

# THE CUSTOMER-ENGAGEMENT IMPERATIVE

WHAT BANKS CAN LEARN FROM THE FINTECH PLAYBOOK

In collaboration with Efma

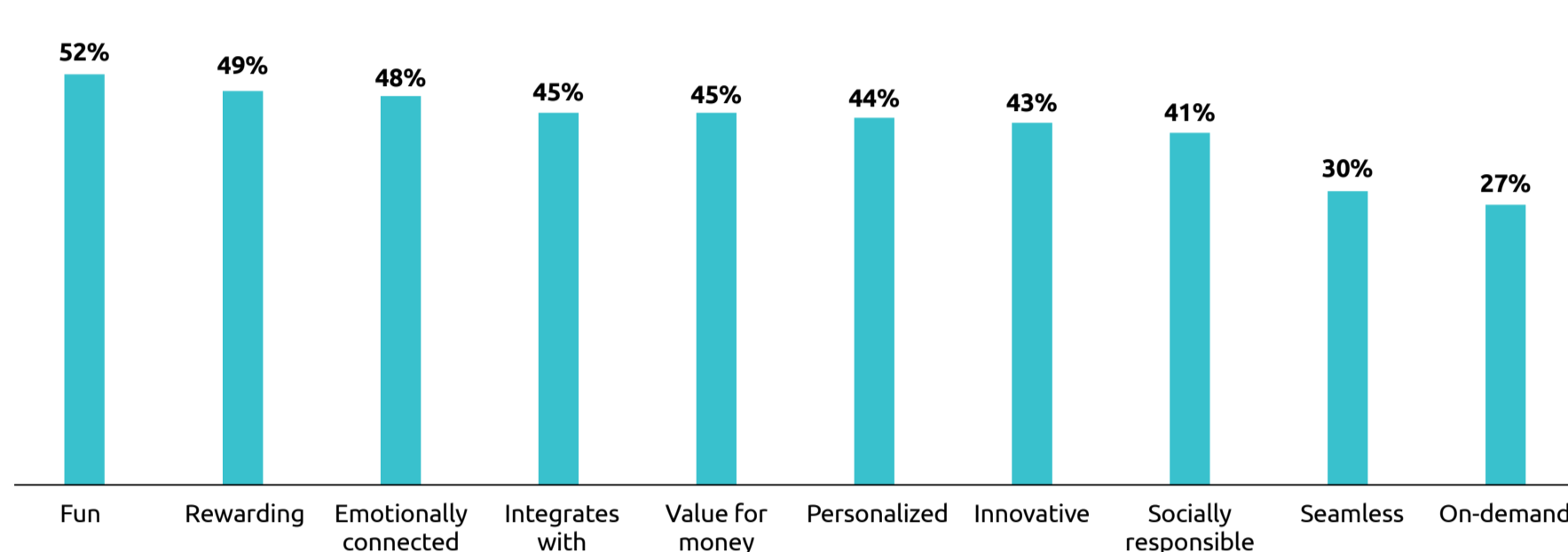
## INCUMBENT BANKS MUST FOCUS ON CUSTOMER EXPERIENCE, OPTIMIZE DATA-DRIVEN CAPABILITIES, AND LEVERAGE PLATFORM-BASED MODELS TO COMPETE IN AN INCREASINGLY DIGITAL LANDSCAPE

Backed by insights from global surveys of customers and bank C-level executives, the 2022 World Retail Banking Report queried **8,051 customers** worldwide, exploring what customers expect from banks and how they view the industry. A separate poll of **142 banking senior executives** from Asia, the Middle East, Africa, Europe, and the Americas shows an industry working overtime to leverage data, new business models, and technologies to grow in the face of rapid changes in customer behavior and expectations.

