



Digital Effectiveness in Retail Banking: Journey of North American Banks to Build SUPER Experiences

Banking, Financial Services & Insurance (BFSI) – IT Services (ITS)
Market Report – December 2017: Complimentary Abstract / Table of Contents

Our research offerings for global services

▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ Application Services

▶ BPS | Banking Financial Services

▶ BPS | Healthcare & Life Sciences

▶ BPS | Insurance

▶ Catalyst™

▶ Cloud & Infrastructure

▶ Contact Center

▶ Digital Services

▶ Engineering Services

▶ Finance & Accounting

▶ Human Resources

▶ ITS | BFSI*

▶ ITS | Healthcare & Life Sciences

▶ IT Services Forecaster™

▶ Locations Insider™

▶ PricePoint™

▶ Procurement

▶ Recruitment & Talent Acquisition

▶ Service Optimization Technologies

▶ 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

Subscription information

- This full report is included in the following subscription(s)
 - **Banking, Financial Services & Insurance (BFSI) – IT Services (ITS)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

* Banking, financial services, and insurance



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

Office: +91-124-284-1000

india@everestgrp.com

Table of contents (page 1 of 3)

Topic	Page no.
Background and scope of the research	6
Executive summary	9
Section I: Bank of the future – “Experience First”	19
• Drivers of change	20
• Future state of banking	22
• Role of the banks in future	23
• Key challenges faced by retail banks in delivering a superior user experience	24
• What will it take to transform to the new state	27
• Implications for banks	32
Section II: Digital Effectiveness Assessment model Leading retail banks in North America	33
• Digital services framework/definition	34
• Digital Effectiveness Assessment Model – overview and methodology	36
• Summary dashboards – capability maturity and business outcomes	42
• Digital Effectiveness Assessment Model for North American banks	46
Section III: Characteristics of the Digital Banking Leaders	48
• Key attributes of Digital Banking Leaders	49
• Agile Performer analysis	52
• Key features across assessment dimensions	53
• Category level analysis	60

Table of contents (page 2 of 3)

Topic	Page no.
Section IV: Snapshot of digital functionality of North American banks	62
• Ally Bank	63
• Bank of America	64
• Bank of Montreal (BMO) Canada	65
• Bank of Nova Scotia Canada	66
• BB&T	67
• BBVA Compass	68
• Capital One	69
• Chase	70
• CIBC Canada	71
• Citi	72
• Citizens Bank	73
• Comerica	74
• Discover Bank	75
• Fifth Third Bank	76
• First Republic	77
• HSBC North America Holdings	78
• Huntington Bank	79
• Key Bank	80
• M&T Bank	81
• MUFG Union Bank	82
• PNC	83
• RBC Canada	84
• Regions Bank	85
• Santander Bank	86
• SunTrust	87

Table of contents (page 3 of 3)

Topic	Page no.
Section IV: Snapshot of digital functionality of North American banks (continued)	
• TD Bank Canada	88
• U.S. Bank	89
• USAA	90
• Wells Fargo	91
• Zions Bank	92
Section V: Appendix	93
• Research calendar	94
• References	95

Background and scope of the research

Background of the research

Disruption in technology is leading to disintermediation in the banking value chain and business model of banks. FinTechs, non-traditional financial service providers, and neo-digital banks are developing new products, services, and business models, impacting front- to back-office functions to compete with traditional banks. The increasing competition and growing adoption of digital channels are forcing traditional banks to adapt to new client processes and reinvent themselves.

The industry is expected to witness a sea change, as banks move to a co-creation model to combine, package, and offer products/services from banking and allied businesses by orchestrating customer lifecycle. In such a situation, banks will move away from being perceived as just a physical structure that offers financial services/products to being an ambient fabric connecting people and businesses.

In this research, we analyse the customer-facing digital investments for 30 large North American retail banks. These banks have been mapped on Everest Group's **Digital Effectiveness Assessment Model**, which is a composite index of a range of distinct metrics related to each bank's capability maturity and the resultant business outcomes. In this report, we focus on:

- Future state of banking
- Assessment of 30 leading North American banks' on Everest Group's Digital Effectiveness Assessment Model
- Identification of Digital Banking Leaders and key features across all assessment dimensions
- Snapshot of capability maturity and business outcomes of all North American banks assessed on the Model

