

BANK

RESTAURANT



WORLD **RETAIL BANKING** REPORT 2021

Covid-19 has created a complex & uncertain retail banking environment

Banks are rationalizing IT spending...

% of executives plan to:



Anniki (b) start

Outsource mid and back-office activities Decrease IT budgets for maintenance





MULTIPLE

...and restructuring operations



Optimize workforce costs

Scale down non-performing business lines or exit non-profitable geographies



Customer expectations		The gaps are widening between	Bank priorities	
76%		Omnichannel experience		58%
65%	Focus on	Focus on transparency, ethics and social responsibility		
48%	Red	Reduce cost/charges of products and services		

The pandemic has highlighted the need for banks to offer an enhanced customer experience

It's time for banks to embrace the Banking 4.X² era



Banking is now invisible and embedded within customer lifestyles



Platform-based business models will pave the way forward

BaaS³ platform models is the way forward for banks to thrive in **Banking 4.X**

BaaS benefits:

Enables embedded finance - integrating innovative banking products & services within customer journeys, bringing banking closer to consumers

Reduces distribution & customer acquisition costs, allowing banks to increase financial inclusion to underserved population

Offers new monetization models



BaaS needs a digital foundation, powered by



A flexible BaaS platform underpinned by a robust digital foundation will help banks leverage their ecosystem and provide a unified value proposition. But to build upon this value, banks must deliver excellent CX



CX will retain & amplify value in Banking 4.X



Consumers are in the driver's seat as banks struggle to deliver frictionless CX

On average, customers:

80% demand an omnichannel experience

44% face medium to high friction in interactions

To deliver enhanced CX, banks must:

Cultivate a data ecosystem by

- Capturing data
- Managing data via data management platforms
- Analyzing data via AI/ML/analytics



Reimagine branches as experience centers



Implement a digital CX layer to integrate all ecosystem players

Banks can create and retain long-term value by building a digital foundation, driving inclusive innovation, becoming an experiential platform and evolving as an Inventive Bank

Footnotes:

1- Open X – X for eXperience, is an open platform approach in which participants of all sizes and from across industries work together. Open X requires that incumbents determine the role they will play (e.g., supplier, aggregator or orchestrator) based on their strengths and leverage the capabilities of other third parties to provide the complete CX journey.

2- Banking 4.X - an experience-driven, platform-based, optimum channel banking resilient to financial and non-financial threats, built around long-term, sustainable growth where human interactions evolve from servicing to advising.

3- BaaS – Banking-as-a-Service - enables banks to share their core capabilities, and data with third-parties as consumable APIs.

For more information, download the report at www.worldretailbankingreport.com, follow #WRBR21 or contact us at banking@capgemini.com