### Customers want connected experiences

Respondents said their banks don't offer the seamless experiences, personalization, and innovation they want from their physical and digital banking relationships

#### What customers say they are not getting from their bank

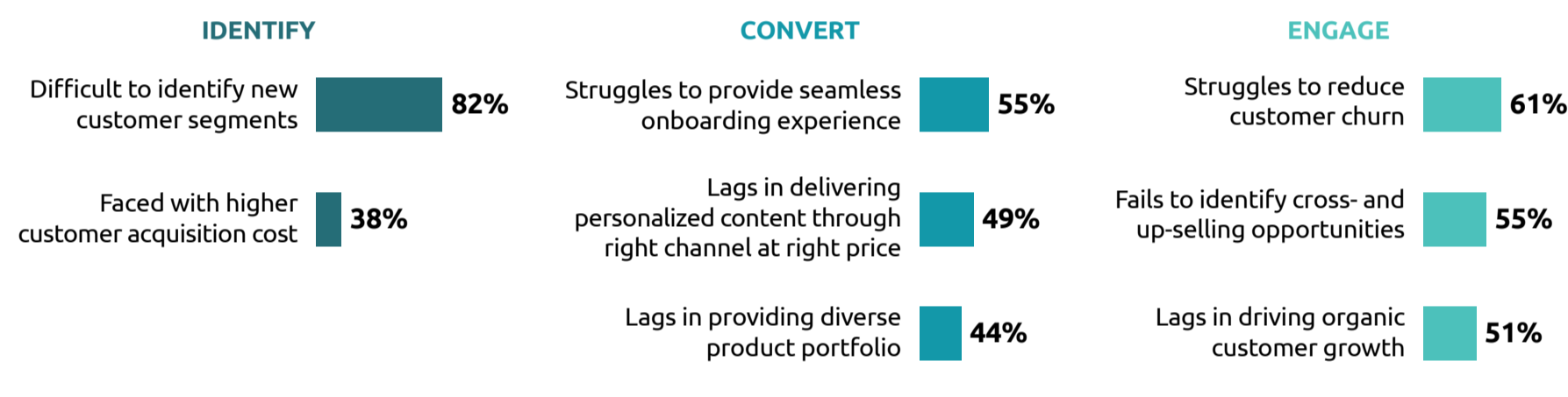


Sources: Capgemini Research Institute for Financial Services Analysis, 2022; Capgemini Voice of Customer survey, N=8051. Question to customers: Do you agree or disagree with the following statements about your primary bank? (customers rating 3 and below, where 1: customer strong disagreement; 5: strong agreement) For example: 52% customers disagreed that "banking is fun."

### Banks lag in infrastructure modernization to optimize data-driven growth

Underdeveloped data capabilities hinder banks from enhancing customer lifecycle process improvements. In our executive survey, 95% said legacy systems and core banking modules inhibit efforts to optimize data

