

INSIGHT

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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.

Ranking

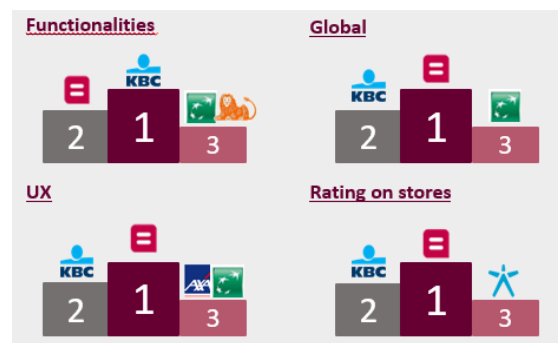
Findings of the study show 3 distinct groups visible on the graph. Far ahead, Belfius and KBC got scores very close to each other in the functionalities axis and differ from each other in the UX axis. Thereafter, 4 apps stand very closed in the same area: BNPP, ING, Argenta and AXA Bank.

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 stores¹. 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.

¹ Average between the score obtained on the App Store and the score on Google Play.

TOP RANKING OF THE BENCHMARK AND 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-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 different way to improve the design and navigation aspects as well.

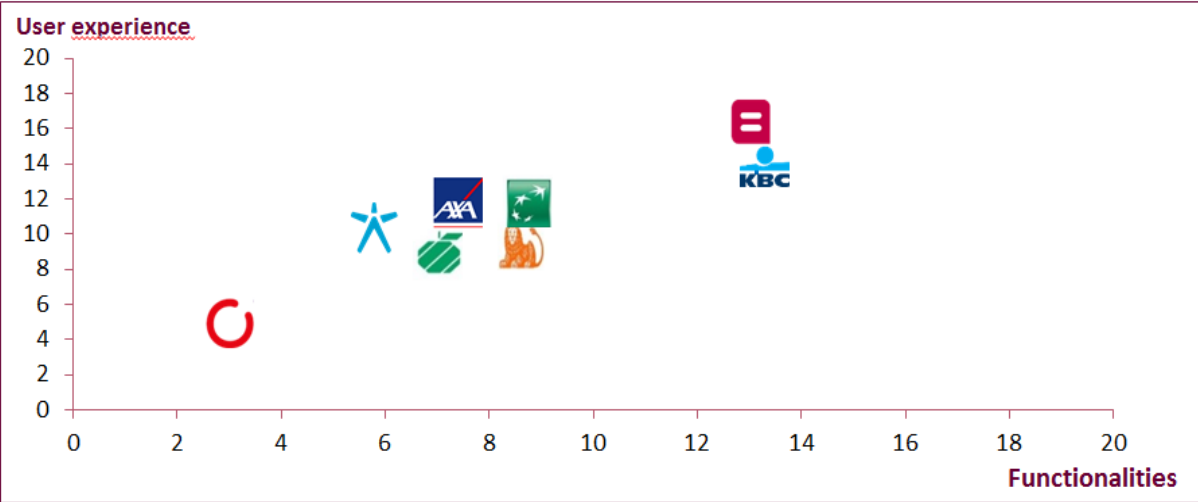
With its recent updates, Argenta achieved to solve some bugs and added some significant features (among others, transfer signature with Touch ID and the implementation of a chat). The biggest weakness of Argenta is undoubtedly at payment services level, reimbursements and payments via QR-code being not 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

OVERALL RESULTS OF THE BENCHMARK



Source: Sia Partners

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 survive in this competitive sector.

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.

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.

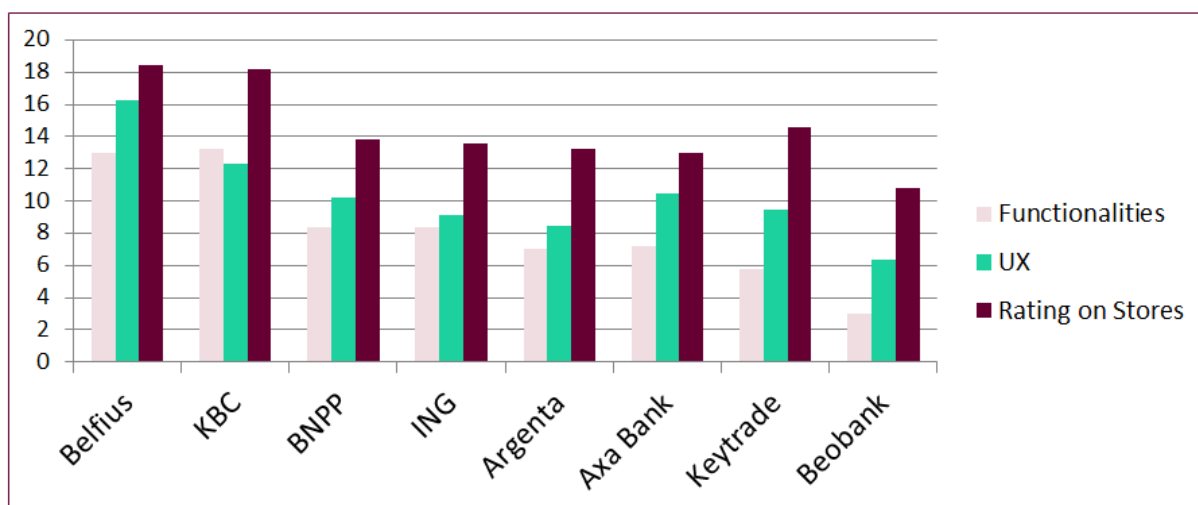
Regulations such as PSD2 encouraging the competition, lots of new players made them appearance in the sector those last years. If traditional banks are enjoying the monopoly on interactions with customers for now, when it comes to user experience, new players often excel and could disrupt the current 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.

A longer version of this article including methodology and trends is available via the following link: <https://bit.ly/2x3BogF>

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

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



Source: Sia Partners

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