

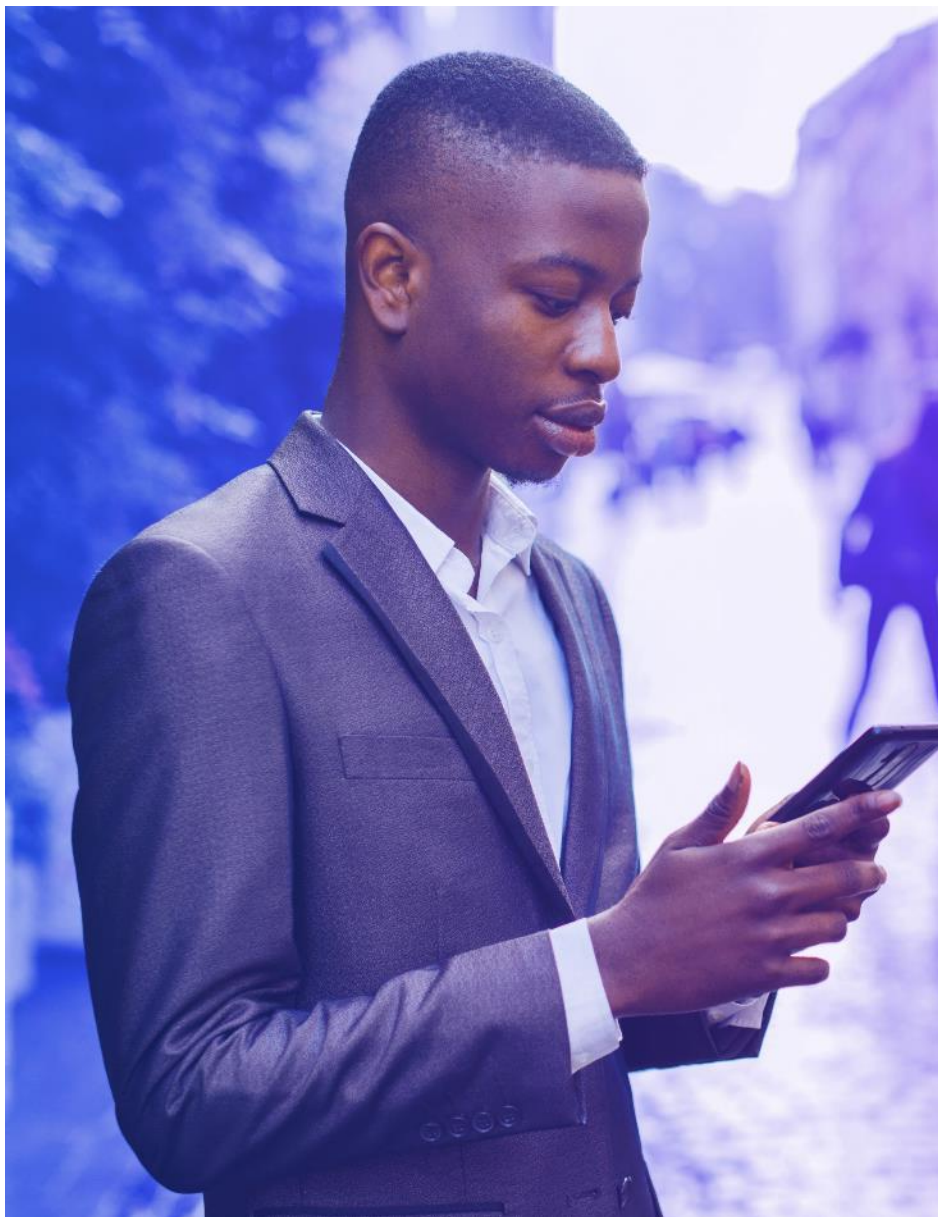


Scorecard for Digital Banking Channels in Africa

A study of retail banks in Africa

November 2022





Outline

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- 02 | **The Scorecard Methodology**
- 03 | **Unveiling The Scorecard**
- 04 | **The Next Frontiers for Digital Banking Innovation**

