



Mobility Services in Global Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2016: A New Paradigm

Banking, Financial Services, and Insurance (BFSI) IT Services Market Report – November 2016 – Preview Deck

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▶ Locations Insider™

▶ Transaction Intelligence

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 Robust definitions and framework
 (PEAK Matrix, market maturity, and technology adoption/investment)

2 Primary sources of information
 (Annual, contractual and operational RFIs, service provider briefings and buyer interviews, and web-based surveys)

3 Diverse set of market touchpoints
 (Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership)

4 Fact-based research
 (Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers)

- Proprietary contractual database of 1,200+ active BFSI AO contracts (updated annually)
- Year-round tracking of 25+ BFSI AO service providers
- Dedicated team for BFSI IT outsourcing research, spread over two continents
- Over 20 years of advising BFSI clients on ITO and BPO decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Background and scope of the research

Background of the research

As mobile technologies continue to evolve, mobile banking has emerged as one of the “nice-to-have” to “must-have” needs for banks and consumers globally. Accessing basic banking services such as payments, account access, fund transfers, and customer support through mobile has become mainstream. This has opened a new playing field for banks who are facing stiff competition from niche FinTech start-ups

Driven by the digital wave, mobility has witnessed significant adoption across different lines-of-business and functions in banking. Stricter regulatory norms, the race to provide personalized experience, the pressure to contain costs, and the threat from emerging start-ups have fuelled investments in mobility services in banking. Banks are investing in mobile technologies not just to stay ahead of the competition by providing a differentiated customer experience but also to gain from increased efficiencies by adopting mobility in day-to-day operations

Responding to enterprise priorities, service providers are rapidly ramping up their mobility services portfolio. They have invested in acquiring newer capabilities, realigning their workforce, and developing contextualized solutions to help enterprises in their mobility journey

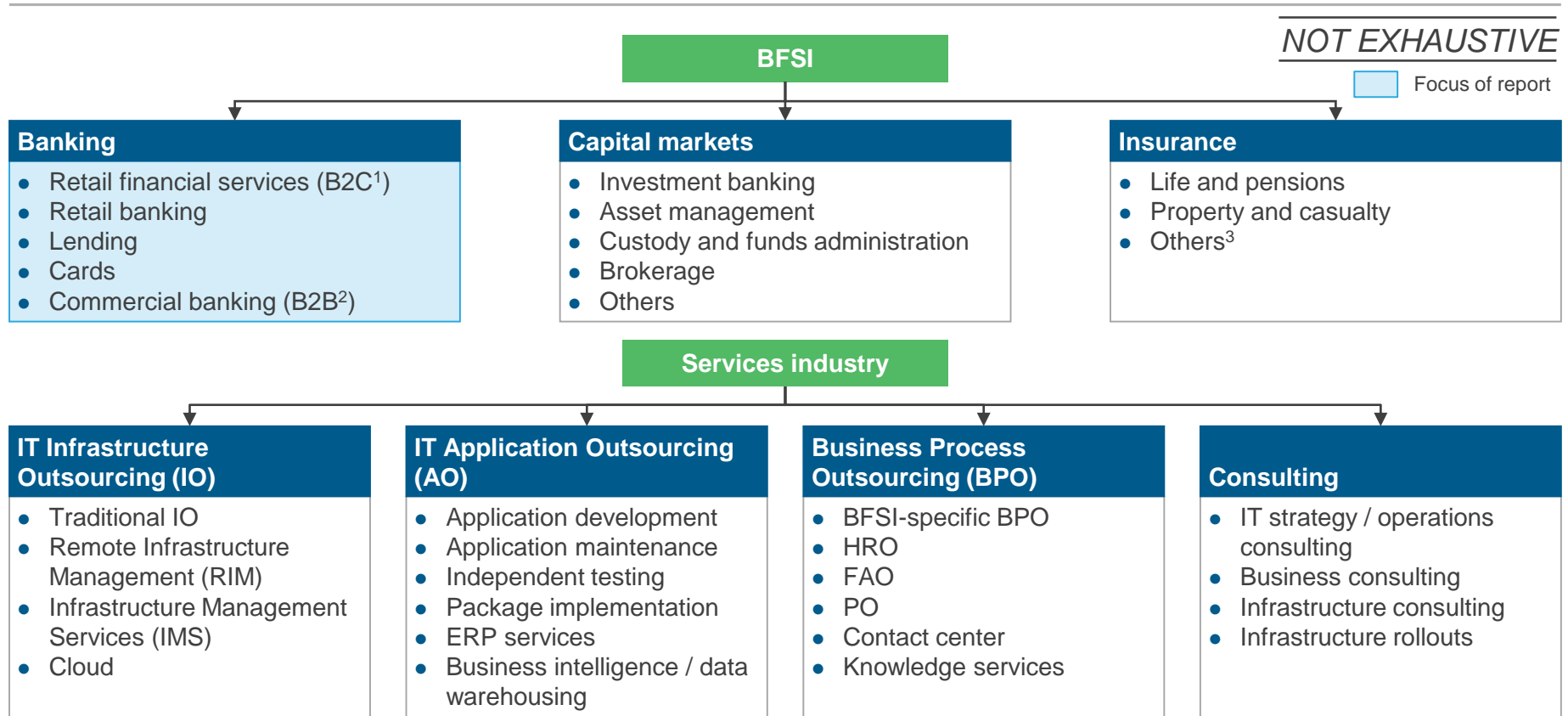
In this research, we analyze the capabilities of 21 leading technology service providers, specific to mobility in the global banking sector. These providers were mapped on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix, which is a composite index of a range of distinct metrics related to each provider’s capability and market success. In this report, we focus on:

- State of the mobility services market in banking
- The landscape of service providers for mobility in banking
- Assessment of service providers on a number of capability-related dimensions
- Characteristics of Leaders, Major Contenders, and Aspirants on the Everest Group mobility in banking PEAK Matrix
- Implications for banking buyers and service providers

Scope of this report

- **Industry:** Banking (retail banking, commercial banking, credit cards, loans, and mortgages); excludes capital markets and insurance
- **Services:** Mobility services
- **Geography:** Global
- **Service providers:** 21 leading service providers with banking mobility capabilities

This Everest Group report examines the service provider landscape for mobility services in the global banking sector



Digital Services

Services in next-generation technologies leveraged by enterprises to enable transformation including social, mobility, analytics, cloud, and others (artificial intelligence, robotics process automation, Internet of things, machine-to-machine, etc.)

- 1 Business-to-consumer relationships
- 2 Business-to-business relationships
- 3 Includes other insurance functions such as takaful and reinsurance

Everest Group definition of mobility services

Mobile strategy and consulting



**Mobile
application
development**



**Mobile
application
maintenance**



**Mobile
application
testing**



**API
management
for mobility**



**User
Experience
(UX) design**

Mobile application platform / mobile integration platform

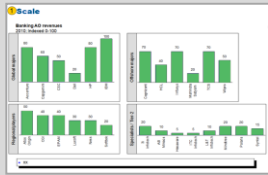
Security services

Mobile device testing

Mobile Device Management (MDM)

This report is a part of the Everest Group's series of reports focused on ITO in BFSI in 2016

IT Outsourcing in BFSI – Annual Report



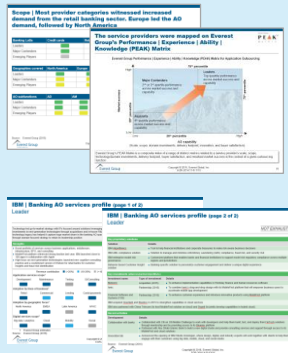
Each report provides:

- An overview of the application services market for the BFSI verticals, capturing key trends in market size, growth, drivers & inhibitors, adoption trends, regional/functional break-outs of the market, emerging themes, key areas of investment, and implications
- Key movements in volumes/values of AO transactions, evolving trends, market dynamics, and emerging priorities of buyers in the last 12 months

Focus of report

- Global Banking
- Global Capital Markets
- Global Insurance

IT Outsourcing in BFSI – Service Provider Landscape and Profiles Compendium



Each report provides:

- Assessment of service provider landscape in AO services and mapping of providers on Everest Group's PEAK Matrix™ – as Leaders, Major Contenders, and Aspirants
- Benchmarking scale, scope, domain investments, and delivery footprint of each provider's BFSI-AO practice along with comparative evaluation of their BFSI-AO capabilities
- The 2016 BFSI-AO PEAK analyses focus on identifying the "Star Performers", i.e., providers with the strongest forward movement over time – both in terms of market success and capability advancements
- Capability profiles of service providers capturing their AO services experience in specific subverticals including details such as AO services capabilities, key investments, proprietary solutions, and technological expertise

- Global Banking
- Global Capital Markets
- Global Insurance
- **Mobility in Banking**
- Mobility in Insurance
- Analytics in Banking
- Analytics in Insurance

Enterprise Digital Effectiveness with APEX Matrix



Two reports as part of an "open source" evaluation of the digital effectiveness of the largest retail banks in Europe and the United States and mapping them on Everest Group's APEX Matrix – as Leaders, Optimizers, Innovators, and Aspirants

- APEX Matrix for Digital in the U.S. retail banks
- APEX Matrix for Digital in Europe retail banks

Everest Group's BFSI research is based on three key sources of proprietary information

