

November 2022

# Digital Banking Maturity 2022

Closing the Gap to Fully Digital User Experience in Banking

**Deloitte.**



# DBM identifies champions and leading practices worldwide

Covering 304 banks from 41 countries, DBM analyses digital retail banking in 3 channels, throughout the customer journey, based on an outside-in 'mystery shopper' assessment of digital functionalities, customer needs research and UX evaluation.

01

## **The pandemic has changed the world and banking sector irreversibly**

Changes in all markets and industries have impacted customer expectations regarding digital banking services, which are now higher than ever.

02

## **The gap between the best and the rest has widened**

Digital maturity is rising across the whole banking sector (e.g. ~70% of researched banks now offer a remote account opening option vs 55% in 2020) but the best players have widened the gap to the rest, particularly in areas such as bancassurance, investment services, and card management and authorization.

03

## **Banks are becoming more than just banks**

Leading banks are becoming multi-service platforms, with offerings in areas such as mobility, e-government, healthcare and commerce. Supported by regulations and cross-country solutions, banks are building ecosystems that can provide clients with a unified view of all of their accounts.

04

## **E-commerce solutions on the rise**

In response to the growing importance of e-commerce, banks are implementing solutions designed for online sales – including the development and implementation of marketplaces, embedded in banks' digital channels.

05

## **Growing advisory function of banks**

Taking the role of a trusted advisor, banks support clients' everyday finance management with a wide array of digital solutions, such as PFM tools, multiple investment options, risk profiles, automated investment advisory, and portfolio management.

06

## **UX is a key differentiator**

User experience of digital banking channels can be as important to customer satisfaction as the scope of functionalities implemented. New features bring the most value to clients when they are added according to a well-defined strategy with a focus on UX.

# The pandemic has changed the sector irreversibly - digitalization has accelerated and banks are challenging the conventional business model

2021

● JUNE

**"In order to compete in a crowded marketplace, digital transformation is vital.**

Banks face many challenges: they must streamline operations, increase efficiency, manage costs, amplify security and ultimately improve the customer experience."

Financial Times

● AUGUST

**"Consumer expectations are sky-high**

as a result of the new and improved options, accelerating the speed of innovation as companies compete to meet these demands."

World Economic Forum

"Traditional banks are joining and adding digital services, while **embedded finance is allowing non-financial businesses to offer financial services in new ways** and at the point of need."

World Economic Forum

● OCTOBER

"Modern banks must provide the customer service and functionality required for the digital age, with a **customer-first approach.**"

Wall Street Journal

"Consumers are looking for **financial services experiences that meet them exactly where they are:** on their devices, using various applications, accessing their money both traditionally and digitally, and doing more with their money."

Bloomberg

"The first driver have been a **shift to e-commerce** and a temporary avoidance of business locations as people stayed home and practiced social distancing. A secondary driver has been a **shift to contactless payment.**"

The Economist

2022

● FEBRUARY

"The economics of the next decade will challenge banks to adopt a future fit technology strategy — rooted in customer obsession and enabling an unprecedented level of adaptivity, creativity, and resilience — or fail. **Banks must capitalize on the pace of change and innovation and set their course for the next decade.**"

Forrester

● MARCH

**"The future is digital, and banking is no exception to that.** So, if the advent of Banking as a Service, open banking, and the booming Fintech sector were not proof enough, we now have a roaring statistic of expected 3.6 billion digital banking users by 2024, that puts a number to the future of banking."

Economic Times





01 **Description of the study**

02 Global results

03 Chile results

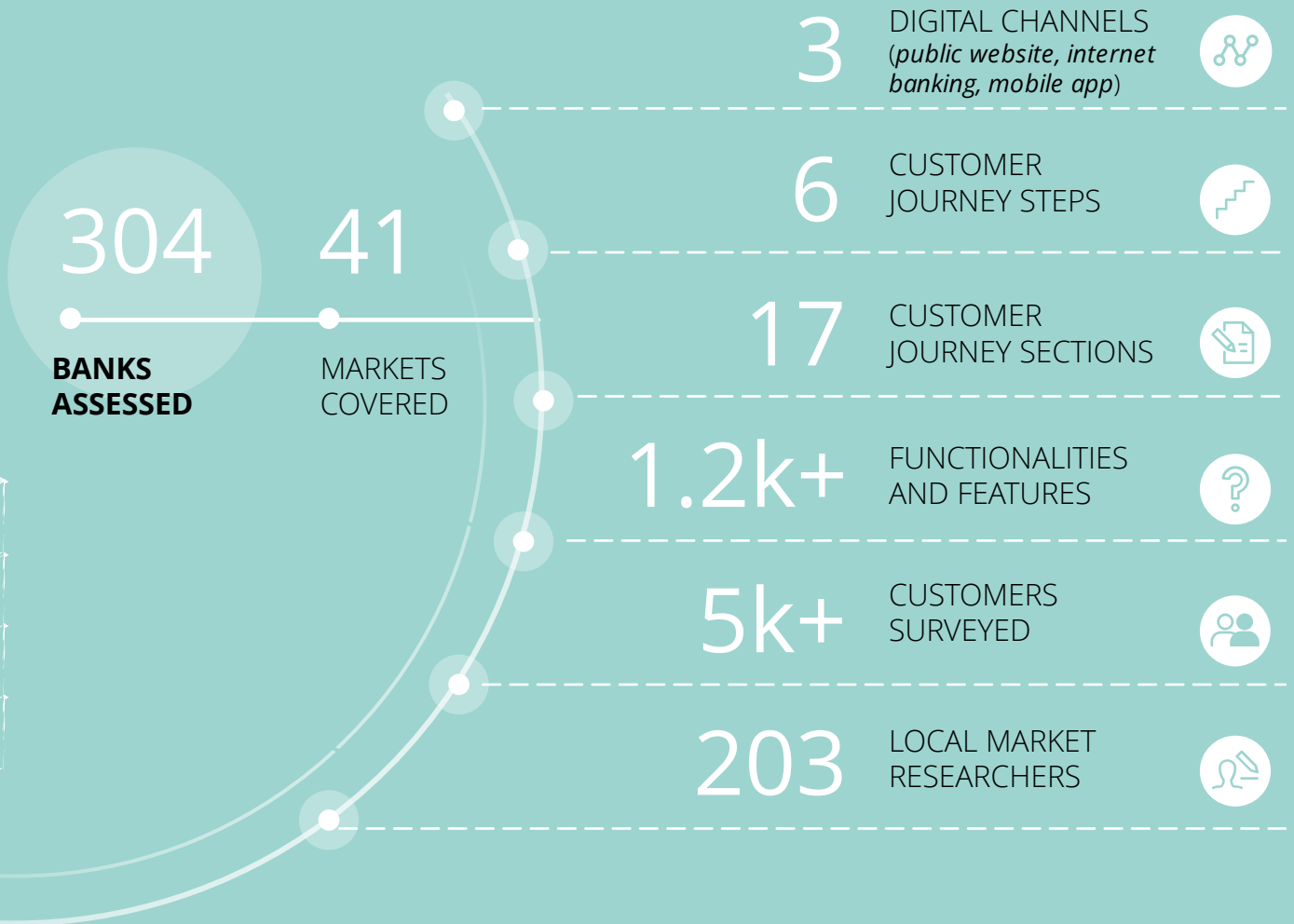
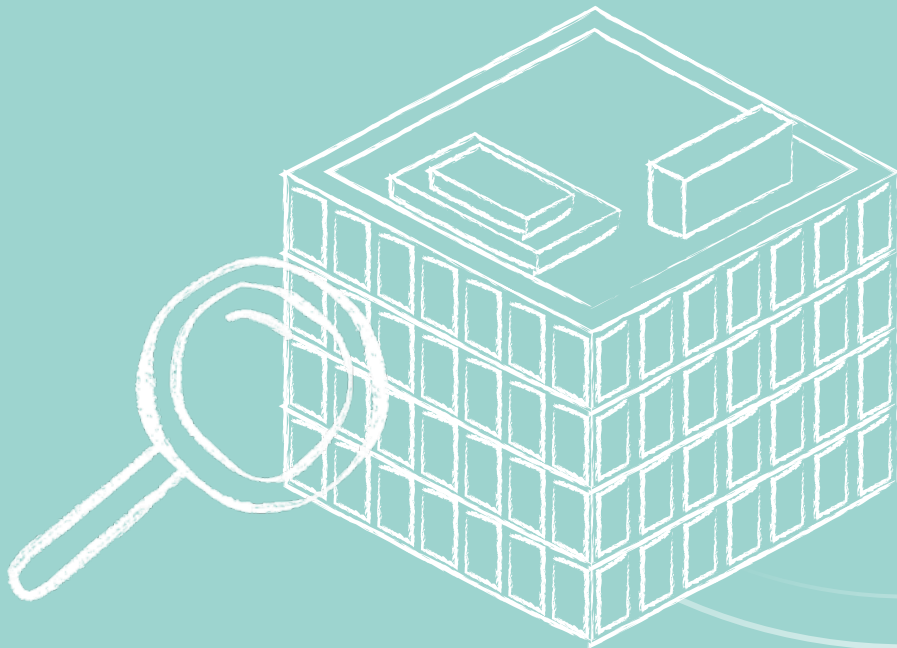
**Digital Banking Maturity 2022**