01

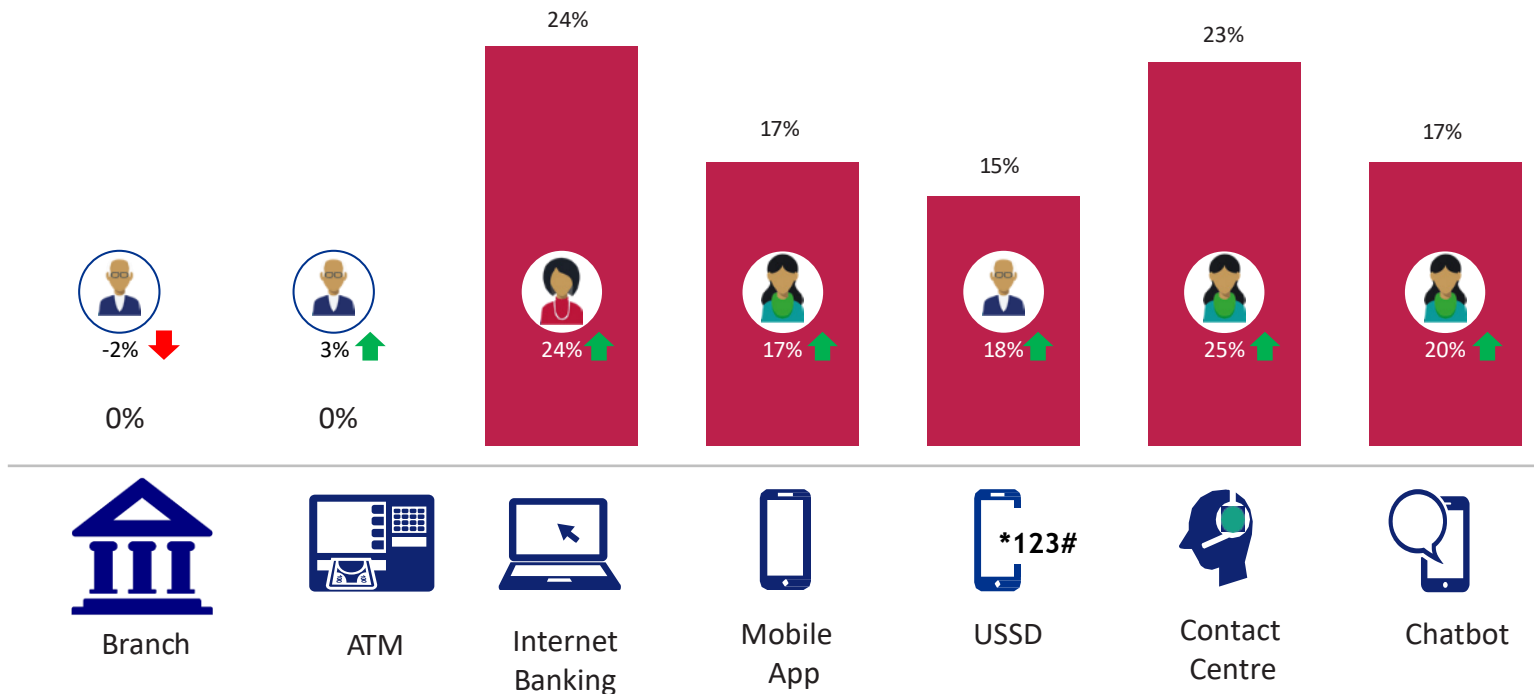
Context

The COVID-19-induced lockdown contributed to the increased growth in Digital adoption

The COVID-19-induced lockdown further accelerated digital adoption

The pandemic accelerated adoption across digital channels. The lock-down necessitated an increase in demand for digital services from customers. In response, banks had to rethink their digital strategy and operating models to optimize digital service delivery.

