

# INSIGHT

APRIL 2019

## BENCHMARK ON BELGIAN BANKING APP



**Banking world digitalisation is underway and promises to challenge all the actors. Between the new regulation, heightened competition and the evolution of customer's behaviours, opportunities emerge as well as threats of new players offering cutting-edged and performing services.**

**Sia Partners Belgium has conducted a study on the Belgian Banking applications in order to evaluate them around two kind of criterion, functionalities and user experience. The overall ranking places Belfius at the top followed closely by KBC. Behind, in third position, stands BNP Paribas.**

**While some apps fare quite well and show their willingness to innovate, others still have hard time enjoying benefits of digitalization. Broadly speaking, Belgian traditional banks have to uplift their level before seeing competitors gain market share.**

## Introduction

The banking landscape is undergoing substantial changes and has never been so competitive than today. The arrival of new providers, the regulation and the fickle customer's loyalty are responsible for the big challenges coming on the horizon for traditional banks.

Indeed, if ordinary people need banking, to that end they don't necessarily need traditional banks. The implementation of PSD2 open the doors and ease the task for non-banking actors, leading to an industry more competing than never. The Belgian market doesn't seem to escape the rule and digital firms, fintechs and neobanks started to take up considerably more space in the banking scene.

Switching from a bank to another has become easy as a pie. In Belgium the number of switches has massively risen over the year 2018 reflecting the declining customer's loyalty towards its bank<sup>1</sup>. An upset or frustrated consumer due to a bad experience encourage to restrain the relationship and close accounts. On the contrary, perks of a strong experience are numerous. The happy users will potentially become more engaged and

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<sup>1</sup> Source: [www.bankswitching.be](http://www.bankswitching.be)

valuable, they contribute to the company's success by doing more business with the bank and by recommending new customers. By meeting user's satisfaction, the bank will protect its market share by attracting and retaining clients over time.

The Belgian population manage more and more its financial affairs using digital path. The millennials and the new generation are connected anywhere anytime. Banks have to deal with new channels, new behaviours and new ways to interact with their clients. The number of subscriptions to a contract of mobile banking on the territory is experiencing a spectacular growth. In 2018, the number of registration to mobile banking exploded and reached 7 million subscriptions while 5 years ago this number barely reached 1 million<sup>2</sup>.

The importance of mobile banking really makes sense when we pay attention to the number of sessions per contract. Indeed, smartphone in the pocket, users multiply connexions as compared to online banking which is less used at the end. In average, Belgian people do banking with their computer 3 times a month against 22 sessions a month with their smartphone<sup>3</sup>. Each session results in journeys and interactions with the consumers, hence those data are a gold-mine as long as they are properly used. By having a better knowledge of the clients and by analysing their behaviours, the provider of such an app will be able to considerably improve its offer and become the new leader of the market.

In this benchmark, we analyse and compare the current offer of traditional banks in Belgium regarding mobile banking, how could they compete with new players and what are we expecting from them in the future.

## Methodology

8 belgian apps have been reviewed in the study: BNP Paribas Fortis, Belfius, ING, KBC, Argenta, Axa, Beobank and Keytrade. Two kind of criterion have been evaluated. On one side functionalities which include everything the user can do in the app from basic features to more innovative functions offered.

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<sup>2</sup> Source: [www.febelfin.be](http://www.febelfin.be)

<sup>3</sup> Source: [www.febelfin.be](http://www.febelfin.be)

## KEY ELEMENTS ASSESSED FOR FUNCTIONALITIES



**STANDARD FUNCTIONALITIES**  
All standard functionalities including cards, investments and credits management.



**PAYMENTS**  
All features related to payments (QR-code use, integration of payment tools, reimbursement claim, invoice management tool, domiciliation and standing order management, ...).



**ADVICE & CUSTOMIZATION**  
Personal finance and advising tool and any way to customized the app (through notifications, dashboard, ...).



**USER SUPPORT**  
All items in place to support the user in its journey (FAQ, vocal/chat assistance, contact, appointment, ...).

Source: Sia partners

On the other side, user experience names how fast and easy the app is for people to understand and to use.

