

# Hype Cycles for Digital Transformation and Emerging Technology in Banking 2023

Benjamin Seesel

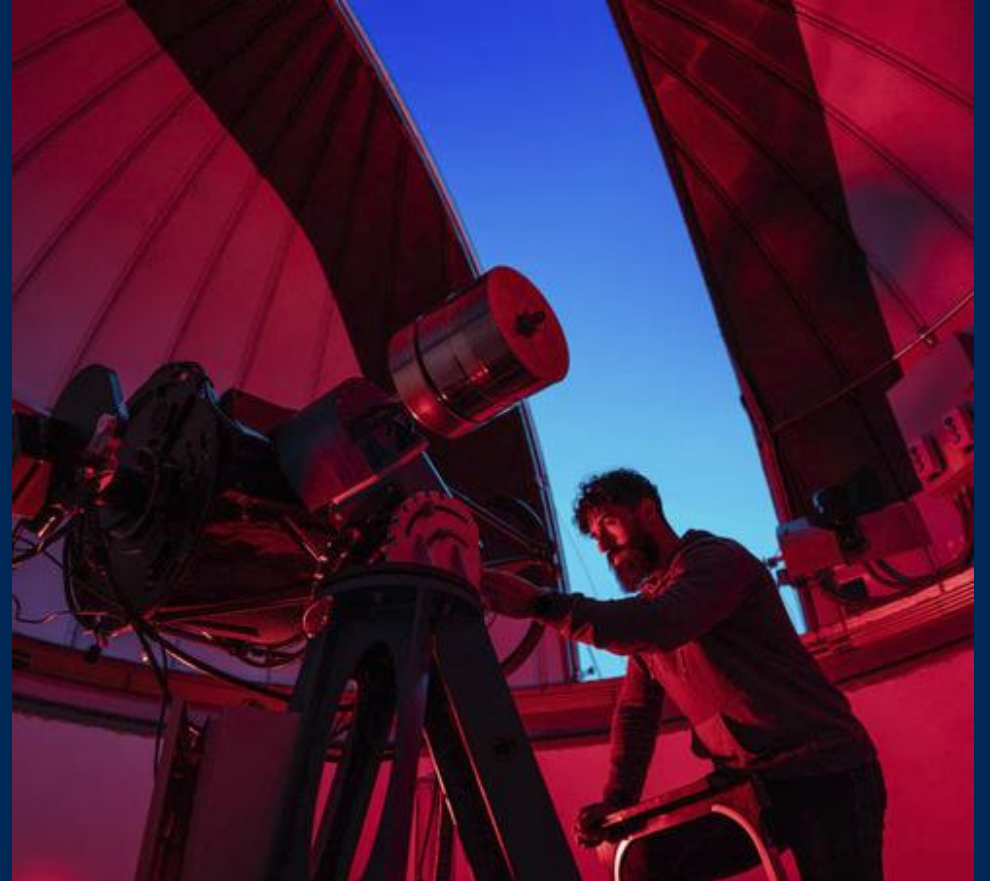
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**Gartner**®

**For years, we've offered you a lens on the future of banking with our annual Hype Cycle for Digital Banking Transformation**