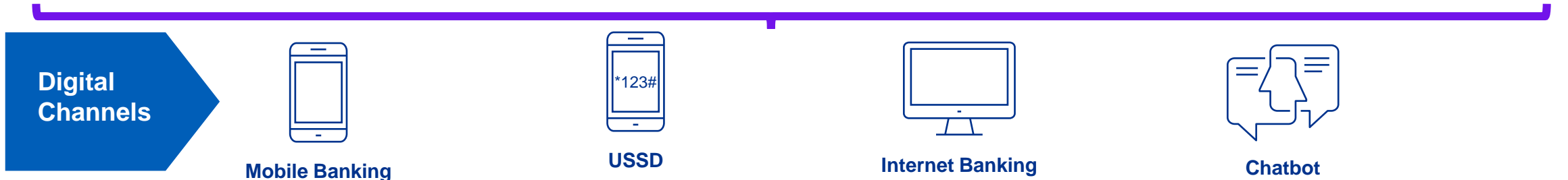
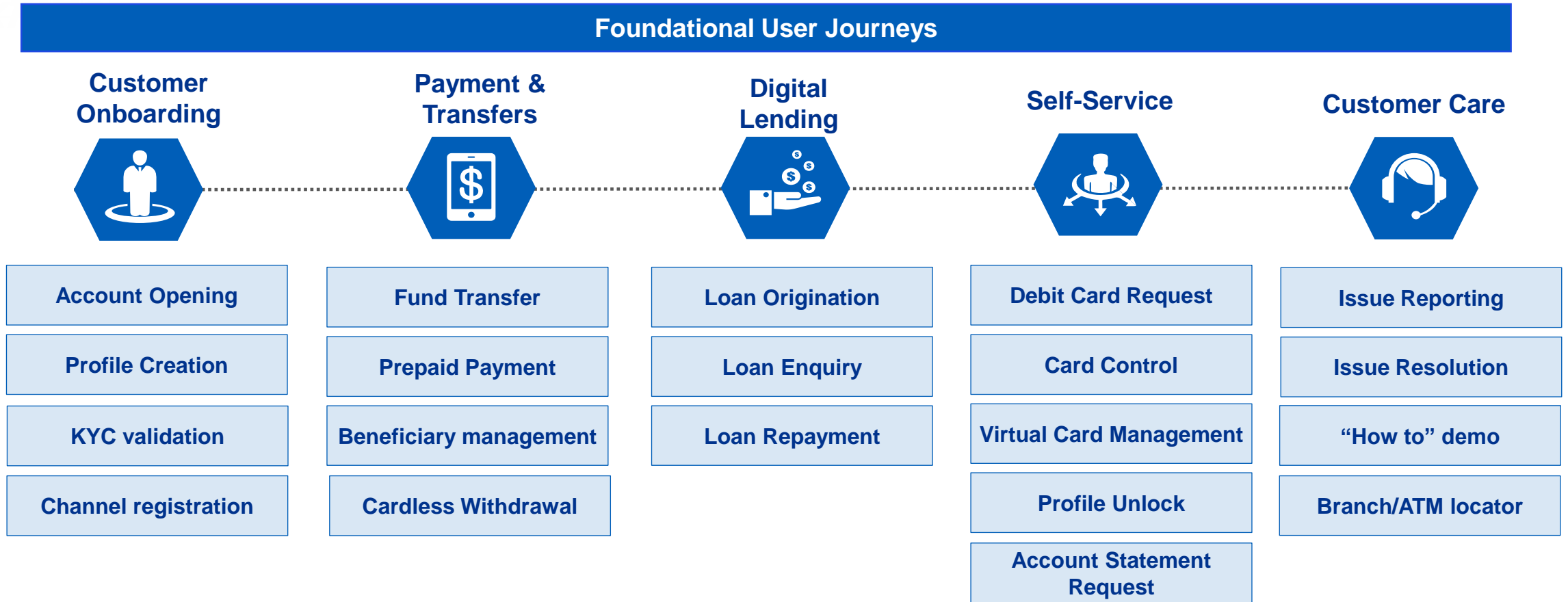
2020 vs. 2019 Change in Overall Channel Adoption



Biggest change in channel by demographic group



The scorecard evaluates the extent to which digital channels support end-to-end user journeys



... and provides an industry perspective on how some of the major banks on the continent deliver the experience demanded by a new generation of consumers.

