1208 functionalities and UX features



Internet banking

618 functionalities and UX features

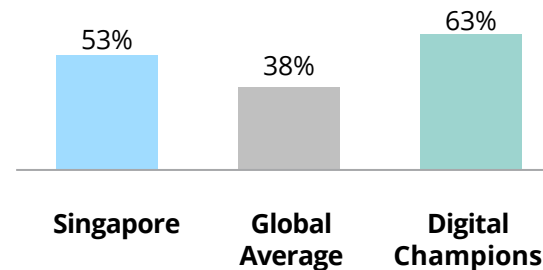


Singapore lags slightly behind digital champions for internet banking, with widest gaps in **customer onboarding** and **end relationship** functionalities



Mobile banking

590 functionalities and UX features



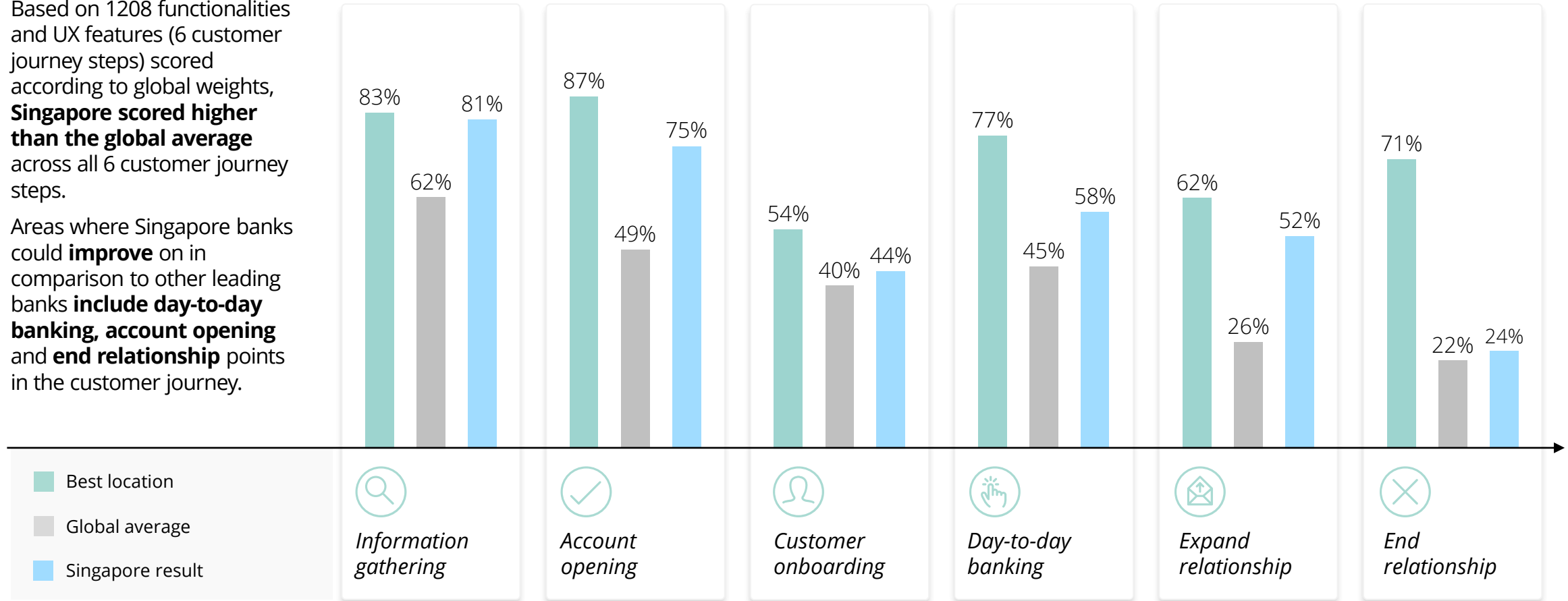
Singapore lags a little further behind digital champions for mobile app, with widest gaps in **day-to-day banking** and **end relationship** functionalities

Singapore's DBM score by customer journey step and areas for improvement

DBM score by customer journey step, %



Based on 1208 functionalities and UX features (6 customer journey steps) scored according to global weights, **Singapore scored higher than the global average** across all 6 customer journey steps.