Scope of this report

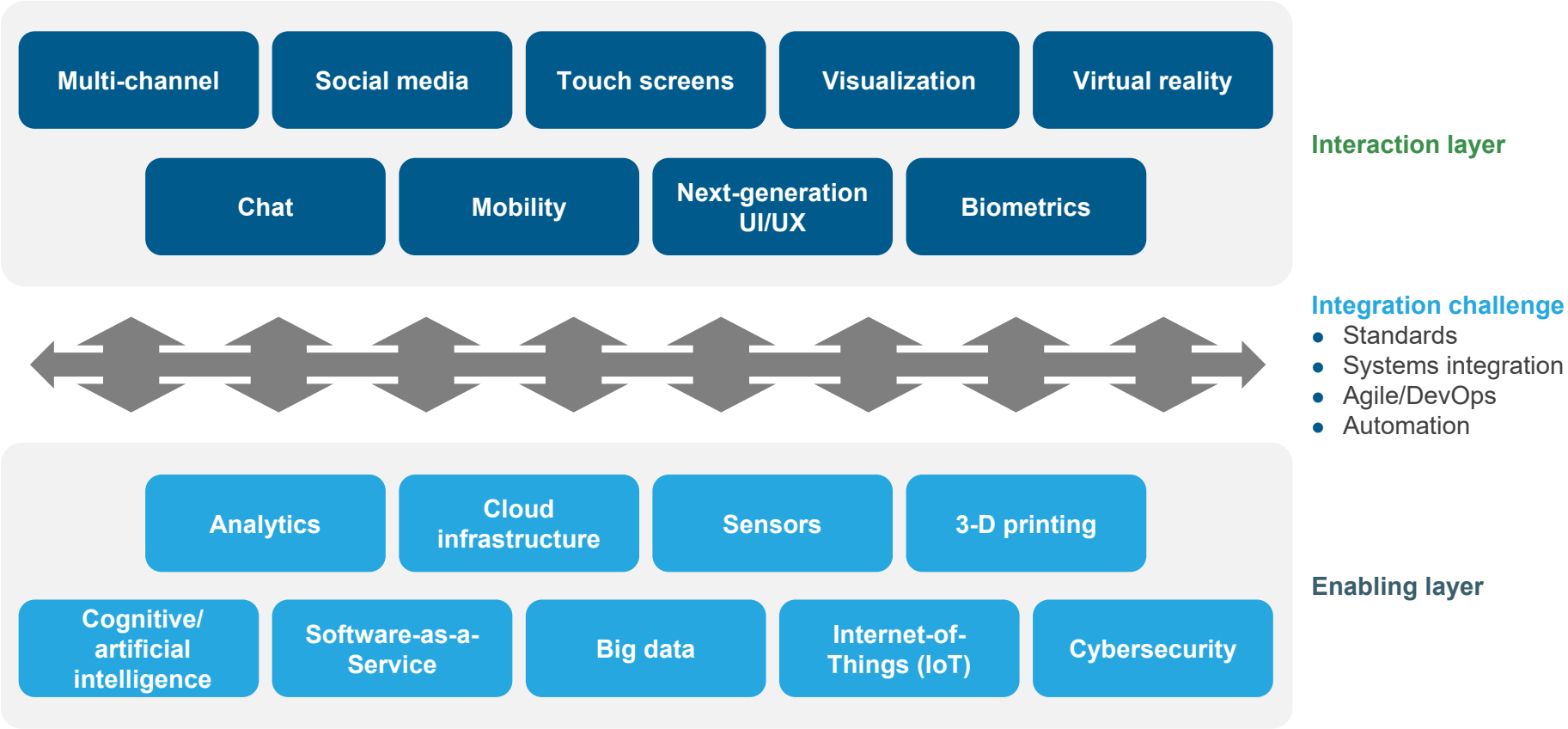
- **Industry:** Retail banking
- **Geography:** North America (United States and Canada)
- **Enterprises:** Includes 30 leading North American banks (25 US banks and 5 Canadian Banks), short-listed on the basis of asset size as well as their focus on retail banking

Sources leveraged: Only **publicly-available information** (i.e., information from a consumers' lens) has been used for the entire analysis in this report.

Key sources include:

- Google Play and App Store
- Demos / consumer access for mobile apps and online platforms of the banks that are assessed
- Social media platforms – Twitter, Facebook, LinkedIn, and YouTube
- Aggregators/tools – Alexa, App Anie, Likealyzer, SEMRush, SocialBlade, and Twitonomy
- Company filings and press releases (annual reports, investor presentations, SEC filings, etc.)