26 Banks Across 5 Sub-Saharan African Countries

Nigeria

- Access Bank Plc
- Ecobank Nigeria Plc
- First Bank of Nigeria
- Guaranty Trust Bank
- Stanbic IBTC Bank
- Standard Chartered Bank
- United Bank for Africa
- Zenith Bank Plc

Ghana

- ABSA
- Consolidated Bank
- Ecobank Ghana
- Ghana Central Bank
- Stanbic Bank

Senegal

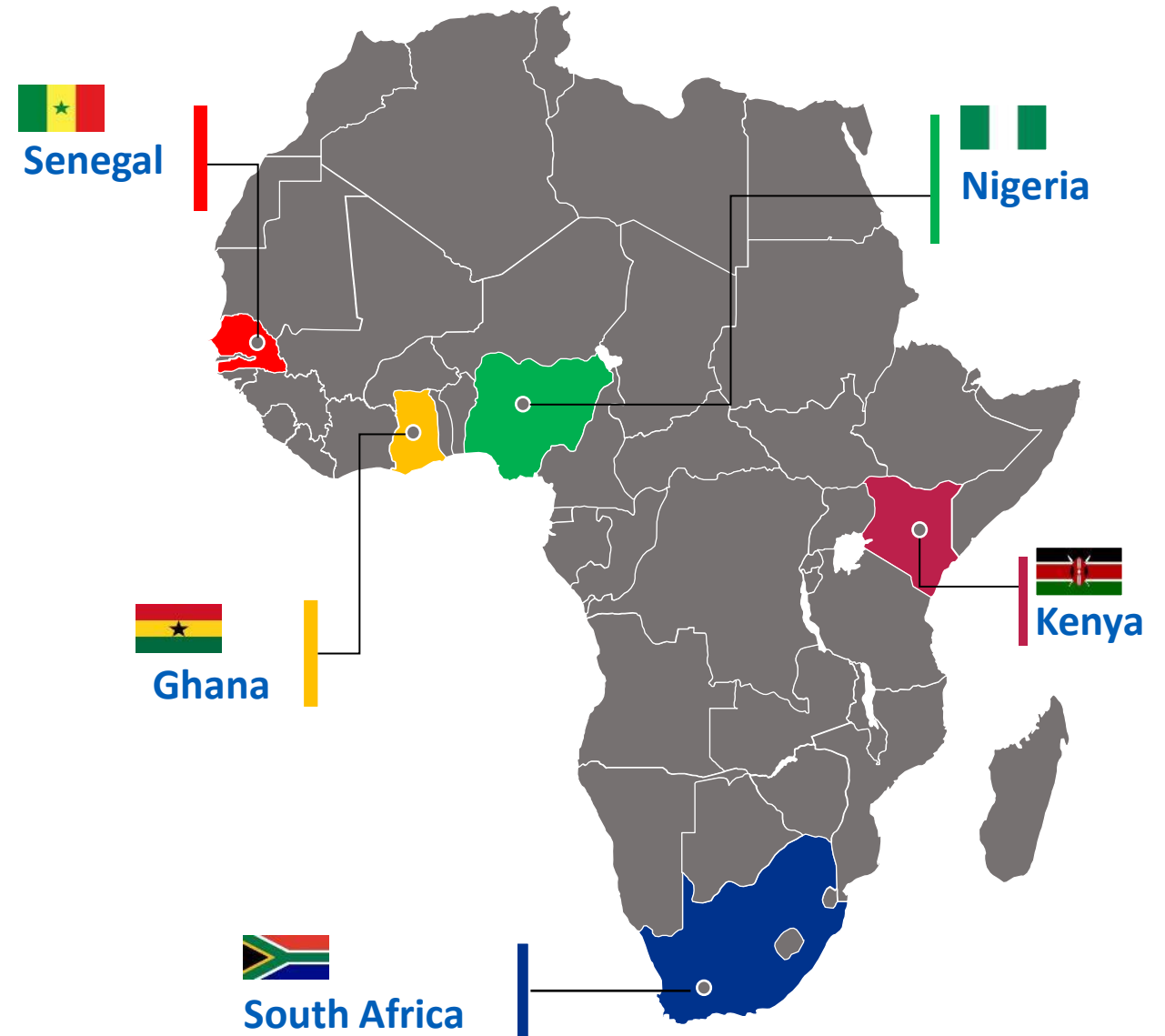
- Ecobank
- Société Générale

Kenya

- ABSA
- Equity Bank
- Diamond Trust Bank
- NCBA
- Kenya Commercial Bank
- Standard Chartered Bank

South Africa

- ABSA
- Capitec Bank
- First National Bank
- Nedbank
- Standard Bank



02

Scorecard Methodology

We leveraged our UX framework and insights on customer preferences from research and industry trends to distill user expectations.

KPMG UX Assessment Framework

Aesthetics



Is the user interface of the digital channel visually appealing and in line with globally acceptable design guidelines?

Consistency



Is the design theme (i.e. colors palette, fonts, styles, labels etc.) consistent within and across digital channels and journeys?

Personalization



Is the experience on the digital channel tailored to the persona of the specific user?

Efficiency



How many steps or clicks does it take to complete a specific journey and how much time is required?

Intuitiveness



Is the journey design in an intuitive and simple manner to minimize the users' cognitive effort, and allow rapid achievement of users' objectives?

Functionality



Does the digital channel support the user journey being evaluated end-to-end?

We identified clear digital leaders and followers

The Banks are grouped into Digital tiers to highlight areas of opportunity, user experience capabilities, and identified gaps



S

- Demonstrate an understanding of the expectations of the new-generation of customers
- Offer a wide range of capabilities across user journeys to facilitate a wholly digital interactions