is the 5<sup>th</sup> edition of the largest global benchmarking of digital retail banking channels, answering what leaders are doing to win in the digitalization race.



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

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



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

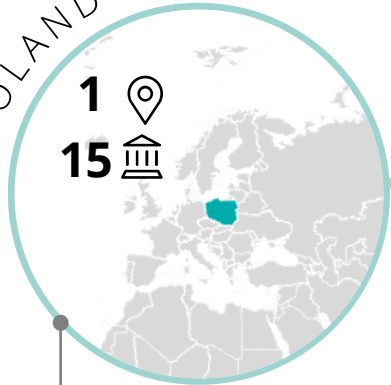


COUNTRY



BANKS

POLAND



2016

Thought leadership material for European Financial Congress

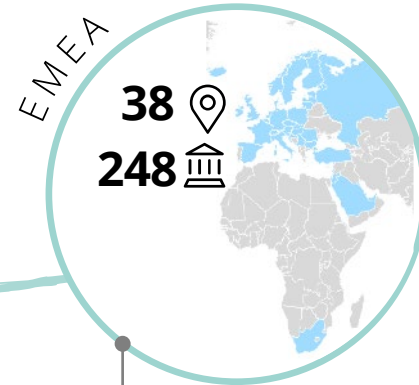
CENTRAL EUROPE



2017

Covering 15 additional CE countries and over 100 banks

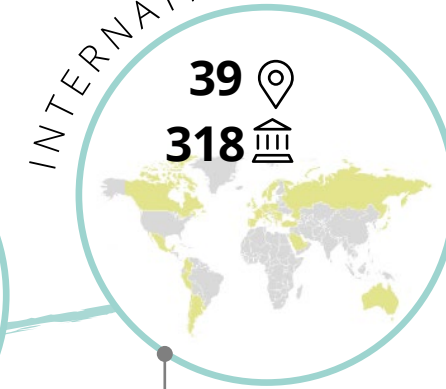
EMEA



2018

Expansion from CE to Western Europe and EMEA region

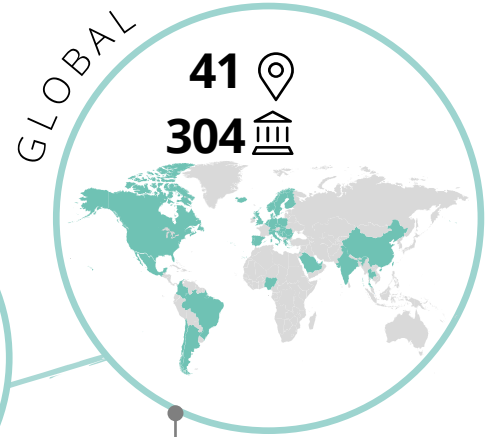
INTERNATIONAL



2020

Expansion to new regions and continents, including Americas and Asia

GLOBAL

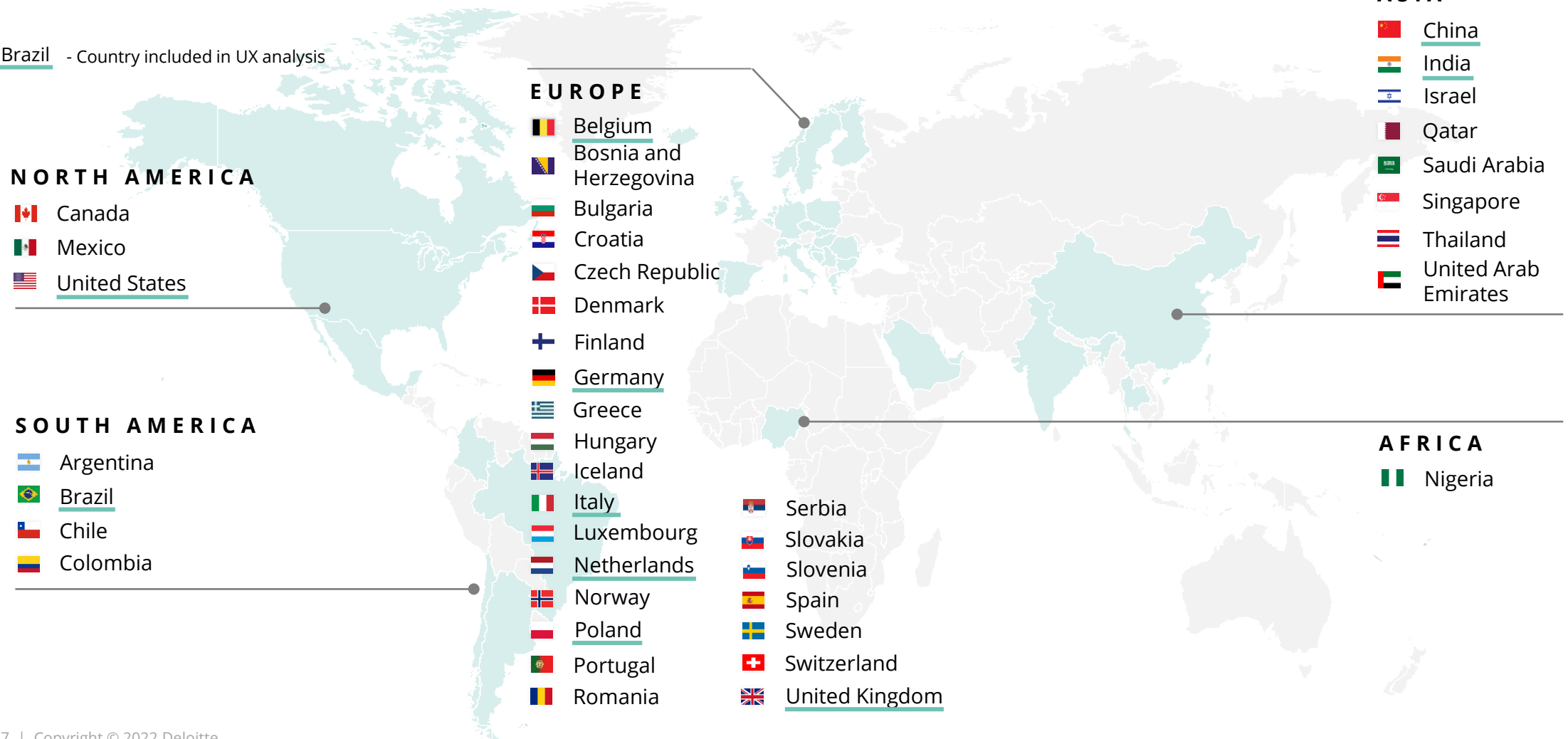


2022

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

# Digital Banking Maturity 2022 covered 41 countries from 5 continents, including key world markets

Brazil - Country included in UX analysis



Three components were assessed in order to compare digital maturity between banks



**FUNCTIONALITIES BENCHMARKING**

Analysis of 1208 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.