## KEY ELEMENTS ASSESSED FOR USER EXPERIENCE



**NAVIGATION**  
Every item making the navigation easier and allowing an easy access to the desired information (menu and information structure, facility to reach an info, ...).



**SIMPLICITY**  
Each item saving user's time and simplifying its journey (authentication, IBAN simplification, operations available without authentication, ...).



**DESIGN & ERGONOMY**  
All items making the app visually attractive and intuitive (usage of buttons, icons, animations, data presentation and graphics, ...).



**REACTIVITY**  
Reactivity of the app (sticking points, loading, real time operations, ...).

Source: Sia partners

In total, 75 indicators have been used to rate each app of the scope.<sup>4</sup>

<sup>4</sup> Indicators have been chosen in function of the Belgian market, the goal being to compare Belgian apps with each other. Those indicators should be adapted in case of comparison with other countries apps or neobanks apps for example.

## Ranking

Findings of the study show 3 distinct groups visible on the graph. Far ahead, Belfius and KBC got scores very close to each other in the functionalities axis and differ from each other in the UX axis. Thereafter, 4 apps stand very closed in the same area: BNPP, ING, Argenta and AXA Bank.

Then, despite the fact that UX offered by Keytrade worths it as much as ING's and Argenta's, the app has important gaps for basic functionalities compared to the apps above mentioned. Hence, we chose to include it in the last group of the ranking with Beobank which have very poor functionalities offer as well.

It's interesting to compare our results with ratings given by users on stores<sup>5</sup>. If scores obtained in stores are unsurprisingly higher than ours. The global ranking is very similar excepted for Keytrade which is particularly appreciated under the stores.



Source: Sia Partners

### Belfius and KBC at the top

With a wide range of features and a user experience more developed compared to the others, Belfius and KBC establish themselves as global leader on the Belgian banking apps market.

About standard functionalities, both apps are irrevocably those demonstrating boldness by putting forward new ideas as for example partnerships with non-banking services. Otherwise, basic functionalities related to accounts and cards management are extensive and relevant. Another considerable distinction can be made with other traditional banks: Belfius and KBC both have end-

<sup>5</sup> Average between the score obtained on the App Store and the score on Google Play.

to-end on-boarding process included which is probably becoming a must-have for users. Like anywhere else, credit management and insurance

management could be bettered with more simulations available, end-to-end processes and contract signatures within the app. Like anywhere else, credit management and insurance management could be bettered with more simulations available, end-to-end processes and contract signatures within the app.

Regarding to user experience, both apps are appreciated for their simplicity and ease of use. However, on the design and reactivity criterion, Belfius Mobile supersedes KBC Mobile. Moreover, Belfius app contains range of little features designed to simplify life which are much appreciated and making it practical, intuitive and more customer-oriented (eg. block your card in few taps (call not needed), order directly a replacement one, copy/paste and sharing of IBAN number, re-use of a beneficiary from a transaction of the historic; scan of a card to transfer, ...)

While those apps race to the top ranking for Belgian traditional banks' apps, numerous enhancements are perceptible, especially regarding the offer of neobanks and foreign banks' apps. Belfius and KBC will have to ramp up without facing the risk to be quickly overtaken by new actors. With a better data management, they could open up new opportunities and add value to the app thanks to data presentation, personal finance management tools, strong support using last technologies, customization and tailored products adapted to the user's profile.