#### Incumbents face structural challenges along the customer lifecycle

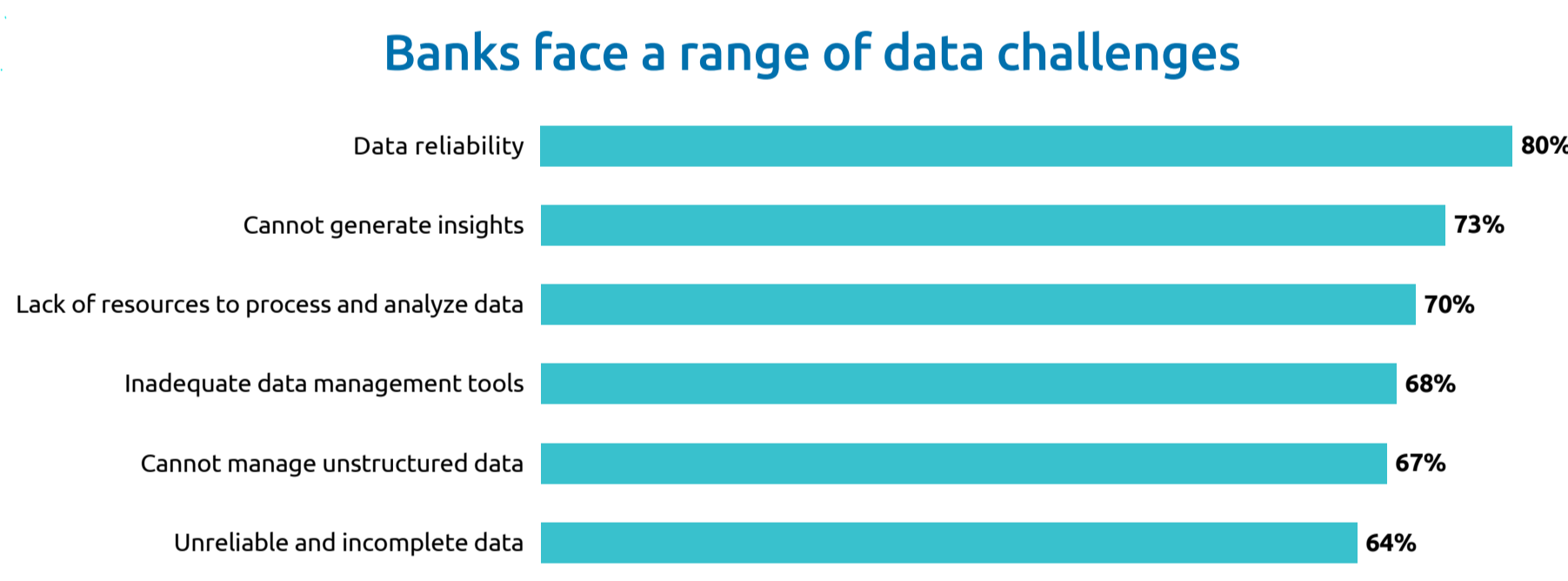


Sources: Capgemini Research Institute for Financial Services Analysis, 2022; Capgemini Executive Survey, N=142. Question: Identify the pain areas within your organization's current customer lifecycle process (executives rating 5 or above, where 1: minimal pain and 7: highest pain point)

### Market leaders will invest in technologies to use data more like FinTechs

Banks possess vast and varied amounts of customer data – geospatial, financial, social media, lifestyle, behavioral, health – but 73% of the executives in our survey said they struggle to turn it into useful insights