Everest Group’s digital effectiveness assessment focuses on the consumer-facing interaction layer of digital technologies



The assessment focuses on the consumer-focused initiatives in the “Interaction Layers” and only takes into account those aspects of digital functionality that a **consumer could evaluate**.

Overview and abbreviated summary of key messages

This report provides a point of view on envisioned future state of banks, current gaps, and initiatives that can enable these banks transform to a SUPER experience-provider. This report focuses on assessing front office digital effectiveness of 30 leading North American banks and map them on Everest Group's **Digital Effectiveness Assessment Model**, which is a composite index of a range of distinct metrics related to each bank's capability maturity and the resultant business outcomes. The report also highlights key attributes of Digital Banking Leaders and helps to identify features / investment areas that have enabled these banks offer a superior customer experience.

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

Bank of the future – “Experience First”

- Disruption in technology is leading to disintermediation in value chain and business model of banks. In the future, banks will become a network of assets and instead of capital, will offer end-to-end customer experiences
- To redesign customer journeys, banks need to adopt a step-wise approach where-in they start with calibrating current customer satisfaction levels, benchmark current digital maturity with best-in-class enterprises, redesign user experience, and optimize its channel strategy

Digital Effectiveness Assessment of in Retail Banks in North America

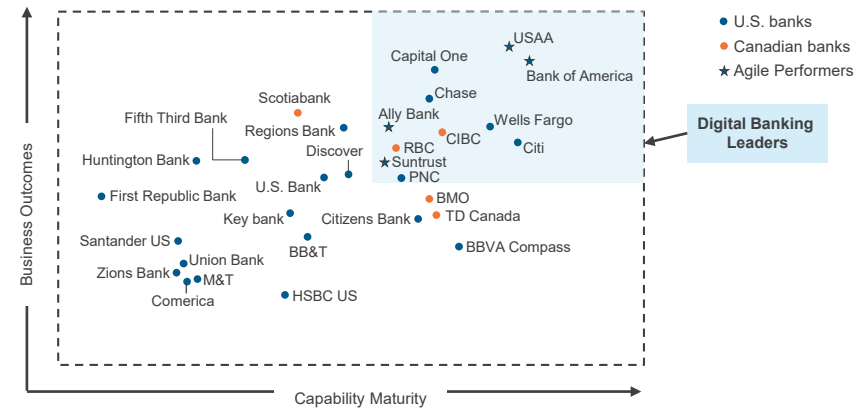
- Ally Bank, Bank of America, Capital One, Chase, CIBC Canada, Citi, PNC, RBC Canada, SunTrust, USAA, and Wells Fargo have emerged as Digital Banking Leaders, across a set of 30 leading North American banks, led by their ability to offer superior customer experiences, stronger customer engagement, and higher business growth
- Everest group has also awarded Ally Bank, Bank America, SunTrust, and USAA with the title of “Agile Performers”, which is given to enterprises that demonstrate the strongest forward movement over time on the assessment Model

This study offers distinct chapters providing a deep dive into key attributes of Digital Banking Leaders; below are four charts to illustrate the depth of the report

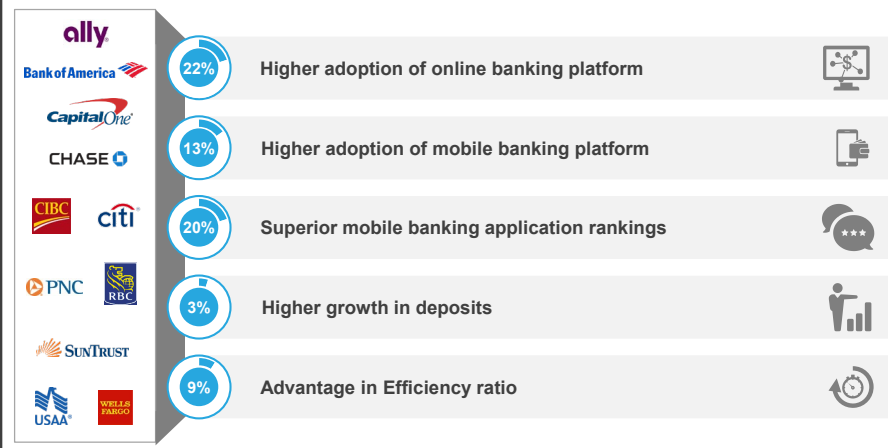
Bank of the future – SUPER banking experience