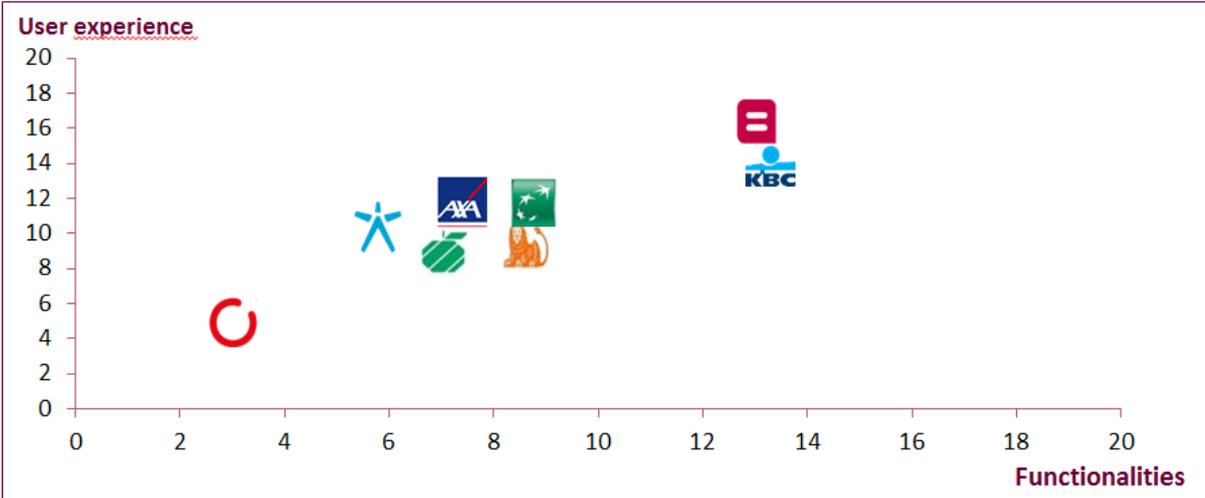
**ING, BNPP, Argenta and Axa head to head**

Besides more limited functionalities, what differentiates those apps from the top ranking are a lack of reactivity and multiples sticking points which prevent the user from a smooth journey. Regarding the overall results of the benchmark, ING, BNPP, Argenta and Axa Bank reached similar overall scores, however their strengths and weaknesses are not at the same level.

The app offered by BNP Paribas Fortis is not the best in terms of daily operation services but the offer in payment services is good thanks to initiatives such as Apple Pay and accounts from other banks integration. Similarly to KBC and Belfius, BNPP also shows its willingness to develop brand new partnerships as lately with didit, the app which allow to link your dream or project to your BNPP accounts with the aim of helping the user to save money for it. However, the banks seems to adopt a different strategy compared to the leaders. Indeed, at this time, partnerships are always linked to banking industry and budget management and not to non-banking sectors.

For both functionalities and UX level, ING Smart banking is an efficient app without any exceptional attributes. If ING announced the aggregation of accounts from other banks by end of June 2019, the app cruelty misses innovative initiatives to stand out. The benchmark suggests also different way to improve the design and navigation aspects.

OVERALL RESULTS OF THE BENCHMARK



Source: Sia Partners

With its recent updates, Argenta achieved to solve some bugs and added some significant features (among others, transfer signature with Touch ID and the implementation of a chat). The biggest weakness of Argenta is undoubtedly at payment services level, reimbursements and payments via QR-code being not included in the app for example (redirection to Payconiq/Bancontact app). Moreover, the design could be reviewed to suggest a more intuitive platform.

AXA banks is competing with the apps above. Currently AXA bank's app proposes basic content which deserved to be largely improved. Though, the app is promising as on the user experience basis, it takes the third position of the ranking. Indeed, the good attractiveness and user-friendliness it offers are valuable.

**Key Trade and Beobank lag behind**

KeyTrade and Beobank have some gaps in terms of functionalities offered qualified as too much basic regarding user's expectations in 2019. As matter of fact, whereas all the other apps include features judged as essential for the user (cards management, amounts updated in real-time, etc), those are still missing for the bottom of the pile. Customer places its expectation far beyond the simple need to check its remaining balance or transferring money and those apps are currently not responding to the new needs. Good strategic choices have to be taken to have a chance to