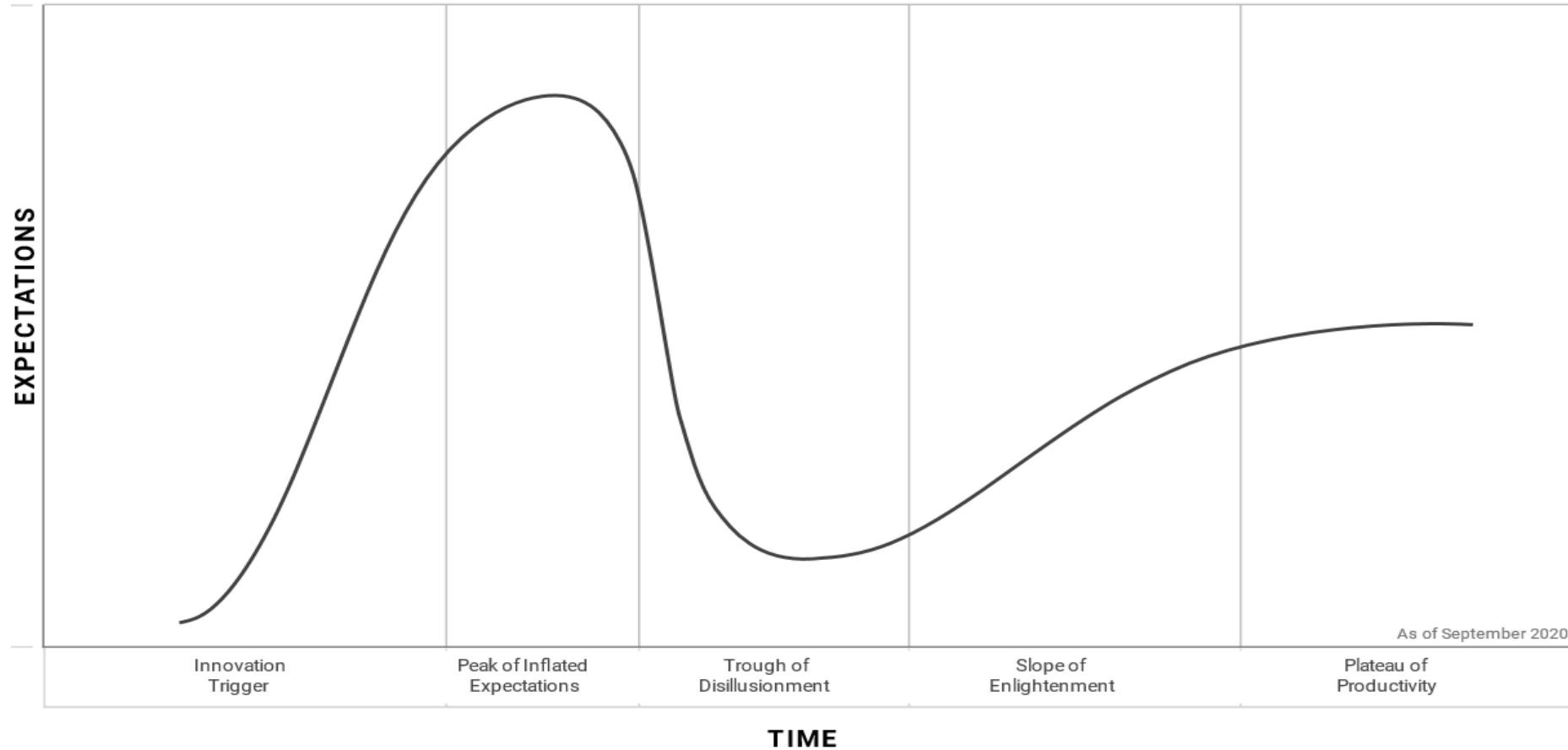


# **This year, we've doubled down and supercharged that view by adding Hype Cycle for Emerging Technology in Banking**



# Phases of the Hype Cycle

## The Hype Cycle

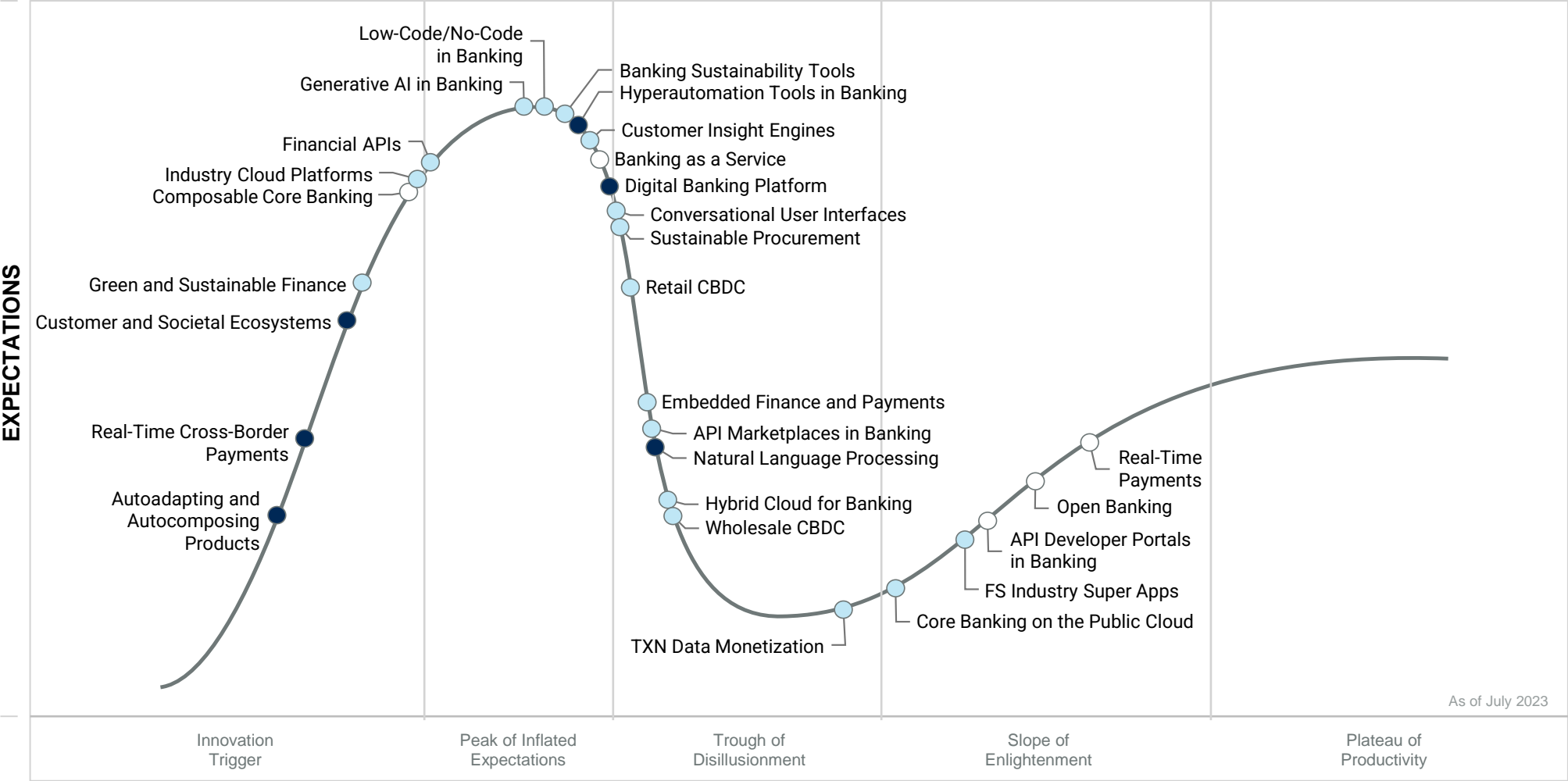


Plateau will be reached: ○ < 2 years ● 2–5 years ● 5–10 years ▲ > 10 years ✕ Obsolete Before Plateau

Source: Gartner (June 2021)

# **Hype Cycle for Digital Banking Transformation, 2023**

# Hype Cycle for Digital Banking Transformation, 2023



Plateau will be reached: ○ <2 yrs. ● 2-5 yrs. ● 5-10 yrs. ▲ >10 yrs. ✗ Obsolete before plateau

Source: [Hype Cycle for Digital Banking Transformation, 2023](#), 20 July 2023 (G00792124)