#### Banks face a range of data challenges

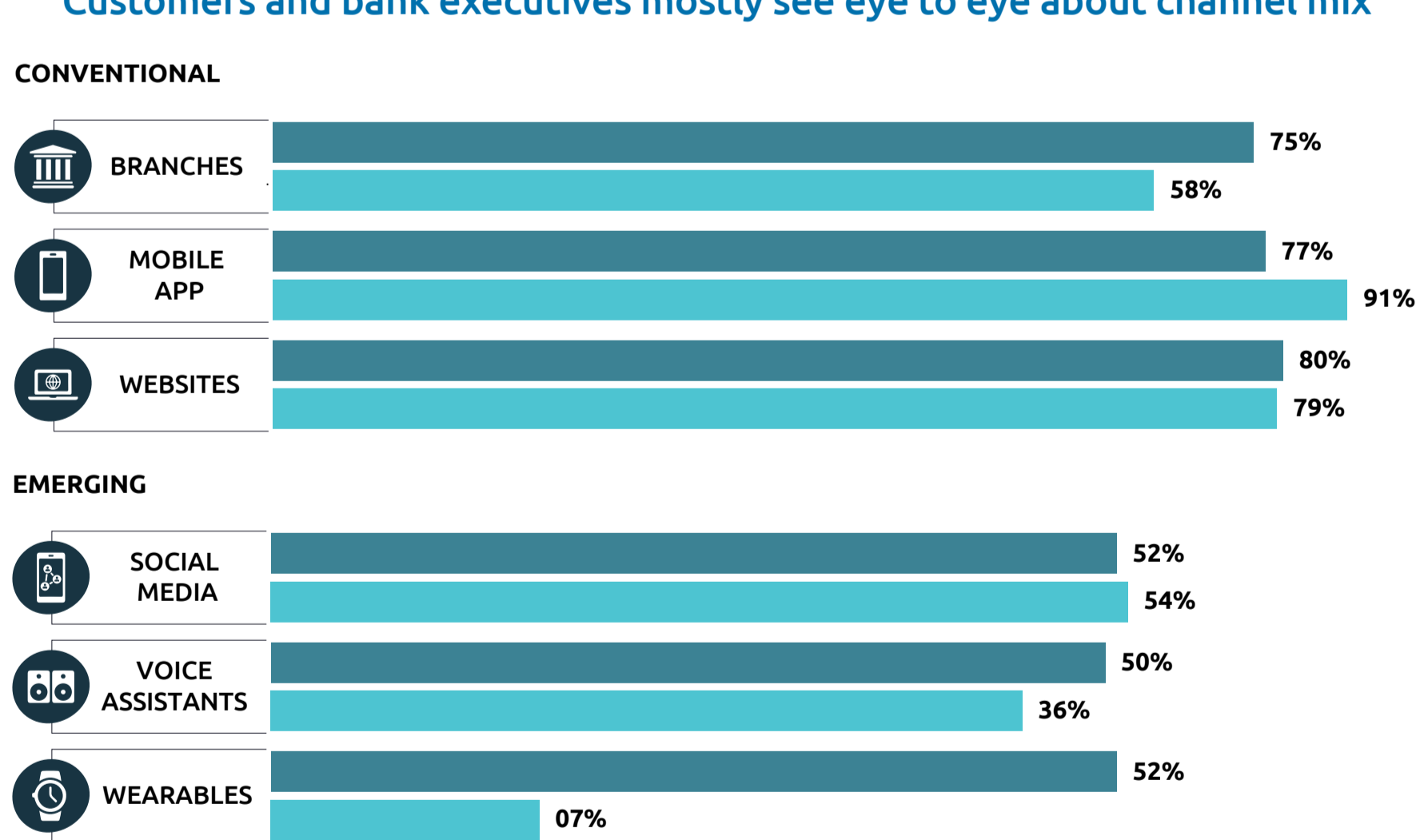


Sources: Capgemini Research Institute for Financial Services Analysis, 2022; Capgemini marketing executives survey, N=142. Question to executives: What are top data-related concerns for marketing function? (selection of top five in a list of seven factors)

### Banks need to align channel mix to meet customer preferences

Bank executives and customers want many of the same things from the distribution channel mix - about 80% of both groups continue to view the website as a critical point of interaction, while branches were actually valued more by customers (75%) than executives (58%)

#### Customers and bank executives mostly see eye to eye about channel mix



Sources: Capgemini Research Institute for Financial Services Analysis, 2022; Capgemini Voice of Customer Survey, N=8,051; Capgemini marketing executives survey, N=142. Question to customers: Rate the importance of different channels while interacting with banks (score 5 or above where 1 = not important and 7 = extremely important) Question to executives: Which of the following channels are essential for customer engagement? (top three selection)

### Platform learning and integration must be accelerated to compete

Ecosystem platforms are emerging as a promising way to fill capability holes or expand revenues, but banks are still learning the ins and outs of platform innovation. Maintaining ecosystem exclusivity for partners was cited as a challenge by 53% of respondents

#### To thrive in the platform economy, face hurdles with innovation



Sources: Capgemini Research Institute for Financial Services Analysis, 2022; Capgemini Executive Survey, N=142. Question: What are the major issues/threats or barriers to ecosystem banking (marketplace model operation)? (executives rating 5 and above where 1 = the slightest threat and 7 = the highest threat)

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