- Consistent in delivering effective, intuitive, easy, efficient, and enjoyable user journeys
- Incorporate knowledge of user's preferences, and past interactions to deliver personalized experiences



FOLLOWERS

- Limited capabilities on their digital channels. Hence, journeys are split between digital and in-person interactions
- Disjointed user journeys resulting in a time-consuming and effort-intensive experience.
- Fail to deliver an engaging user experience
- Unwieldy user journeys and defective capabilities resulting in a frustrating user experience.

03

Unveiling the Scorecard

Digital onboarding journey – User experience on follower banks had several pain points



Time-consuming data capture

Cumbersome and time-wasting data capture process.



Delayed account activation

The account number is not enabled for digital debit and credit transactions



KYC Document upload issues

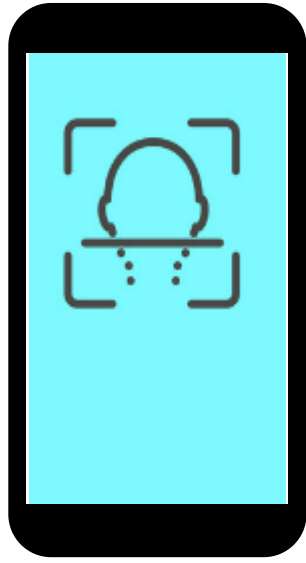
The absence of virtual KYC upload and validation capabilities lengthens the process.



Account upgrade issues

The customer is not able to upgrade account to a higher tier on the channel.

Digital onboarding – Leading banks are leveraging cutting-edge technology to cater to evolving customer needs



% of banks offering partially or fully digital onboarding



Internet
42%



Mobile
65%



USSD
42%



Chatbot
12%



Biometrics Identification

Utilize biometric identification solutions such as fingerprint, facial recognition, and other behavioral biometrics to easily validate a customer's identity.



Automated Document Verification

Leverage technologies like AI and machine learning to deliver automated document verification



Optimized Real-time Identity validation

Optical character recognition (OCR) technology has been adopted by leading Banks to improve the data capture process



Omni Channel experience

Customers can access superior experiences consistently across channels - single sign-on, seamless transition between channels.