# 5 Themes: Hype Cycle for Digital Banking Transformation



Open Banking,  
Embedded Finance,  
Data and APIs



Core Technologies  
and Cloud



Analytics and AI

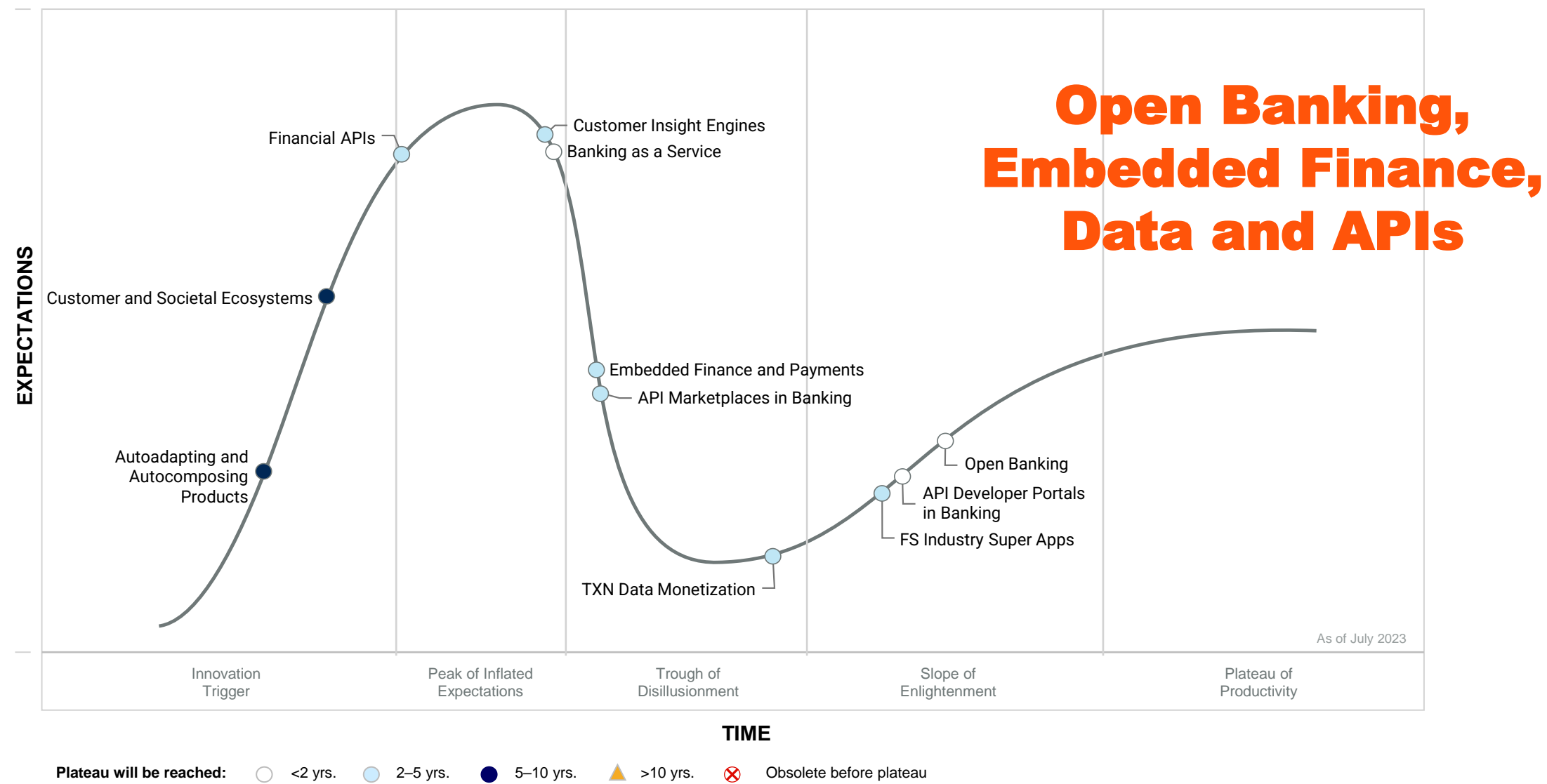


Digital Currencies,  
DeFi and Payment  