1

- Everest Group's proprietary database of 500+ IT service contracts within BFSI, of major IT service providers with digital scope of work (updated annually)
- The database tracks the following elements of each digital services relationship:
 - Buyer details including industry, size, and signing region
 - Contract details including TCV, ACV, term, start date, service provider FTEs, pricing structure, and deal description
 - Activity broken down separately for banking, capital markets, insurance, and by LOB (for example, investment banking, asset management, custody, fund administration, and brokerage)
 - Scope includes coverage of buyer geography as well as functional activities
 - Global sourcing including delivery locations and level of offshoring

2

- Service provider briefings¹
- Ongoing interactions with banking buyers and industry bodies

3

- Everest Group's proprietary database of **operational capability of 20+ BFSI digital technology service providers** (updated annually through primary data collection via service provider RFIs)¹
- The database tracks the following capability elements for each service provider:
 - Major BFSI clients and recent wins
 - Overall revenue, total employees, and BFSI employees
 - Recent BFSI-related developments
 - BFSI digital technology services delivery locations
 - BFSI digital technology service suite
 - Domain capabilities, proprietary solutions, and intellectual property investments

Service providers covered in the analysis¹



1 Assessment for Accenture, EPAM, and IBM excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with banking buyers

2 Analysis for Dell Services and CSC are based on capabilities before acquisition/merger with NTT Data and HPE Services respectively

Note: Everest Group continuously monitors market developments and tracks additional service providers beyond those included in the analysis

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information, that is contract-specific, will be presented back to the industry only in an aggregated fashion

This report contains insights on the mobility services in banking service provider landscape

The report provides a comprehensive assessment of the service provider landscape in mobility services for banking and maps various providers on Everest Group's PEAK Matrix. The report further examines the distinctive characteristics of different service provider clusters i.e., Leaders, Major Contenders, Aspirants, and recognizes the key implications of the rapidly evolving mobility services landscape for banking buyers and service providers.

Some of the findings in this report, among others, are:

PEAK Matrix characteristic for mobility services in banking

- Buyers' expectations from service providers have evolved from a technology service provider to a partner in the entire mobility journey
- Leaders have an established practice, dedicated teams for banking, and mature solutions portfolio. They continue to invest in growing their technology and services capabilities (IP/tools, partnerships, dedicated innovation labs, etc.)
- Major Contenders are focused on building vertical-specific mobility solutions and training their resources in mobile technologies to augment their delivery capabilities for mobility services
- Aspirants have evolving solution portfolio and investments are mostly focused on tools/accelerators for implementing third party software packages

Implications for buyers and service providers

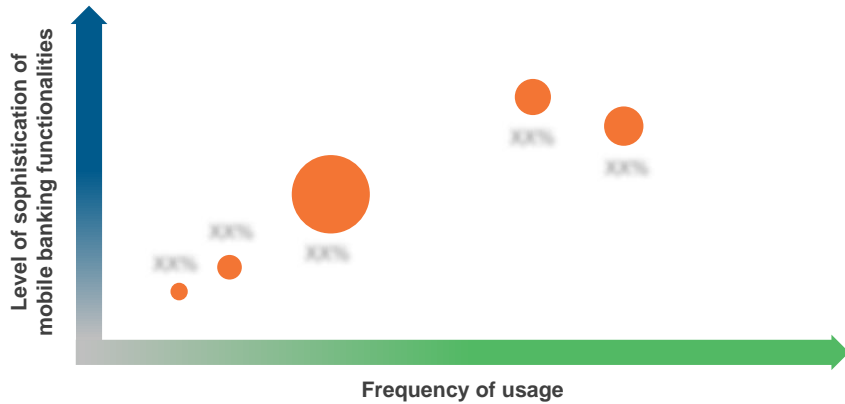
- Buyers need to develop a cohesive mobile strategy aligned with the bank's digital vision
- Service providers need to offer services to cater to entire mobility journey & address adoption challenges

Source: Everest Group (2016)

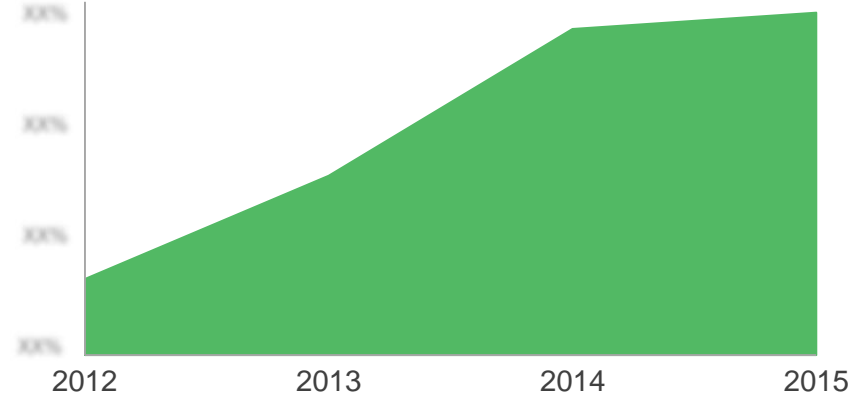
This study offers a deep dive into the key aspects of the mobility services in banking service provider landscape; below are four charts to illustrate the depth of the report