Areas where Singapore banks could **improve** on in comparison to other leading banks **include day-to-day banking, account opening and end relationship** points in the customer journey.



Where Singapore banks lead

Legend:

-  Mobile Banking
-  Internet Banking

Singapore banks scored better on average across all customer journey steps, by providing specialised functionalities

Customer Journey Steps



Information gathering



Account opening



Customer onboarding



Day-to-day banking

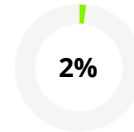
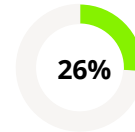
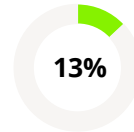
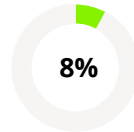
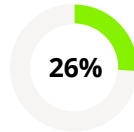
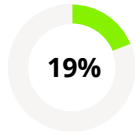


Expand relationship




End relationship


Singapore's Lead over Global Average DBM Score





Examples of Differentiating Functionalities

Availability of Information 


App provides comprehensive information on value proposition, interest rates / fees / commissions on products

Opening Process 



Customer can upload all account opening documents via bank website

Application Update  



Customer receives immediate confirmation that their account opening form is being processed

Channels Accessibility  

Access to internet banking and mobile app is automatically granted with account opening

Guidance For New Users  


Website / app offer tips to protect customer's computer and personal data when logging in to customer website

Card Management  



Customer is able to block card, activate card, change card PIN and update card limits via app / internet banking

Transfers and Payments  



Customer can make transfers to domestic and foreign beneficiaries using app / internet banking

Ecosystem & Account Aggregation 

Customers can aggregate accounts from other banks via app

Investment Services  



Customers can buy / sell stocks and bonds through app / internet banking

Account Closing  

Banks explain how customers can close their accounts on app / internet banking

Reflection on leading global practices

Legend:

-  Mobile Banking
-  Internet Banking

Below are opportunity areas for Singapore, with examples from leading global practices.

Customer Journey Steps



Account opening



Customer onboarding



Day-to-day banking





Expand relationship




End relationship


Examples from Global Benchmarks

Opening Process  


Allows customer to abandon account opening process and come back to where they left off

Progress Tracker 



Mobile app contains progress tracker to inform user about the stage of account opening process

Channels Accessibility 



Allows customer to use basic app functions without access to the internet

Guidance for New Users 


Proactive and provides customer with contextual recommendations on bank website (based on e.g. financial lifecycle, customer transactions)

Personal Finance Management  



Customer can filter transactions by merchant on mobile app / internet banking

Transfers and Payments  



Customers can set automatic transfers from current to savings account via app / internet banking

Beyond Banking 


Customer can receive notifications on app about product recommendations and discounts based on geolocation

Investment Services  

Customers can receive alerts on app / internet banking due to portfolio deviations (via SMS, mobile notifications, emails etc.)

Retention Strategy  

Customer receives retention offer on web / app when attempting to end relationship

Account Closing 

Option to complete account closure in mobile app

Reflection on leading global practices

One of the opportunity areas for Singapore banks is Account Opening. Below are examples of services provided by global banks.



ACCOUNT OPENING EXAMPLES



Abandon the account opening process and come back later on app without having to start again (e.g. Save & Finish Later feature)



Allows customer to open account on app / website by authentication via video conference for customer identification



When account opening process starts, chat / helpdesk / video conferencing options appear in app to help customer



Mobile app contains progress tracker to inform user about the stage of account opening process



Maturity Gap
(SG lagging global average by)

Reflection on leading global practices

One of the opportunity areas for Singapore banks is Day-to-day Banking. Below are examples of services provided by global banks.



DAY TO DAY BANKING EXAMPLES



Customers can set automatic transfers from current account to saving account to ease savings accumulation via app / internet banking



App / internet banking shows password strength indicator (e.g. password strength: weak)



Customer can filter transactions by merchant on mobile app / internet banking



Customer Support - Mobile app prompts user of consequences of entering wrong data (e.g. exceeding the limit of three wrong password attempts)



Customer support through a video chat on app / internet banking





Transactions made have their geolocations tagged on app as a security precaution, and can be used for behaviour analytics



Reflection on leading global practices

Legend:

-  Mobile Banking
-  Internet Banking

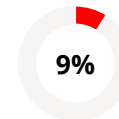
One of the opportunity areas for Singapore banks is End Relationship. Below are examples of services provided by global banks.