Innovations



Sustainable Finance  
and ESG

# Hype Cycle for Digital Banking Transformation, 2023

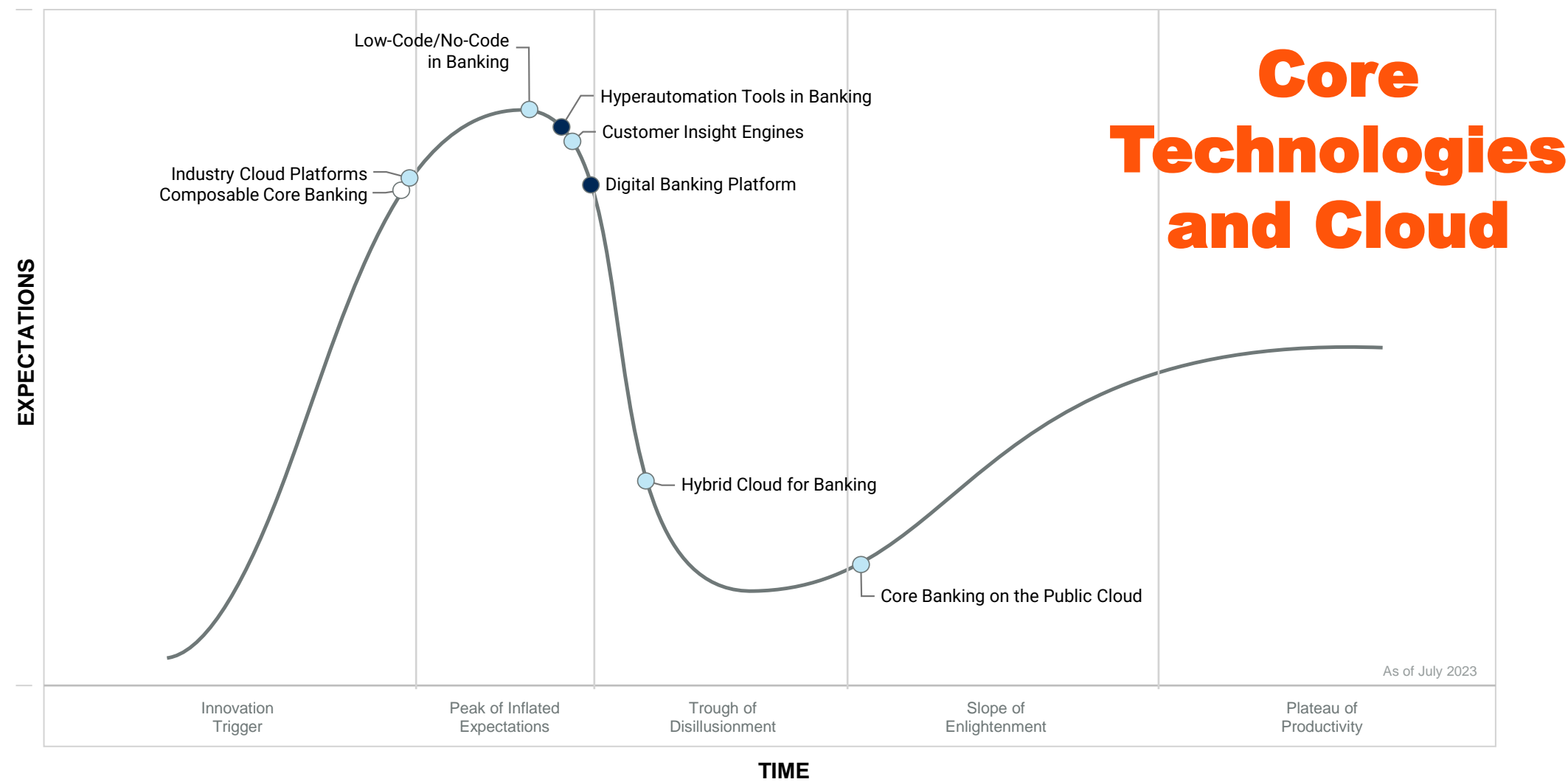


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# Hype Cycle for Digital Banking Transformation, 2023