Digital Effectiveness Assessment of in Retail Banks in North America



Key attributes of Digital Banking Leaders

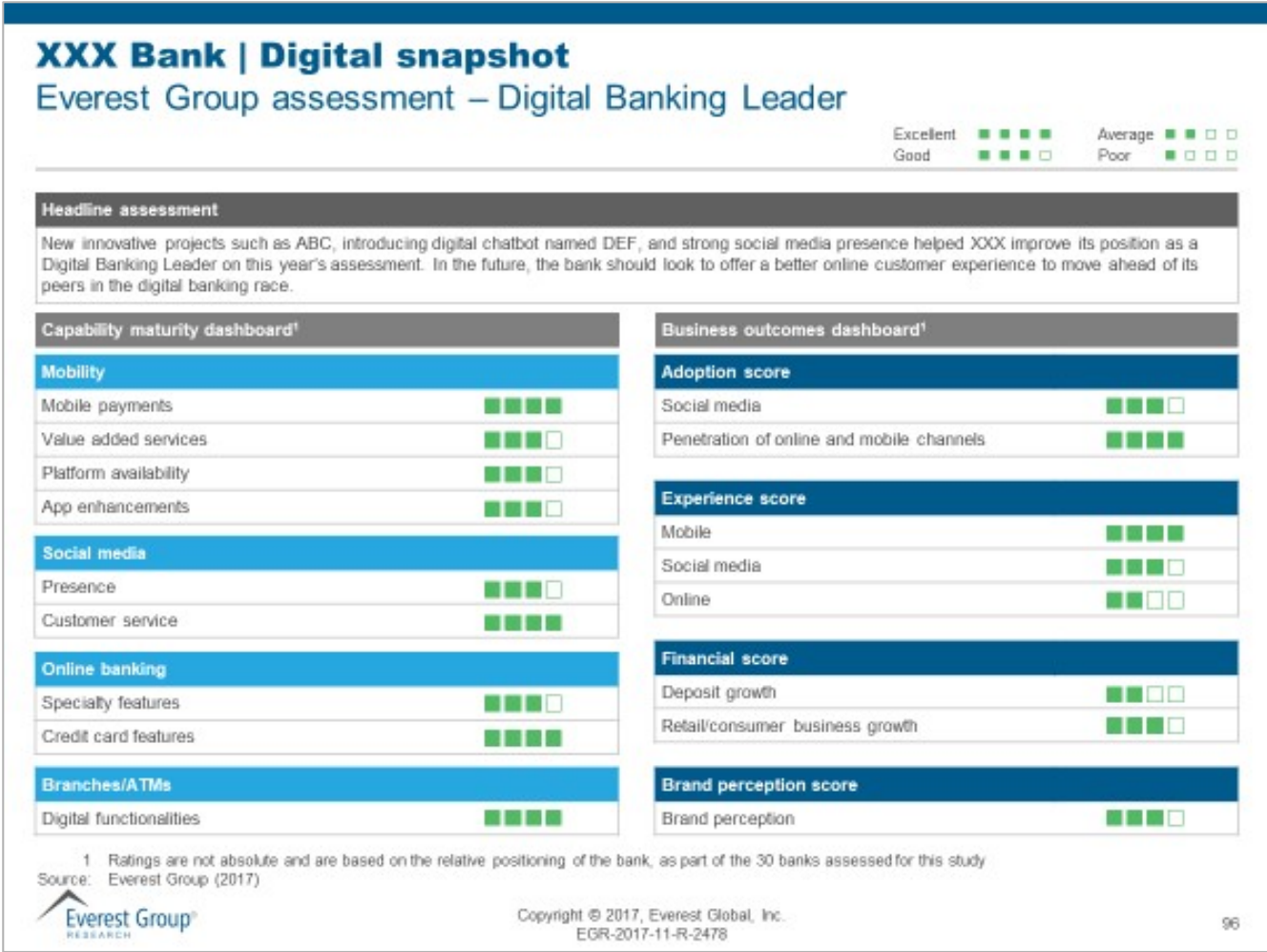


Implications for retail banks

- Curate experiences**
 - Adopt a human-centered design thinking approach to understand the stated and unstated needs of the customer
 - Leverage data and analytics to build personalized experiences for customers across multiple channels
- Build useful, usable, and user-friendly experiences**
 - Simplify business processes and drive automation to reduce the number of inputs any user needs to provide on an interface
 - Strive to leverage data to provide more transparency to customers
 - Build experiences that will integrate cognitive and human elements of design in a cohesive manner
 - Build experiences/products that are usable. These should imbibe the principles of high learnability, consistency, and satisfaction
- Adopt a compliant-by-design approach**
 - Block non-compliant actions/transactions across interfaces by leveraging intelligent controls while designing/building application interfaces
- Build agile teams with a culture of obsessive customer focus**
 - Build and measure experiences in quick sprints to continuously iterate at the speed of customer demand
 - Keep customer at the center of all design and development activities to ensure that all objectives/goals of business stakeholders are aligned to build superior customer experiences