Passive liveness Detection

Facial recognition has AI-enabled liveness detection which helps to valid identity of user seamlessly during onboarding

Source: KPMG 2021 Digital Channels Assessment

Payment & Transfer journey – Pain points



Lengthy Payment journey

Too many steps and clicks to complete the payment & transfers authorization process.



Beneficiary Account Verification

No validation of beneficiary account for transfer or payment



Hidden Bank charges

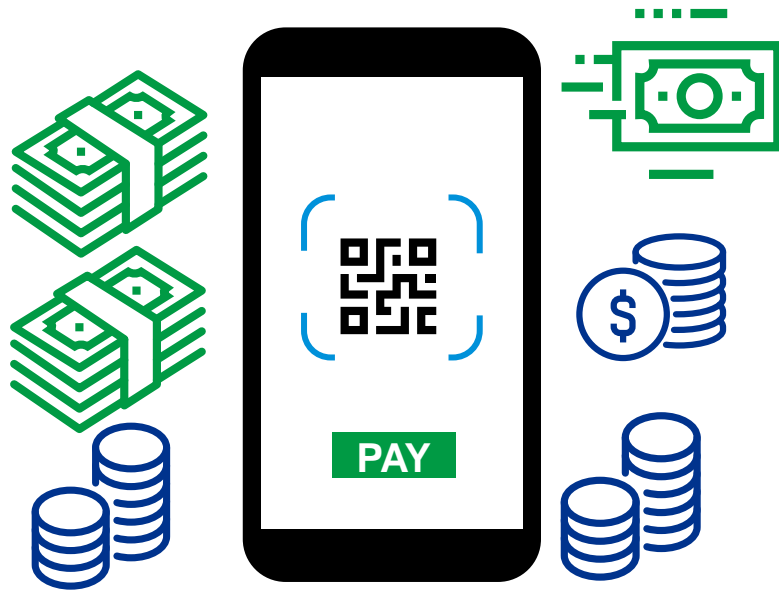
Lack of transparency on the applicable charges for the transfer.




No Payment Receipt

Absence of payment receipts in various formats both on the transaction completion menu and transaction history menu


Payment & Transfers – Leading banks are transforming the payment and transfers experience



Availability of transfer charges information across assessed digital channels


46%
Mobile


58%
Internet


38%
USSD



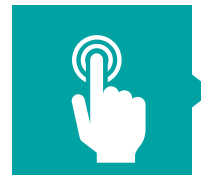
Cardless Withdrawal

The cardless withdrawal system provides customers with access to their accounts to withdraw cash from the ATM without the need for a debit/credit card.



Biometric Authentication

Leverage a variety of biometric authentication for transaction authorization



One-tap Payments

This is a cutting-edge technology that allows mobile payment using a debit or credit card with just a single tap on the device screen



QR Code Transfer

QR code payment is a contactless payment method where payments are performed by scanning a QR code from a mobile app



IoT Integration (Wearables)

This technology enables customers to pay with digital wallets anywhere and at any time using internet-connected devices embedded with payment functionality.

Digital Lending Journey – Pain Points



Inaccessible Loan initiation

Customers do not have the option to initiate loan repayments or restructuring on the channel.



Loan Enquiry is Absent

Customers need to send emails or visit bank branch to request information like loan repayment history, balance etc.



No Loan Simulator

Customers are unable to preview repayment amount per loan amount and tenure.



No Loan recommendations

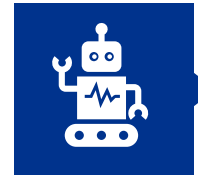
Customers are unable to see recommended loan offers suitable to their

Digital Lending— Leading banks are have re-imagined digital lending to cater to evolving customer needs



Loan Simulator

Adopt loan simulators that help to calculate loan payments, preview amount, loan tenure, and choose a loan repayment option that best meets the needs and goals of the customer.



Optimized RPA (Robotic Process Automation)

Leverage automation for processes like credit analysis, loan approval, risk management, and reporting amongst others.



Credit Scoring system


The credit score functionality enables users to access their creditworthiness on all channels and inform the loan amount, tenure, and repayment structure.