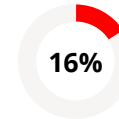
END RELATIONSHIP EXAMPLES



Customer receives automatic retention offer when trying to close account on web



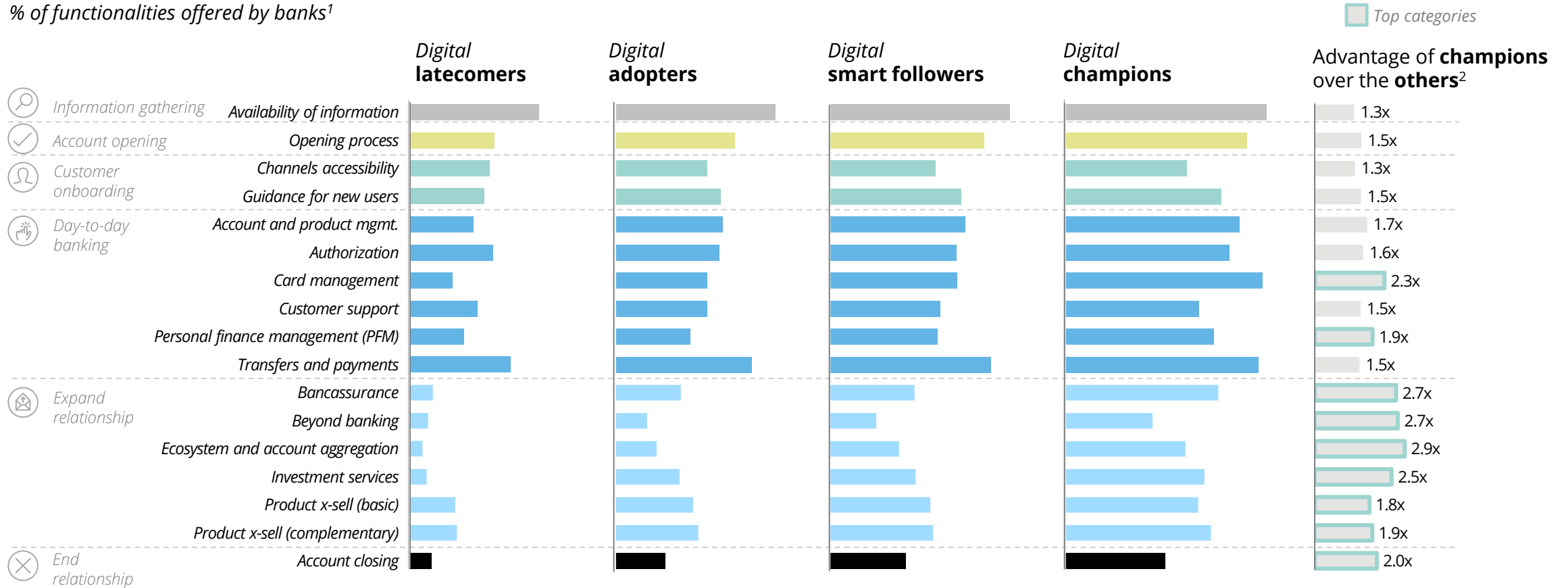
Ability to close current account fully via app in end-to-end process



Maturity Gap
(SG lagging global average by)

Digital champions have placed more emphasis on building functionalities that expand the relationship beyond core banking services with customers