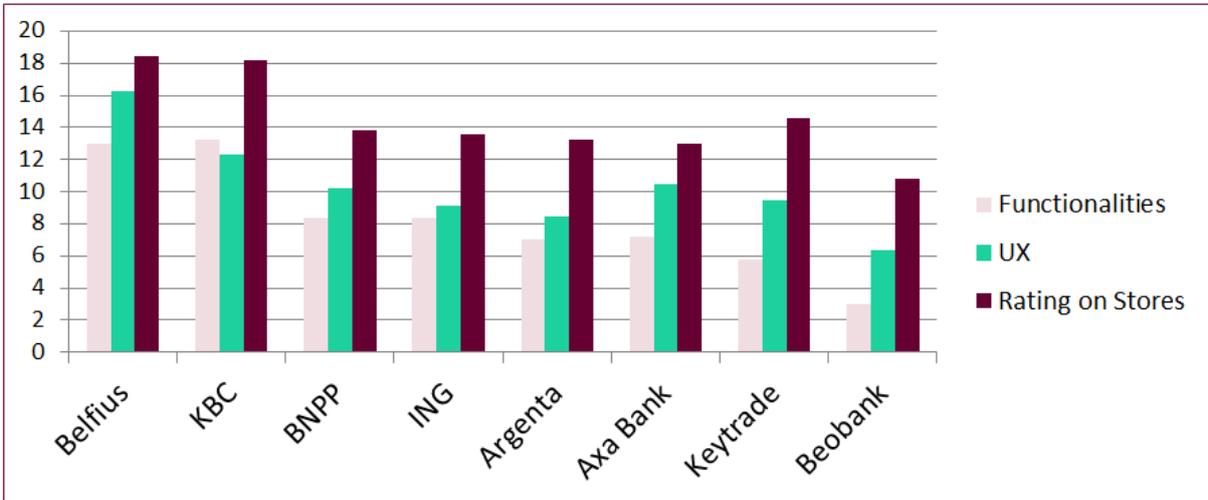
Keytrade is disabled by the limited amount of services proposed. The app is divided in two sections, banking and trading. While trading is well-provided, the app is limited to really basic features without any particular distinction for banking section. The user experience is not that bad as the app is simple, instinctive, pleasant to use and quite well-designed.

Beobank's app is the last arrived in the market and no doubt the poorest in terms of functionalities. Excepted the view on accounts and transfers, the app doesn't offer lots of possibilities. Weak level of ergonomics, time consuming and multiple redirection to the website, Beobank is far from what we can expect from a banking app in 2019.

**What are we expecting from banking apps for the future in Belgium?**

Banks have never had so many tools at their disposal to enhance their services and some competitors already understood that. Recent technological evolutions give an unlimited number of occasions to make the difference for clients and to be reinvented. Below, 5 trends and rooms for improvement suggested by the results of the benchmark.

RESULTS OF THE BENCHMARK BY CRITERIA COMPARED TO SCORES ON THE STORES



survive in this competitive sector.

Source: Sia Partners

## 1. Standard functionalities and daily management improvement

Before launching brand new exclusive features, Belgian apps have plenty of work with existing ones. If the idea is to decrease the number of branches to become more digital and dedicate remaining branches for specific request, banks have to provide complete daily operations offer. Cards and accounts management functions are not always complete despite it's the basis. Today, rare are the cases where the client can be exempted from an appointment or a call to its branch for simple actions such as ordering a new debit card or changing easily the limits. Traditional banks could also clearly boost their apps for credit and insurance management with more end-to end processes and simulations available. For investment part, besides via Belfius or Key Trade, it's complicated for the user to manage its investments solely with the app.

Same struggle for other operations such as opening a saving-pension account or becoming client for example. With most of the bank, clients have to fix an appointment for accounts opening. On another note, only KBC and Belfius make an efficient on-boarding process available for new clients inside their app. In few minutes, identification is done and an account can be created. When comparing with the competitors, we can easily guess that kind of features will become an expected must-have to the user.

Weaknesses of existing functions is not always easy to identify. However, banks dispose of several items to help them in the task. For example, social media and feedback of users on the stores could be a first step to identify sticking points easily and tackle them with a more user-centric approach. Once standard functionalities wide and efficient, consumer's comfort will be upgraded and banks will focus on innovative and exclusive services.

## 2. Towards one single app

Exploit new market opportunities and increase operational efficiency by launching adapted functionalities is essential to remain competitive. Either through the integration of banking or non-banking services, some Belgian banks started to take advantage of opportunities given by PSD2 with the objective to offer an "all-in-one" app. By doing so, they want to simplify user's life without

having to open several apps when they want to transfer money or buy something.