Source: Everest Group (2017)

The report also provides a snapshot of capability maturity and business outcomes of all 30 North American banks assessed on the Digital Effectiveness Assessment Model



Source: Everest Group (2017)

Research calendar – Banking, Financial Services & Insurance (BFSI) – IT Services (ITS)

Published
 Planned
 Current release

Flagship BFSI ITS reports

Release date

Analytics Services in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	January 2017
Mobility Services in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2016	January 2017
Banking ITO Service Provider Landscape with PEAK Matrix™ Assessment and Profiles Compendium	June 2017
Capital Markets ITO Service Provider Landscape with PEAK Matrix™ Assessment and Profiles Compendium	June 2017
Insurance, L&P, and P&C Service Provider Landscape with PEAK Matrix™ Assessment 2017 and Profiles Compendium	September 2017
Future of banking – “Experience First” : Banking ITO Annual Report	September 2017
Simpler, Smarter, and Seamless Capital Markets – The Digital Revolution: Capital Markets ITO – Annual Report	September 2017
Insurance ITO – Annual Report: Insurer of the future	November 2017
PEAK Matrix™ Assessment for IT Services in Risk and Regulatory Compliance in BFS	November 2017
Digital Services in Consumer Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2017	December 2017
Digital Services in Wealth Management – Service Provider Landscape with PEAK Matrix™ Assessment 2017	December 2017
Digital Services in P&C Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2017	December 2017
Digital Effectiveness in Retail Banking: Journey of North American Banks to Build SUPER Experiences	December 2017

Thematic BFSI ITS reports

Release date

FinTechs in Payments – Top 40 Trailblazers	May 2017
InsurTechs Envisioning the Future of Insurance – Top 40 Trailblazers	May 2017
Digital Force Multiplier – A Cloud Adoption Story in Banking and Financial Services: Public Cloud First	August 2017
Digital Enablers – State of Application Programming Interface (API) Adoption in Banking: The Open Banking Revolution	October 2017

Note: For a list of all Banking, Financial Services & Insurance (BFSI) – ITS reports published by us, please refer to our [website page](#)

Additional BFSI ITS 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. **Digital Enablers – State of Application Programming Interface (API) Adoption in Banking: The Open Banking Revolution** ([EGR-2017-11-R-2372](#)); 2017. In this research, Everest group provides the definition and functioning of API and explores the evolving banking API ecosystem. The report also analyzes the state of API adoption and open banking initiatives of 13 leading BFS firms across Europe, the United Kingdom, and the United States using Everest Group’s proprietary assessment
2. **Digital Force Multiplier – A Cloud Adoption Story in Banking and Financial Services: Public Cloud First** ([EGR-2017-11-R-2315](#)); 2017. In this research, Everest Group analyzes top 15 BFS enterprises across four geographies (Australia, Europe, United Kingdom, and United States) to understand the role of cloud technology in enhancing the digital experience. These BFS enterprises have been analyzed using Everest Group’s proprietary assessment framework, which is a composite index of a range of distinct metrics related to an enterprise investments in cloud technology and digital experience
3. **Future of Banking – “Experience First”: Banking ITO Annual Report 2017** ([EGR-2017-11-R-2319](#)); 2017. This report provides Everest Group’s point of view on future state of the banking industry and technology implications. It also captures key market trends, regional/functional break-outs of the market, emerging themes & key areas of technology investment by analyzing movements in volumes/values of banking AO transactions

For more information on this and other research published by Everest Group, please contact us:

Michel Janssen, Chief Research Guru:

michel.janssen@everestgrp.com

Jimit Arora, Partner:

jimit.arora@everestgrp.com

Ronak Doshi, Practice Director:

ronak.doshi@everestgrp.com

Aaditya Jain, Senior Analyst:

aaditya.jain@everestgrp.com

Archit Mishra, Senior Analyst:

archit.mishra@everestgrp.com

Priyakansha Paul, Analyst:

priyakansha.paul@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com