Mobile banking adoption maturity by region

Size of the bubble denotes the total number of active mobile banking users in the region in 2015



Global FinTech investments



Service provider capability assessment dashboard

Measure of capability / market success: Best-in-class, Very high, High, Medium high, Medium, Medium low, Low, Not mature

Service provider	Delivery capability					Market success
	Scale	Scope	Domain expertise and innovation	Delivery footprint	Buyer satisfaction	
Service Provider 1	High	High	High	High	High	High
Service Provider 2	High	Very high	High	High	High	High
Service Provider 3	High	Medium	High	Medium	High	High
Service Provider 4	High	Medium	High	Medium	High	High
Service Provider 5	High	Medium	High	Medium	High	High
Service Provider 6	High	High	High	Medium	High	High

Profile of the 21 service providers featured on the PEAK Matrix

Headline assessment

Summary of key findings and insights from the PEAK Matrix analysis.

Analyst comments

Key observations and recommendations for service providers based on the PEAK Matrix analysis.

PEAK Matrix dimensions assessment

Dimension	Rating
Scale	High
Scope	High
Domain expertise & innovation	High
Delivery footprint	High
Buyer satisfaction	High
Market success	High

Key IP (solutions, tools, frameworks, etc.) - mobility

- Example 1: Solution for mobile banking users
- Example 2: Framework for mobile banking providers

Key partnerships - mobility

- Example 1: Partnership with mobile banking providers
- Example 2: Partnership with mobile banking providers

Key investments (acquisitions, innovation labs, and CoEs) - mobility

- Example 1: Investment in mobile banking providers
- Example 2: Investment in mobile banking providers

Source: Everest Group (2015)

BFSI ITS research calendar

■ Published
 ■ Current

Topic	Release date
IT Applications Outsourcing in Insurance – Service Provider Profiles Compendium – 2015	January 2016
Blockchain in BFSI – Looking Beyond the Hype	March 2016
IT Outsourcing in Banking – Annual Report 2016	June 2016
Digital Effectiveness in U.S. Retail Banking – APEX Matrix™ to Identify the Digital Banking Leaders 2016	July 2016
IT Outsourcing in Global Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2016 and Profiles Compendium	August 2016
Digital Effectiveness in Europe Retail Banking – APEX Matrix™ to Identify the Digital Banking Leaders 2016	August 2016
IT Outsourcing in Banking – Annual Report 2016: Simplify the Bank	August 2016
IT Outsourcing in Global Capital markets – Service Provider Landscape with PEAK Matrix™ Assessment 2016	September 2016
Mobility in Banking– Service Provider Landscape with PEAK Matrix™ Assessment 2016	November 2016
IT Outsourcing in Insurance – Annual Report 2016	Q4 2016
IT Outsourcing in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	Q4 2016
Mobility in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	Q4 2016
Analytics in Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2016	Q4 2016
Analytics in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	Q4 2016

Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest.

1. **IT Outsourcing in Banking – Annual Report 2015: Riding the Digital Wave** ([EGR-2015-11-R-1496](#)); 2015. This report provides an overview of the Application Outsourcing (AO) market for the banking industry, through an in-depth analysis of large-sized AO contracts (i.e., contracts over US\$25 million in TCV and over three years in duration). The report analyzes key trends in market size & growth, demand drivers, adoption & scope trends, emerging priorities of buyers, key investment themes, and future outlook for 2015 with regards to such large banking AO deals
2. **IT Outsourcing in Banking – Annual Report 2016: Simplify the Bank** ([EGR-2016-11-R-1805](#)); 2016. This report provides an overview of the Application Outsourcing (AO) market for the capital markets industry, through an in-depth analysis of large-sized AO contracts (i.e., contracts over US\$25 million in TCV and over three years in duration). The report analyses key trends in market size & growth, demand drivers, adoption & scope trends, emerging priorities of buyers, key investment themes, and future outlook for 2016 with regards to such large capital markets AO deals
3. **Blockchain in BFSI – Looking beyond the hype** ([EGR-2016-11-R-1725](#)); 2016. This report provides an overview of blockchain technology and its impact on global BFSI sector. The report covers the market trends, enterprise priorities and key investment themes related to blockchain. The report helps financial services institution and service provider cut through the hype and understand the current state of adoption and the future promise of blockchain

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