- Assessment of 15 scenarios reflecting key areas of customer activity at top UX banks
- Best practices Playbook and Virtual Data Room available covering the analysed list of scenarios available for Deloitte consultants

**DBM BENCHMARK**

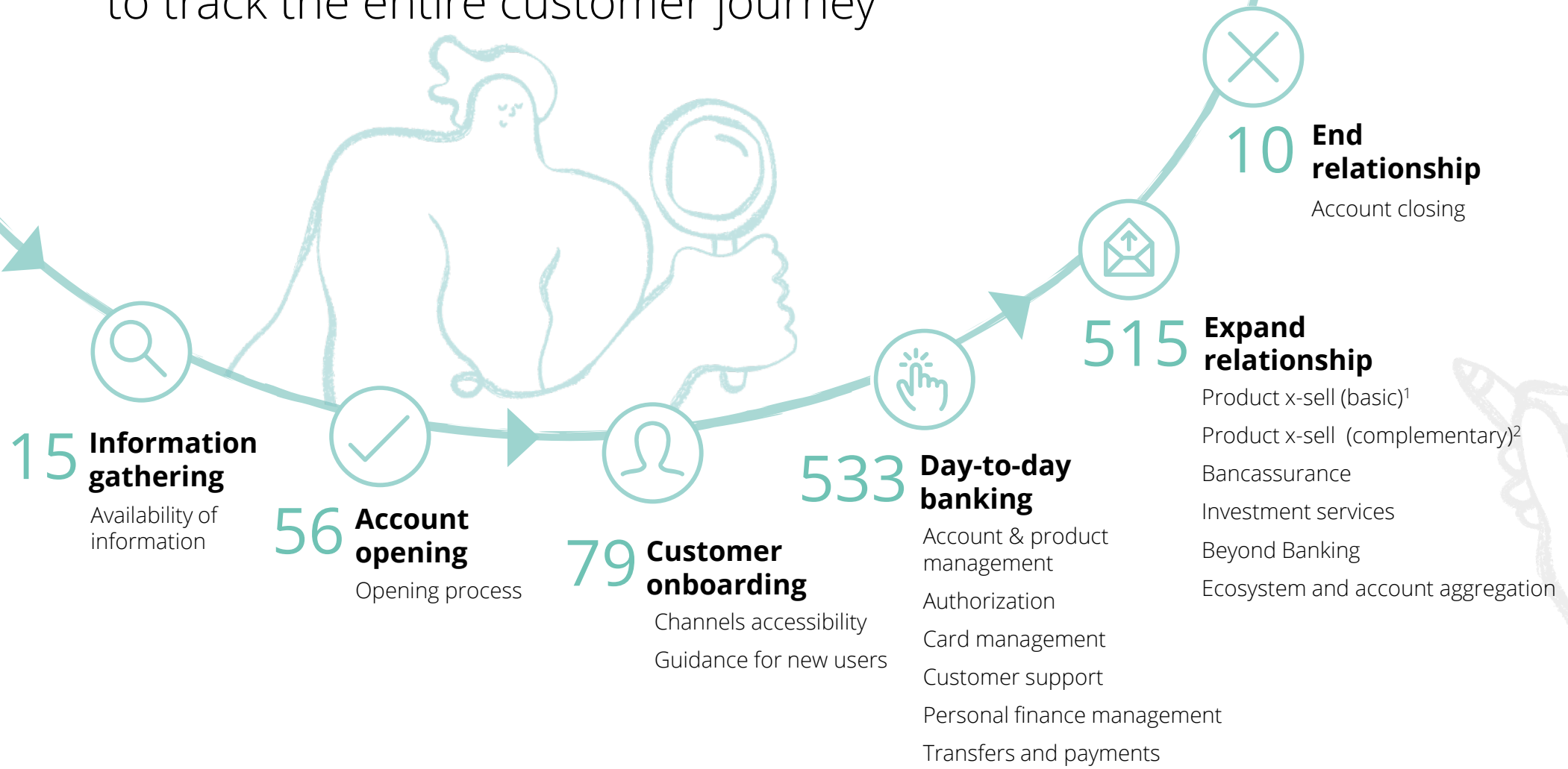
**An exhaustive overview of digital maturity between banks**

**UX ASSESSMENT**

**Assessment of digital banking channels from customer experience perspective**



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



Note 1. Product x-sell (basic) includes debit card, credit card, overdraft, cash loan, cheque, bank draft  
Note 2. Product x-sell (complementary) includes car loan, mortgage, currency account, saving account, term deposit, private banking account  
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# Usage and preferences for banking channels were evaluated based on a customer survey with over 5000 respondents

**5084 respondents' answers** provided insights on customer preferences on 26 activities mapped with customer journey steps in 3 banking channels. All activities were linked to the 1208 functionalities assessed in the study, to find out what is in demand from the customer's side.

*How often do you perform the following banking activities?*

**26**  
ACTIVITIES

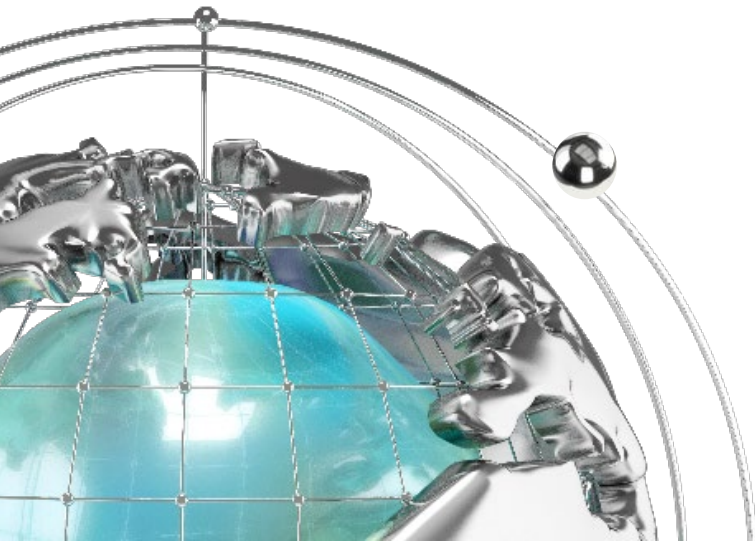
EXAMPLES:

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

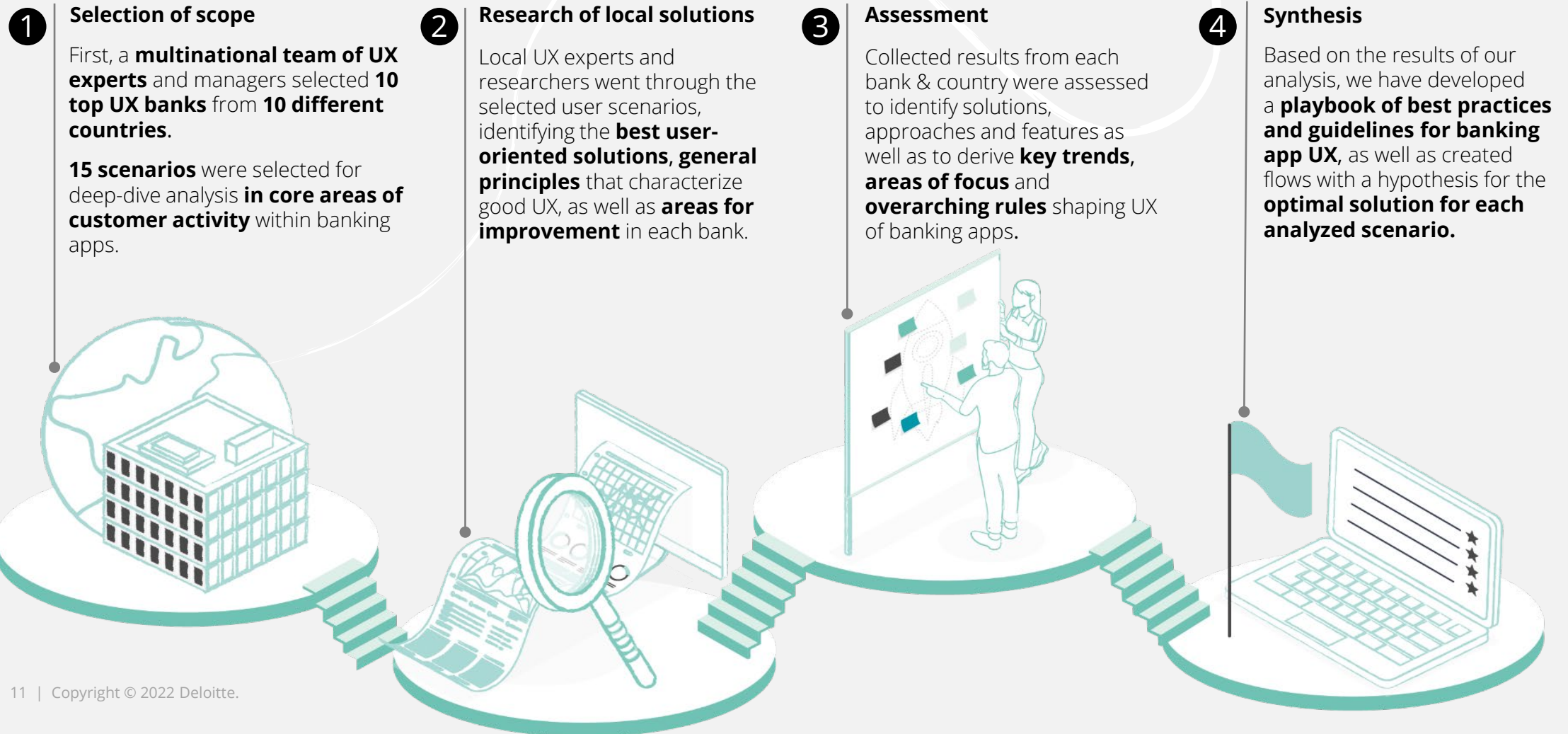
*Which of the channels is/would be your preferred choice for each of the following banking activities?*

**3**  
CHANNELS

-  Mobile banking
-  Internet banking
-  Branch



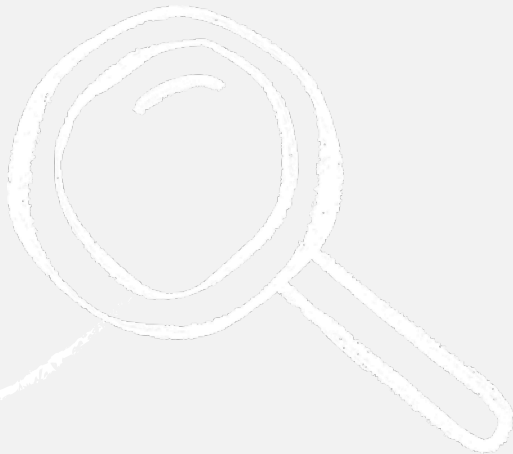
# Best UX practices were identified thanks to deep-dive research on selected players



# Analyzed UX scenarios cover key areas of customer activity



We followed the user through their **banking experience journey**: from opening an account, through day-to-day banking activities, up to closing an account.



## 15 KEY SCENARIOS WE FOCUSED ON:

- 1 Opening a current account
- 2 Onboarding in the app
- 3 Logging in to the app
- 4 Making a domestic payment/transfer
- 5 Requesting money
- 6 Applying for a mortgage
- 7 Applying for a personal loan (*e.g. cash loan*)
- 8 Leveraging third-parties services
- 9 Active investing
- 10 Managing your payment card
- 11 Checking account balance & transaction history
- 12 Tracking expenses
- 13 Contacting the customer support
- 14 Closing a current account
- 15 Other innovative user-oriented solutions