% of functionalities offered by banks¹



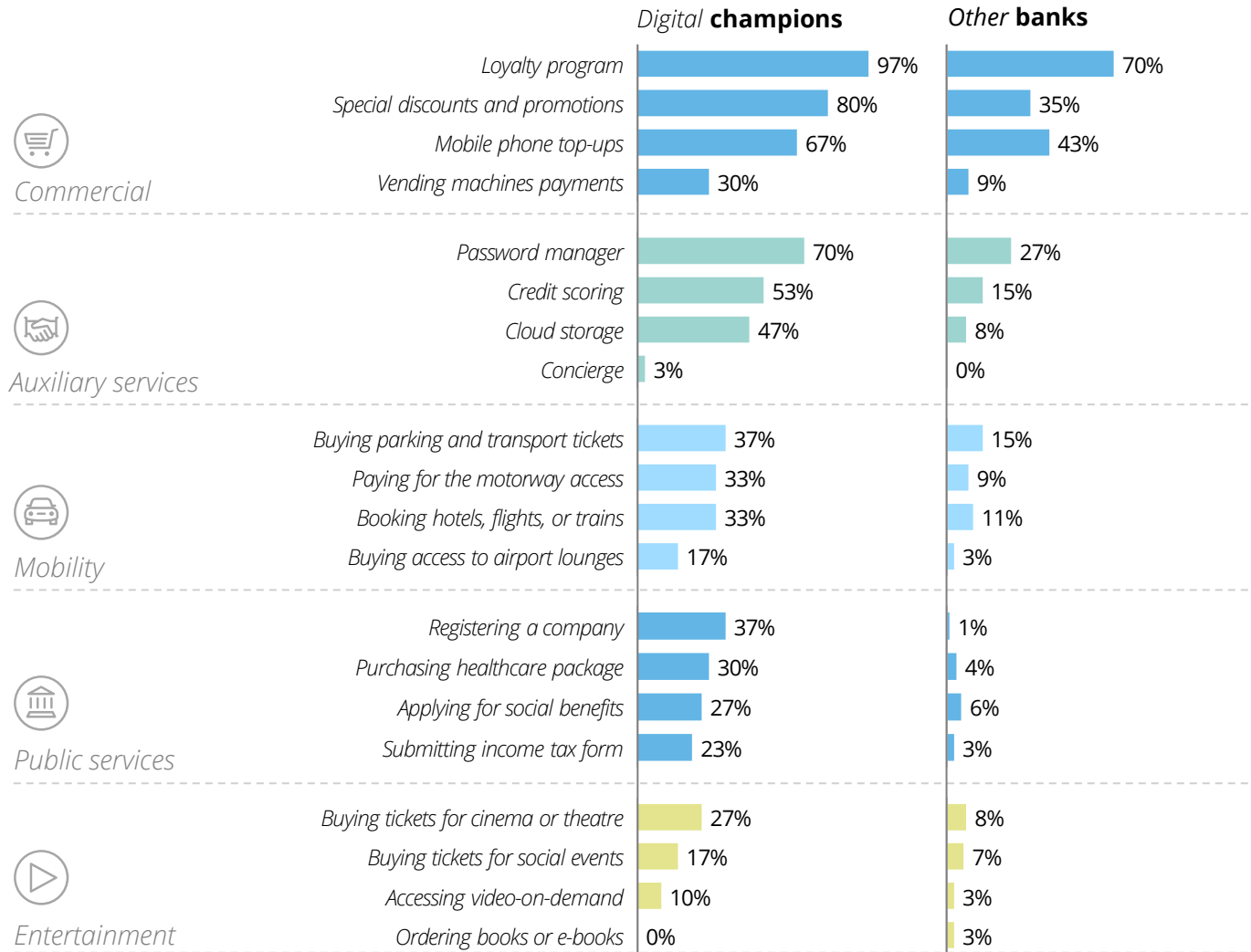
Note 1. Data for 304 banks which were covered in 2022 edition

Note 2. Ratio of functionalities between Digital champions and other banks score

Value-added services are a differentiator, adopted mainly by Digital champions

Value added services can boost customer engagement and loyalty and, therefore, can support both **acquiring and retaining customers**. They can also provide banks with more customer data, enabling personalization **and financial products cross-selling**.