Smart lending


Enable automated, digital lending processes with instant credit decisioning capabilities which reduce operating costs while maintaining risk management standards with ML and big data

Availability of functional digital lending capabilities


36%
Mobile


43%
Internet


32%
USSD


0%
Chatbot

Self-service journey – Pain Points



No card Request options

No visible debit or virtual card request option.



Limited Card control

Customers are unable to view card control options, hence, no resulting status update



Delayed Card status notification

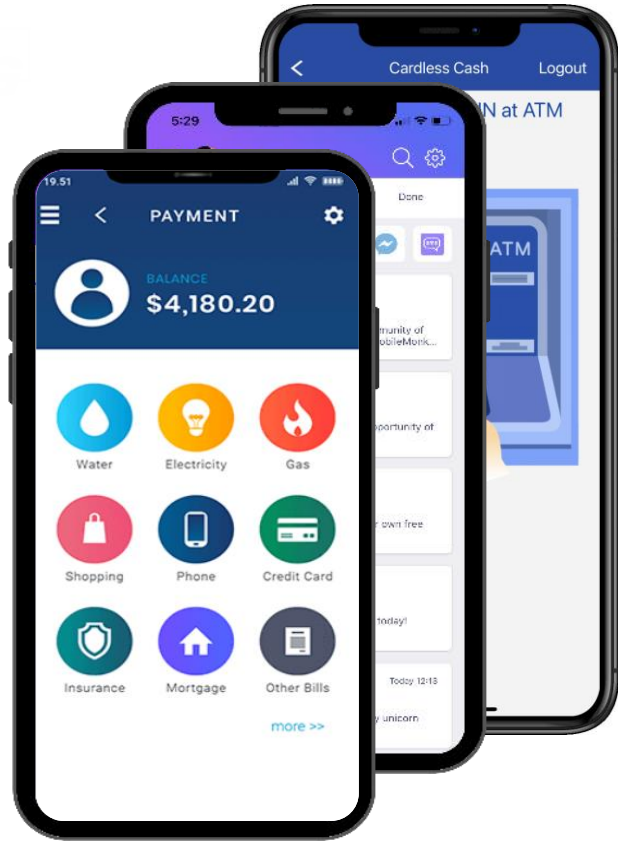
Delayed notification messages and absence of an Indicator displaying current card status.



No Request Tracking

Customers are unable to view/ track open service requests and have to call or send emails

Self-service– A major area of differentiation for leading banks



Wholly Self-Service

End-to-end self-service. User is able to main full banking relationship without need for branch/ person interaction



100% Card Control

Customers have full control of their cards and are able to block, suspend, define restriction parameters for their cards. In addition, customers can request card renewal and delivery/ pick up in-app



Conversational UX

Leverage conversational UX and support customers with AI personalities, and chatbots amongst others to provide the information they need through their preferred channel.

Availability of robust self-service functionality



34%

Mobile



23%

Internet



23%

USSD



3%

Chatbot



Beyond Banking with 3rd Party API extensions

Expanding service offerings beyond payments & funds transfer by partnering with third-party service providers to allow users access to lifestyle services such as transportation tickets, Flight bookings health insurance amongst others. etc.

Customer care journey – Pain Points



Digital issue resolution tracking

Customers do not see any feature on the mobile app to track the issues for resolution.