01 Description of the study

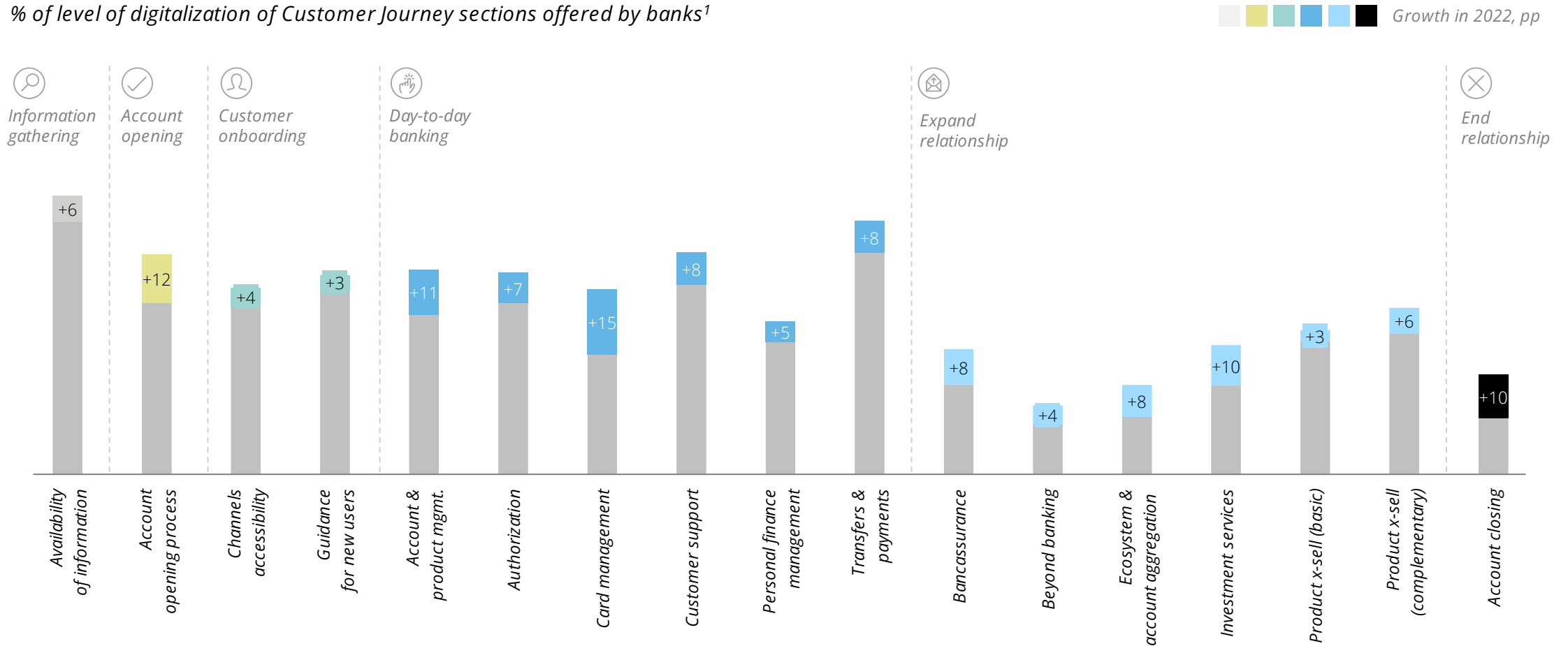
02 **Global results**

03 Chile results

The **global banking sector has increased digitalization in every customer journey step and for every product** since the last edition. Analysis of *Digital champions* – best 10% of researched banks – shows that they focused on the development of authorization methods, card management, bancassurance and investment functionalities.

# Card, account and product management and account opening are sections which recorded the highest digitalization level increase since 2020

% of level of digitalization of Customer Journey sections offered by banks<sup>1</sup>

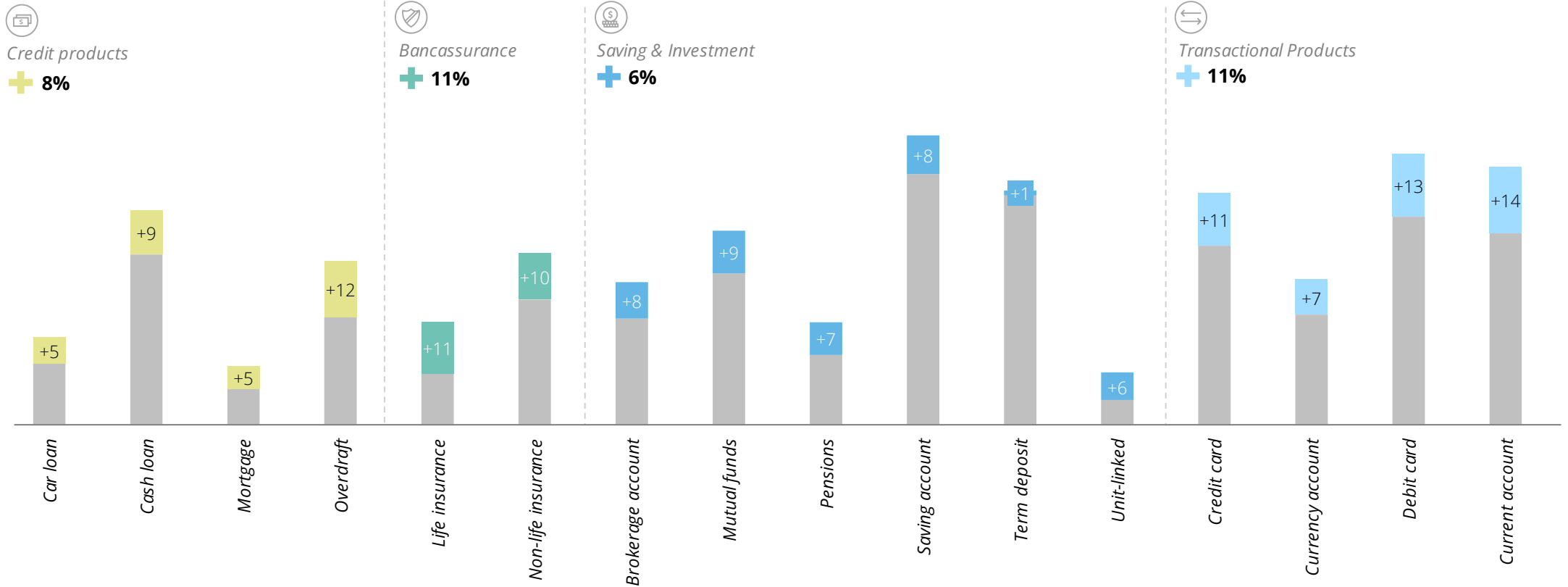


Note 1. Sample of 193 banks which were covered in 2020 and 2022 edition

# Transactional products and bancassurance are the product groups in which digitalized end-to-end processes grew the most

% of digital end-to-end functionalities related to banking products offered by banks<sup>1</sup>

+ Avg. growth for the whole group   
 ■ Result in 2020   
 ■ ■ ■ ■ Growth in 2022, pp



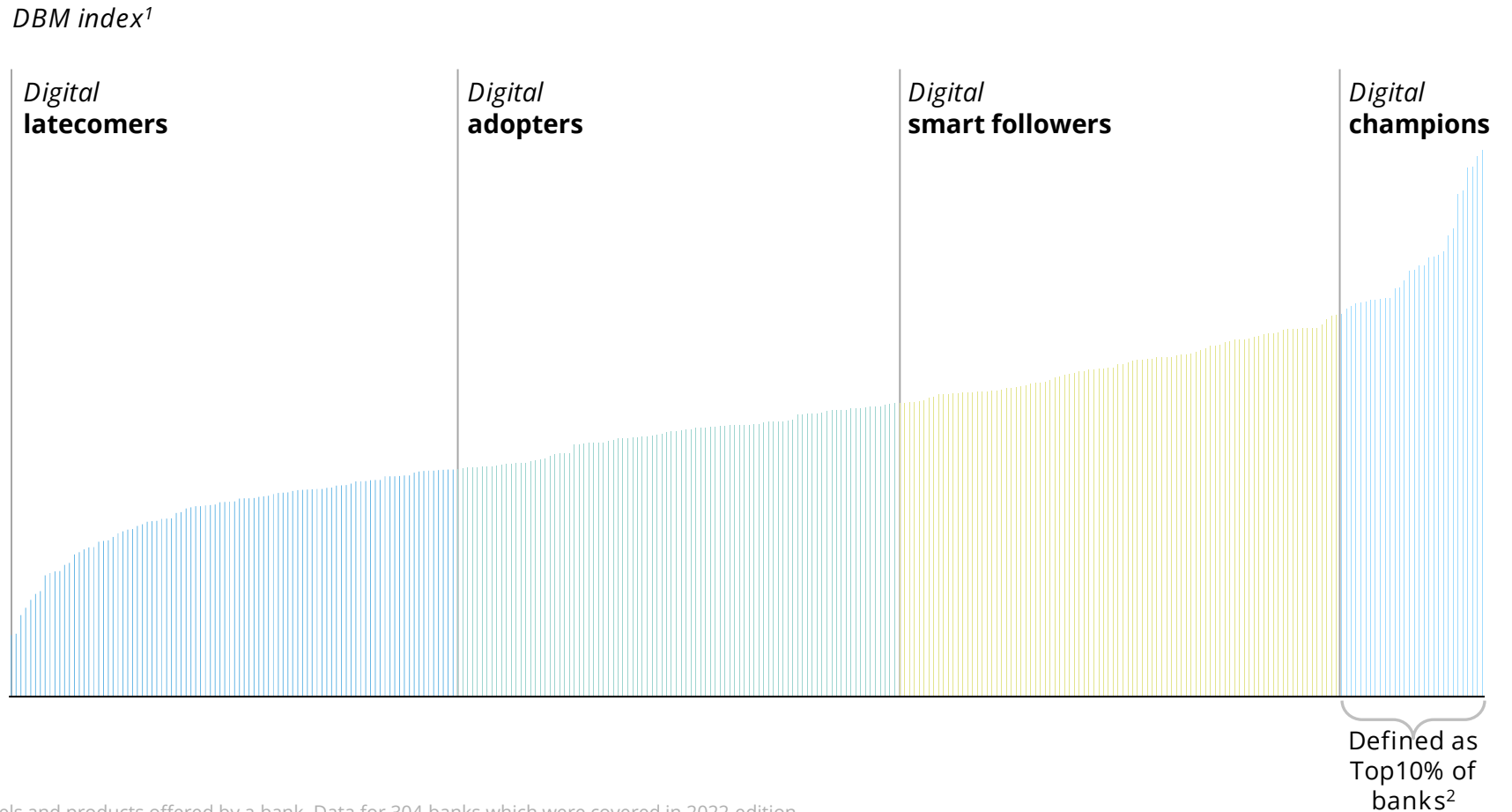
Note 1. Sample of 193 banks which were covered in 2020 and 2022 edition  
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# Our study divides banks into four groups, according to their level of digitalization, and identifies digital champions