### **Aggregation of accounts from other banks**

KBC was the first to propose an operational multi-banking app by integrating other bank's accounts. Besides allowing to have a look at the current balance, the user can execute transfers from other accounts (BNPP, Belfius, ING, Argenta) with the KBC app. BNP Paribas also took a step forwards open-banking by aggregating accounts from other banks (Belfius, KBC and ING) but at this stage on a consultative basis (money transfers are not possible from those accounts) while Belfius allows integration of KBC/CBC accounts only. ING announced this feature available in their app by June 2019. Moreover, BNP Paribas Fortis is the first to integrate Apple Pay within its app. Belfius also partnered « Pengo », which allow the user to ask a reimbursement to a friend through any messenger app (Messenger, Whatsapp, Instagram, Gmail ...). On its part, the friend receiving the message can reimburse with just a few clicks as all the payment information are pre-filled in his banking app.

### **Non-banking app integration**

If BNP Paribas Fortis and ING haven't shown yet their willingness to establish partnerships with non-banking services providers, KBC and Belfius seem to focus on partnerships inside and outside the industry. KBC led the way last summer enabling the purchase of tickets for public transports (De Lijn and SNCB), parking tickets (4411) and meal voucher (Monizze). Since then, the list of partners has been extended (Q-Park, Sodexo) including also bike rental (Blue Bike and Vélo Antwerpen). For its part, Belfius linked up with Lukoil (gas station), Sodexo (service voucher), EuroHockey and ArtBrussels (entertainment). Both banks want the app to be used beyond traditional uses and bring added-value for their client. In the future, we could imagine to have a profiling as soon as the user become client to collect precious info about the user allowing efficient cross-selling and tailored products and services.

## 3. Assistance and Support

The way to interact between clients and banks is completely restructured with the digital channels the user have access to. Hence, banks adopt a digital first strategy and the number of branches decrease. With this in mind, banks have to compensate this loss of contact points by using all the tools available to insure quality support and

constant assistance for the user struggling in the app.

Regarding the benchmark, Belgian apps are far from the top of the line when it comes to support and assistance. Indeed, half of banking apps analyzed offer the possibility to make an appointment within the app, only two apps provide a chat and half of banking apps analyzed doesn't even have FAQ in the app. Besides Belfius proposing a video call with a collaborator, KBC making available a "Live Chat" and Argenta having a chat available within office hours, historic banks don't seem to prioritize user support.

Nevertheless, numerous opportunities come as technology evolve. Artificial Intelligence applied to financial services could be a precious help in banks digitalization especially for clients relation centers management, predictive analysis, chatbots and so on. In a nearby future, we could imagine the arrival of personal intelligent assistant such as Amazon Alexa or Google Home to execute a simple transfer or to give some explanations about a product. With speech recognition and understanding, a voice system is also able to show empathy to the client. Besides operational efficiency bettered, new technologies could help to maintain the client relation providing direct, customized, and 24h/24 support. So much ideas are to develop such as dynamic FAQ, taking actions in place of the client, helping to fix appointments.

#### 4. Advices & Customization

While the banking world started its journey to digital, users' satisfaction is more and more difficult to get. Customers expect more personalisation and adapted products or advices. The benchmark reveals the overall market is lagging behind in this category. Barely half of the apps analysed provide standard investment advices, none for budget management. Clients are waiting for more support in their budget management and in their projects. Personal finance management tools are cruelly missing for now while a deep categorization of past spending or an estimation of future expenses would add considerable value to a banking app, some neobanks already offering those kind of tools.

Usage of collected data to better know the user and provide adapted advices and services is now necessary for a bank which want to strengthen its app. The benchmark also reveals banks are not using enough profiling to adapt their offer and

anticipate future needs. The client entered lately in the professional life? Let's inform him about the importance to open early with a pension-saving account. The client seems to struggle to save money? Let's provide him some tips and tricks to do so. A good profiling strategy enables to identify important steps in the user's life and combined to an analysis of behaviours, a relevant assistance could be provided to the client.

#### 5. UX design and user satisfaction

There is no point to have wide range functionalities if the layout is not appropriate to enhance them. Items such as data presentation, simplicity, navigation and design are directly linked to the attractively, efficiency and user-friendliness of the app. The user experience is able to differentiate products and services as added-value and competitive advantage. An efficient UX enhance the brand image and provide pleasant and innovative user experience. Hence, it plays an active role in client retention and a possible recommendation to other users.