Limited complaint logging features

Customers do not have the option to report issues



Limited live chat capabilities

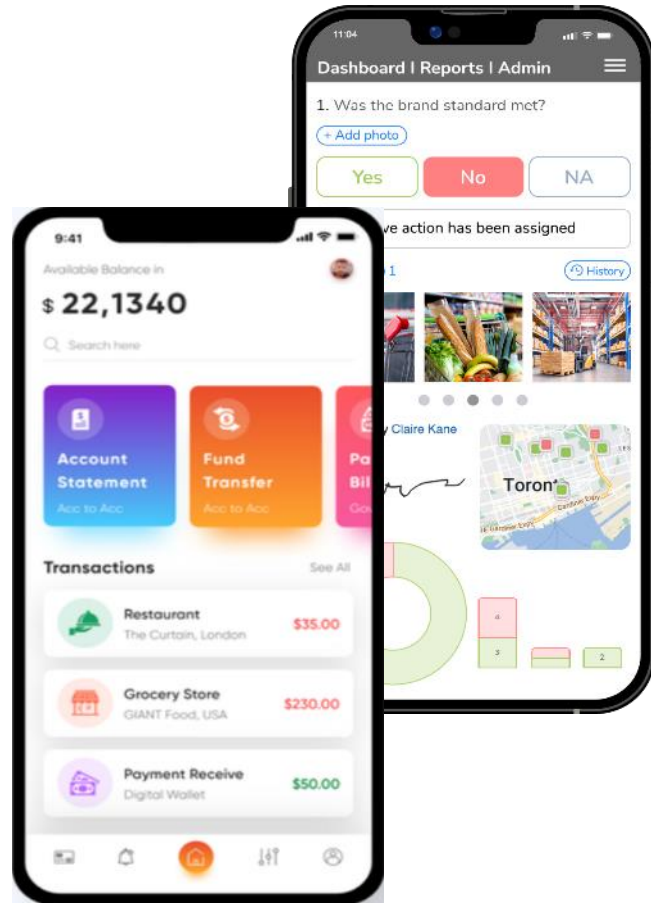
Users do not have access to human help directly from the digital channels via Live Chat



Delayed Issue resolution/ response time

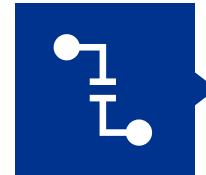
Issue resolution wait time is too lengthy and can cause abandonment.

Customer care– Leading Banks are leveraging cutting-edge technology to cater to evolving customer needs



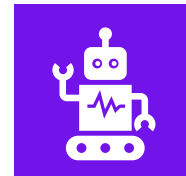
Virtual Assistance

Improve customer resolution time by collaborating with customers in real-time, bank reps can help to guide customers in any complex banking application process.



CRM Integration

Consolidate their processes and systems and integrate them with CRM software to record, manage and monitor customer service processes and customer insights amongst others.



Automation of Issue Resolution Processes

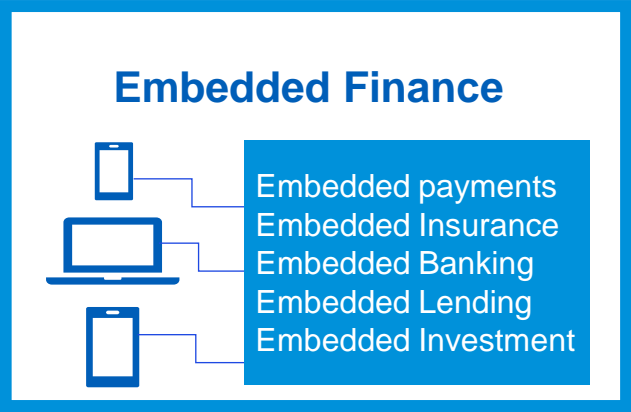
Automating customer care procedures and replacing manual, time-consuming, repetitive human tasks with automated systems that provide greater accuracy and speed. Prioritised high frequency service areas for automation



Big Data Analytics

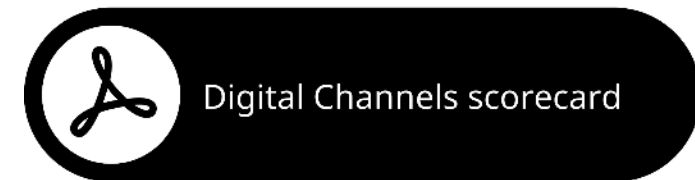
360-degree view of their customer and leverage the data available for product/ service recommendation. Big data analytics is a vital ingredient in enhancing financial services experience and making crucial business decisions.

The Next Frontiers for Digital Banking Innovation



Thank you

Access the detailed scorecard report via QR code or link



**Scan QR code or download
via: tinyurl.com/adknp95t**

Thank you

KPMG