## What defines *Digital champions*?

*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.



Note 1. DBM index measures maturity for channels and products offered by a bank. Data for 304 banks which were covered in 2022 edition

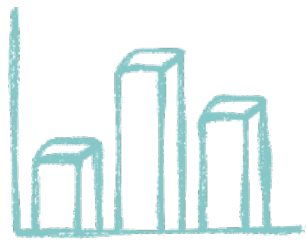
Note 2. Selection of 30 banks defined as Digital champions



# Digital champions achieve better financial performance indicators

Selected KPIs of incumbent Digital champions<sup>1</sup>: average difference to peers<sup>2</sup>

■ Digital champions ■ Other banks



ROE

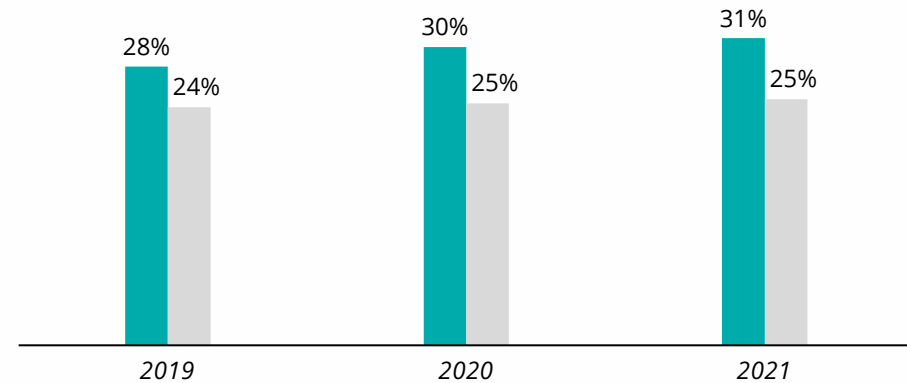
+1.5 pp



ROA

+0.1 pp

Share of net fee income in total income, 2019-2021

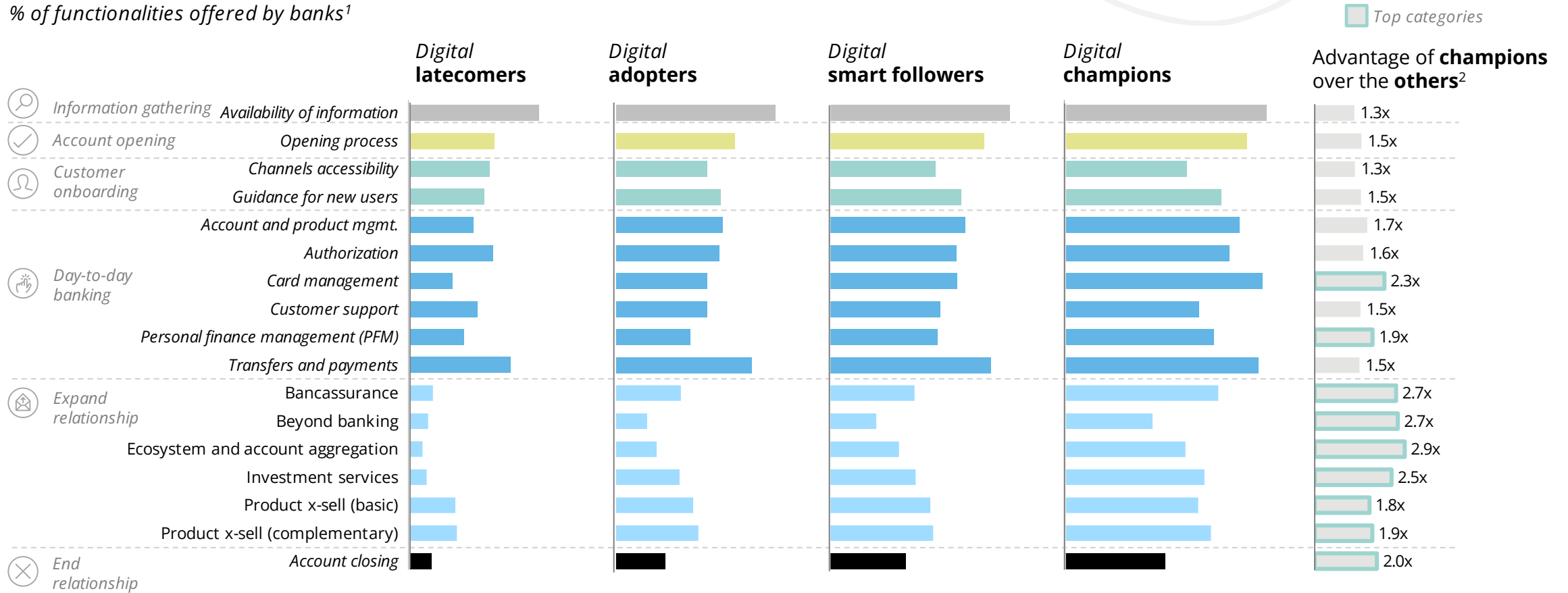


Note 1. Incumbents – banks with long-established position on the market. Challengers – relatively small bank competing with large long-established banks

Note 2. Average difference to peers – peers are incumbent banks in the same country that were covered in the DBM survey

# Digital champions develop functionalities that help expand customer relationships and have built a significant advantage over other players