Top Value Added Services by category, % of banks offering given functionality¹



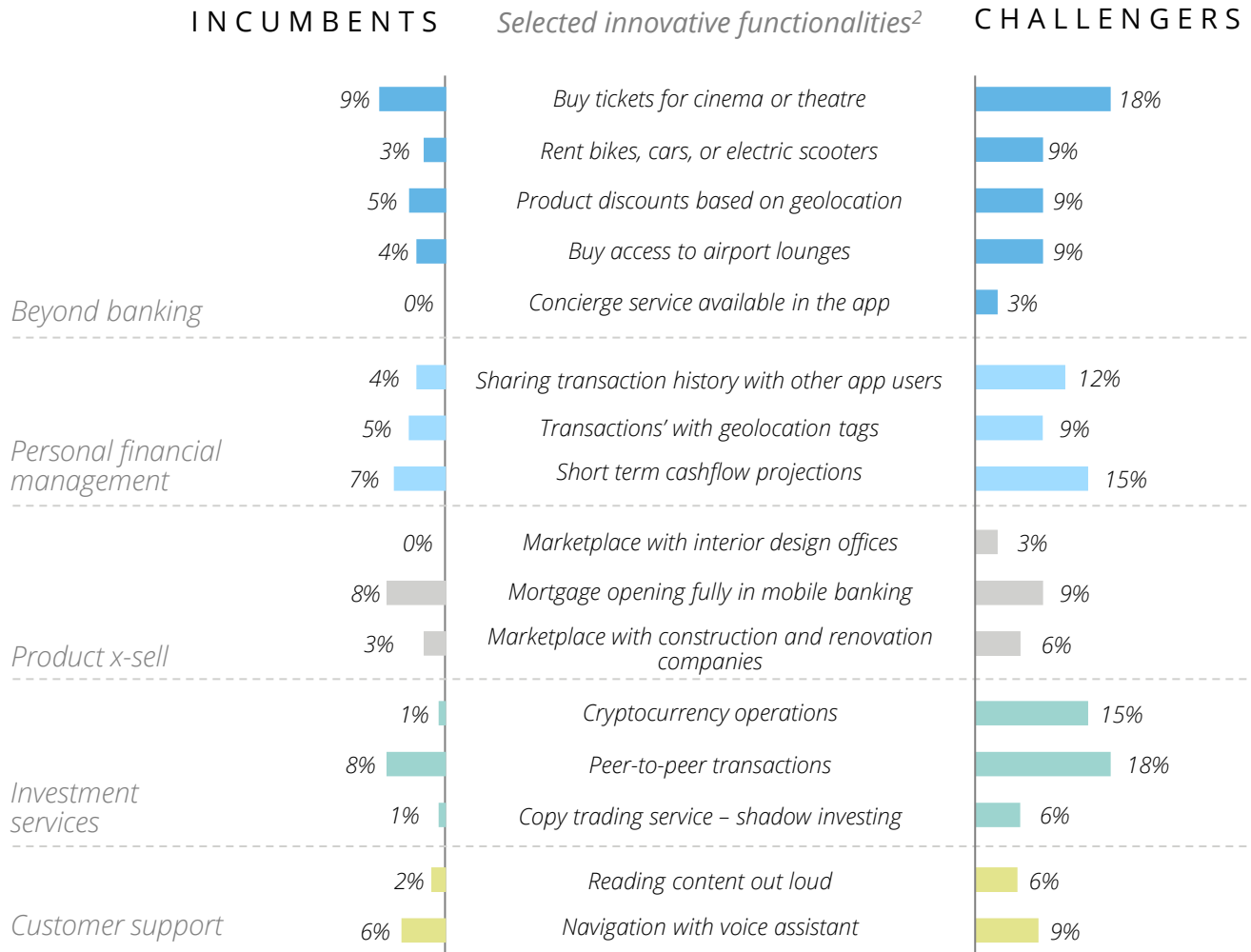
Note 1. Data for 30 banks classified as Digital champions and 274 other banks which were covered in 2022 edition

Further opportunities from how challenger banks compete with incumbents

Challengers are relatively small banks competing with large long-established banks, and are more likely to differentiate themselves by adopting innovative solutions



% of banks offering given functionality¹



Note 1. Data for 270 banks classified as Incumbents and 34 banks classified as Challengers which were covered in 2022 edition

Note 2. innovative functionalities implemented in less than 10% of surveyed banks

Key issues to consider



What are the “moments that matter” both to end-customer and to the bank?



Given the offline-to-online narratives, are the sales and service experiences seamless?



Which Customer Experience (CX) investments create bigger impact on the bank’s top and bottom line?



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