Regarding what competitors such as neobanks are able to offer in terms of UX, traditional banks has interest to develop this axe to grasp the top-level needs of the clients. Small victories are identifiable all along the client journey. Benefits are both for the bank and the user. Eliminating slowdowns and sticking points will boost user's satisfaction. Besides, thanks to appropriate colors, pictures, sounds or animations, interactions can considerably increase and generate data which will allow to the bank to better know its clients, to analyze behaviors and to predict future needs. In addition, added-value could be brought with data presentation helping the client in his personal finance management. Eventually, the message delivered is better targeted and understood.

Reactivity is also important as many sticking points and slowdowns remain along the customer journey involving loss of time and confusion. Nothing is more frustrating for the user to face an app which all of sudden switches in another language or takes considerable time to recover data for example. This kind of issues have been frequent while testing the different apps highlighting the difference between KBC and Belfius and the rest of the ranking.

## Conclusion

Digitalization added a new dimension and multiple possibilities in the banking industry. The increasing number of interactions gives the possibility to exploit and analyse those data to offer products and services tailored to best fit user's expectations. Hence, user experience is seen as the new battlefield of banking industry which can provide a considerable competitive edge to the one able to offer THE best journey and experience to customers.

Regulations such as PSD2 encouraging the competition, lots of new players made their appearance in the sector those last years. If traditional banks are enjoying the monopoly on interactions with customers for now, when it comes to user experience, new players often excel and could disrupt the current situation. Most of the Belgian banking apps have to completely rethink their strategy focusing more on a user-centric approach rather than the traditional product-centric approach to have a chance to remain competitive. If Belfius and KBC both demonstrate some nice initiatives, they will have to step up their efforts to compete with threats such as neobanks, GAFA's, fintechs and all newcomers in this playing field.

For more information about the study, you can reach out Etienne Ranwez or Anthony Wolf.

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## YOUR CONTACTS

### ANTHONY WOLF

Associate Partner  
+ 32 477 33 77 37  
anthony.wolf@sia-partners.com

### ETIENNE RANWEZ

Manager  
+ 32 478 56 27 57  
etienne.ranwez@sia-partners.com

### YOLINE DAPSENS

Consultant  
+ 32 497 88 64 40  
yoline.dapsensdyvoir@sia-partners.com

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### Abu Dhabi

PO Box 54605  
Al Gaith Tower #857  
Abu Dhabi – UAE

### Amsterdam

Barbara Strozilaan 101  
1083 HN Amsterdam -  
Netherlands

### Brussels

Av Henri Jasparlaan, 128  
1060 Brussels - Belgium

### Casablanca

46, Boulevard Adbellatif  
Ben Kaddour, Racine –  
Casablanca 20000 -  
Morocco

### Charlotte

101 S. Tryon Street, 27th  
Floor, Charlotte, NC 28280,  
USA

### Doha

Al Fardan Office Tower #825  
PO Box 31316  
West Bay Doha - Qatar

### Dubai

Shatha Tower office #2115  
PO Box 502665  
Dubai Media City  
Dubai - UAE

### Hong Kong

23/F, The Southland  
Building, 48 Connaught  
Road Central  
Central - Hong Kong

### Houston

800 Town and Country  
Boulevard, Suite 300  
77024 Houston, TX

### London

36-38 Hatton Garden  
EC1N 8EB London - United  
Kingdom

### Luxembourg

7 rue Robert Stumper  
L-2557 Luxembourg

### Lyon

3 rue du Président Carnot  
69002 Lyon - France

### Milan

Via Vincenzo Gioberti 8  
20123 Milano - Italy

### Montreal

304 - 19 Rue le Royer Ouest  
Montreal, Quebec,  
Canada, H2Y 1W4

### New York

40 Rector Street, Suite 1111  
New York, NY 10006 – USA

### Paris

12 rue Magellan  
75008 Paris - France

### Riyadh

PO Box 91229  
Office 8200 - 12, Izdihar city  
Riyadh 11633 - KSA

### Rome

Via Quattro Fontane 116  
00184 Roma - Italy

### Singapore

137 Street Market, 10-02  
Grace Global Raffles  
048943 Singapore

### Tokyo

Level 20 Marunouchi  
Trust Tower-Main  
1-8-3 Marunouchi,  
Chiyoda-ku  
Tokyo 100-0005 Japan



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