% of functionalities offered by banks<sup>1</sup>



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

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

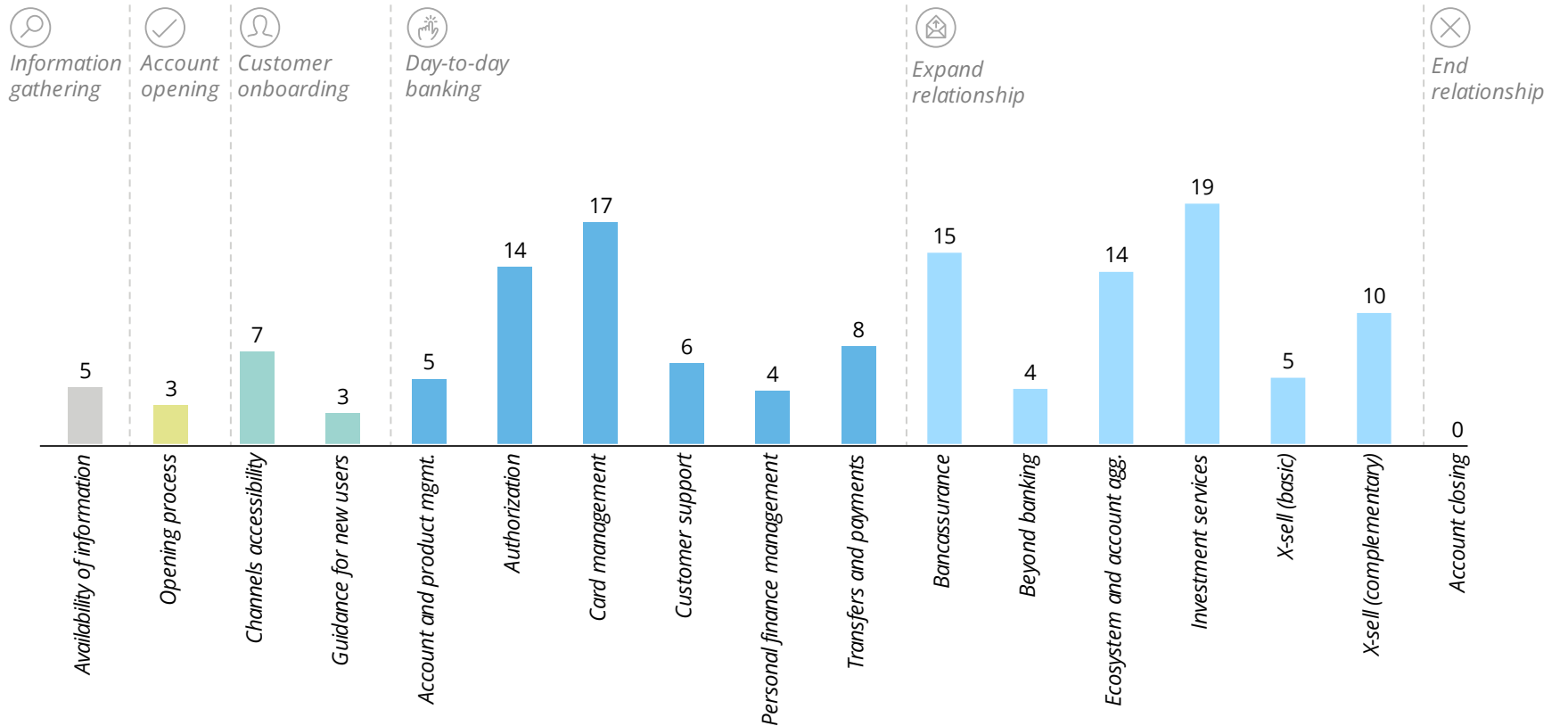
# Digital champions have invested significantly in bancassurance, card management, authorization and ecosystems areas since 2020

Where have Digital champions gained the biggest advantage over peers in the last 2 years?

**Expand relationship** functionalities (avg. 11 pp advantage) has been a top priority for *Digital champions*, especially **bancassurance and investment services** (19 pp advantage). Champions have also strengthened in **card management** (17 pp) and **authorization** (14 pp).



**Digital champions increase in advantage over peers**  
*difference between % of functionalities implemented by Digital Champions in 2020 and 2022, pp*



Note 1. Based on the data for 30 Digital champions from 2022 edition & 32 Digital champions from 2020 edition  
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01 Description of the study

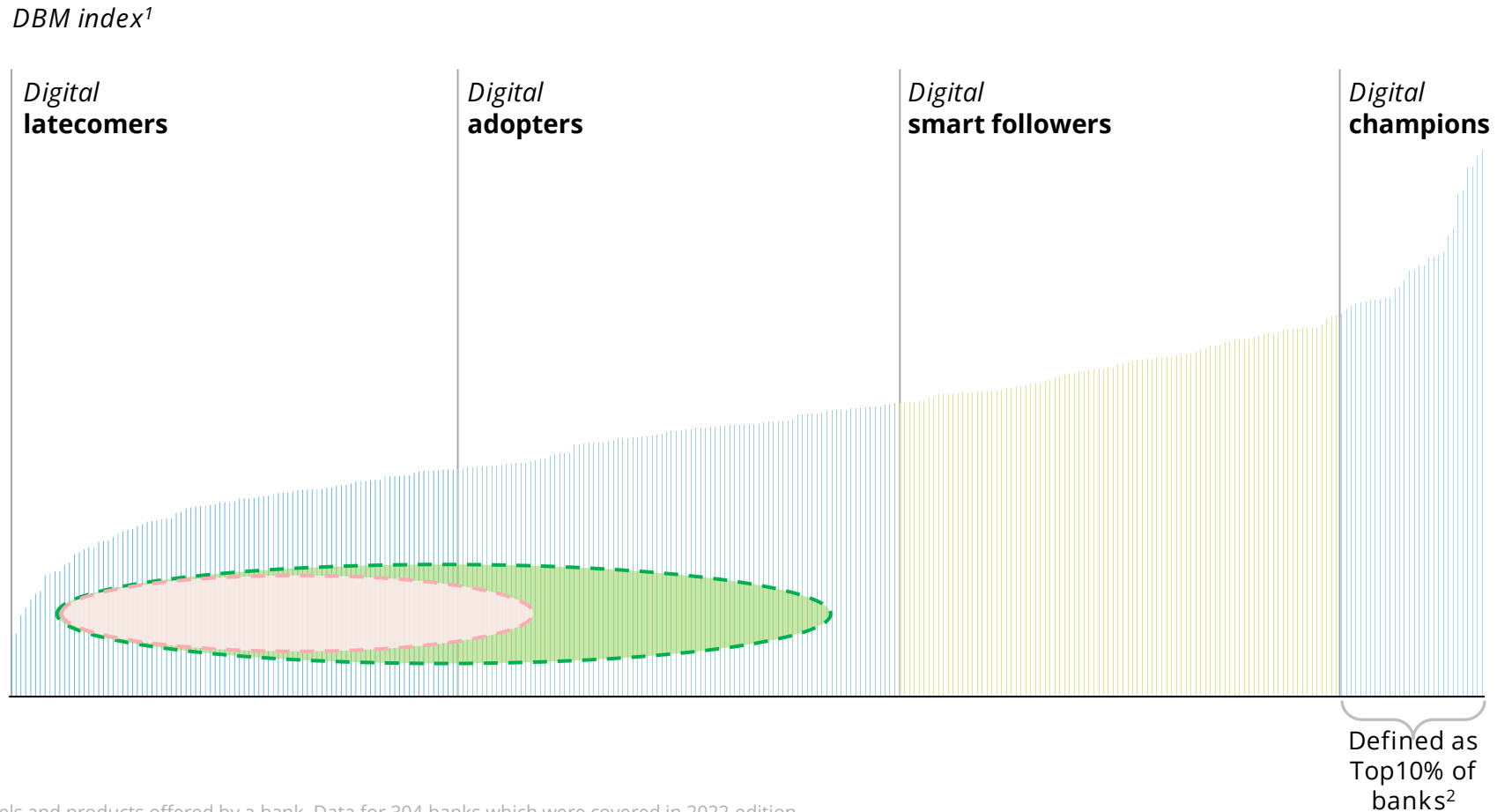
02 Global results

03 **Chile results**

The **local banking sector has increased digitalization considerably** since the last edition in 2020. Let's see the results of the study and what they focused on in these past two years.



# Chilean banks advanced in digital maturity during the pandemic, but the gap between local banks widened



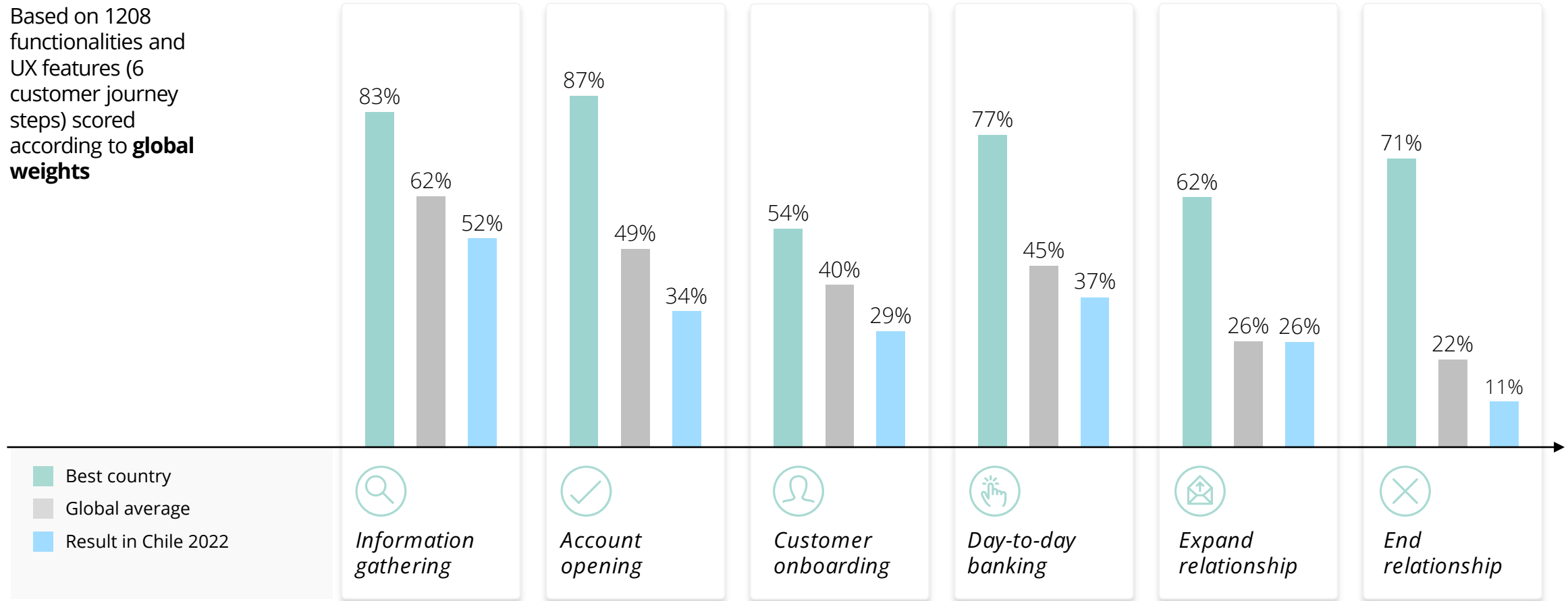
Note 1. DBM index measures maturity for channels and products offered by a bank. Data for 304 banks which were covered in 2022 edition

Note 2. Selection of 30 banks defined as Digital champions

# Chilean average score is still lower than global average, with the exception of functionalities in “expand relationship”

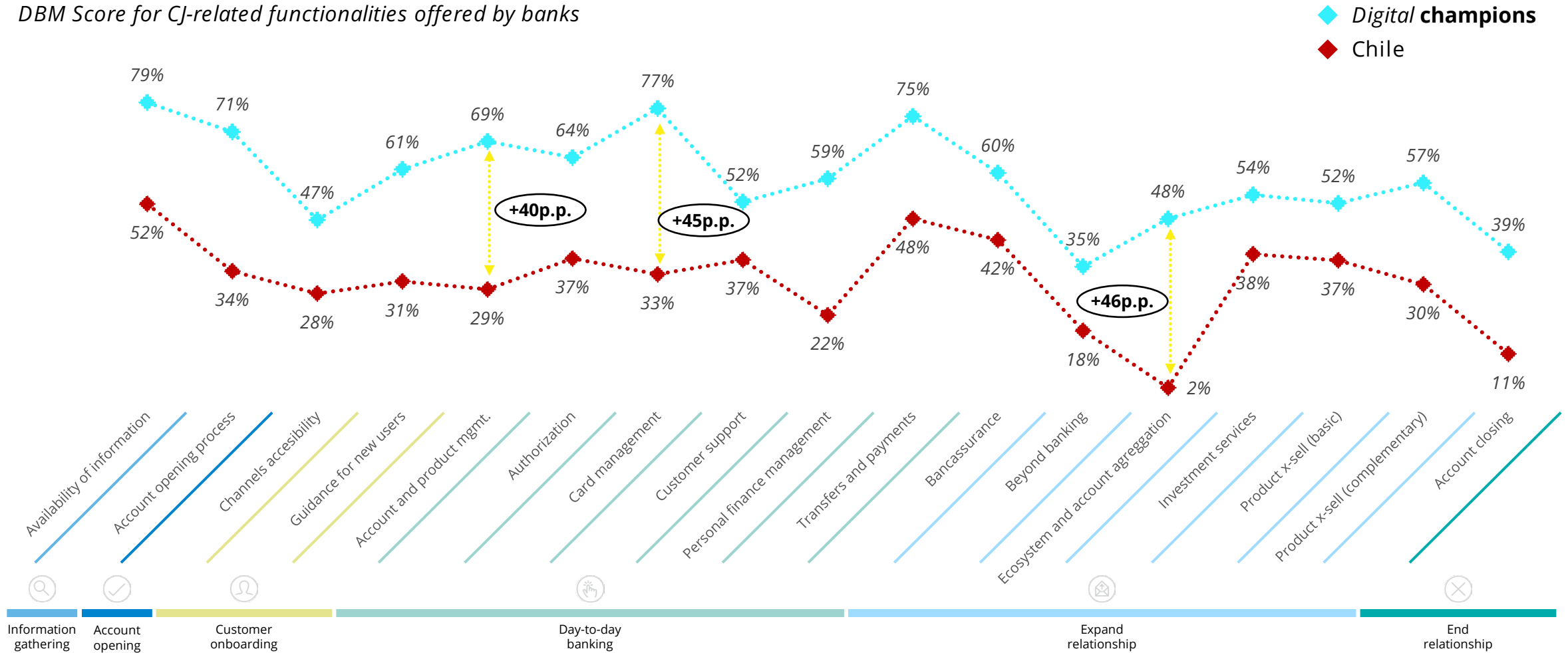
DBM score by CJ step, %

Based on 1208 functionalities and UX features (6 customer journey steps) scored according to **global weights**



# CJ sub-steps: Digital Champions vs. Chile average

DBM Score for CJ-related functionalities offered by banks



# Will you drive change or be driven by it?

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