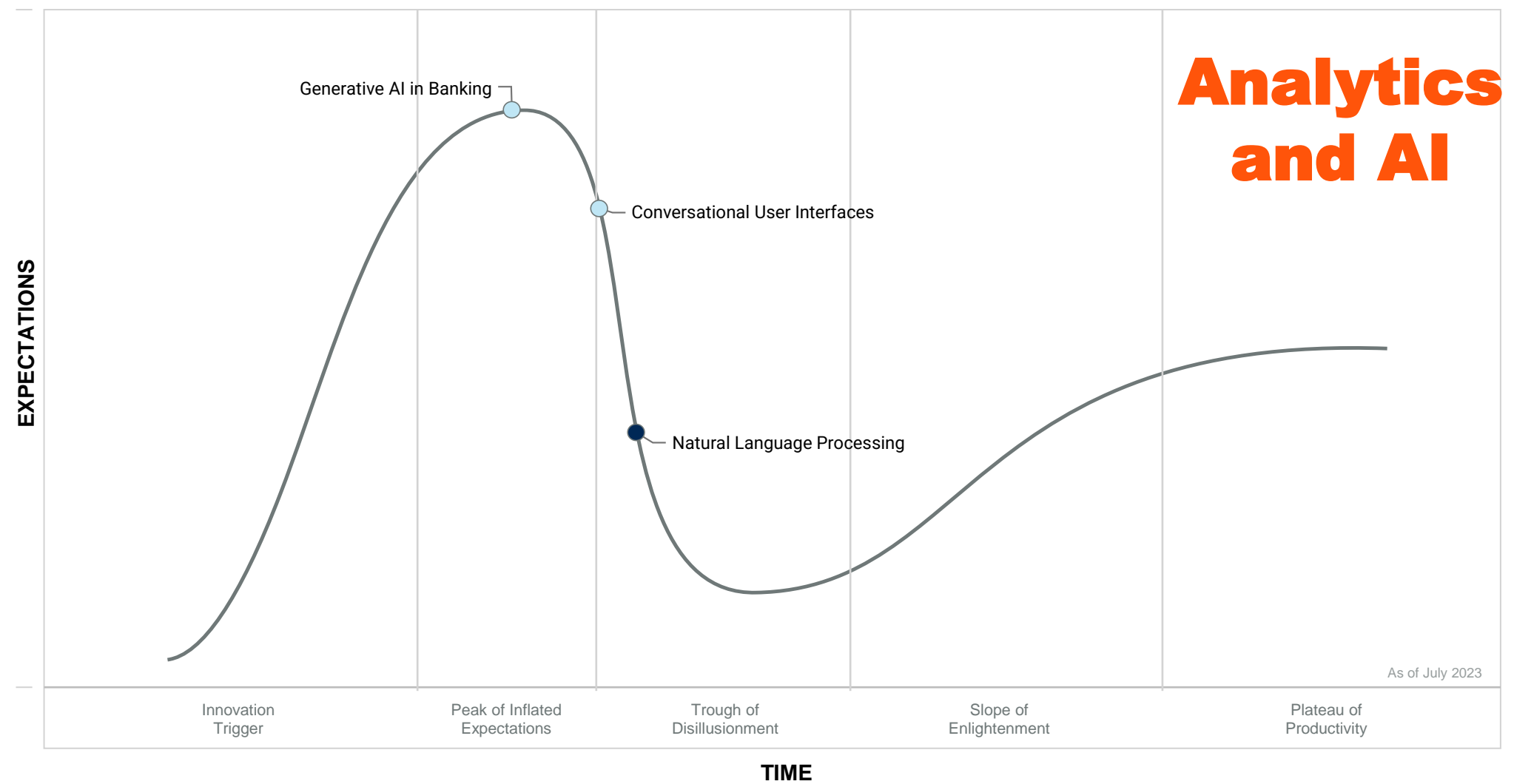


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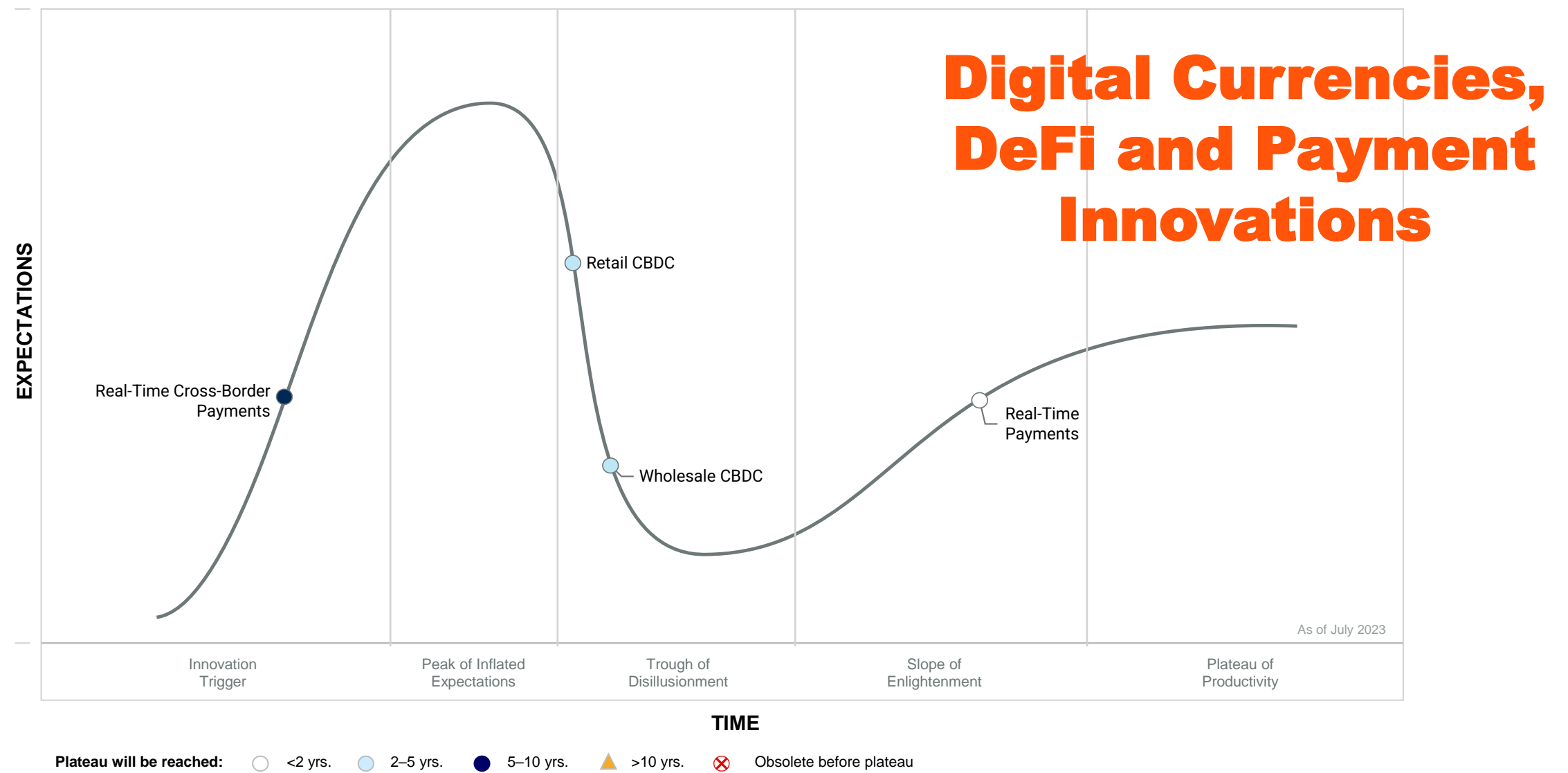
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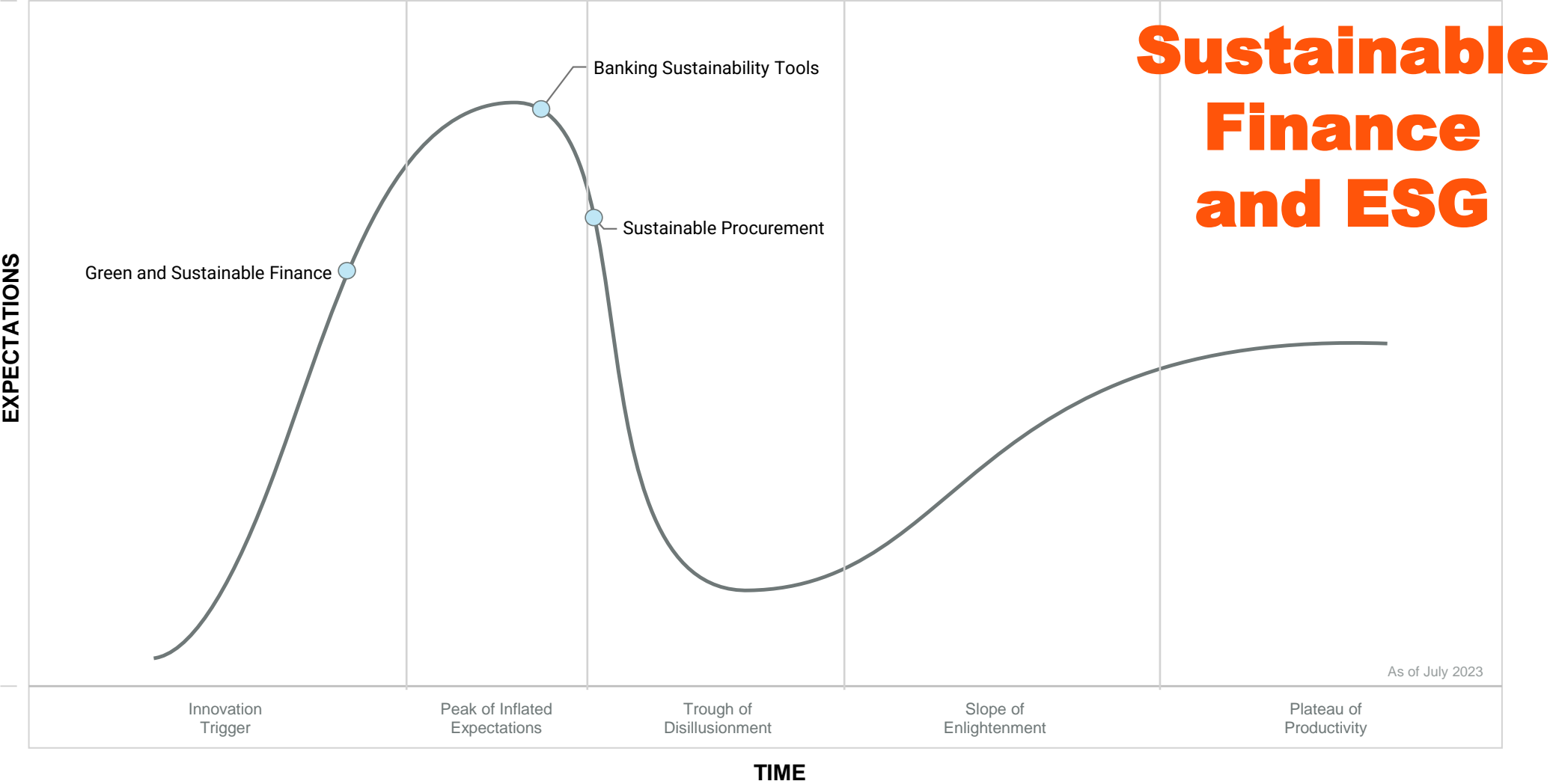
# Hype Cycle for Digital Banking Transformation, 2023



Source: [Hype Cycle for Digital Banking Transformation, 2023](#), 20 July 2023 (G00792124)



# Hype Cycle for Digital Banking Transformation, 2023



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Source: [Hype Cycle for Digital Banking Transformation, 2023](#), 20 July 2023 (G00792124)

# **Hype Cycle for Emerging Technology in Banking, 2023**

# How Technologies on the Hype Cycle for Emerging Technology Differ



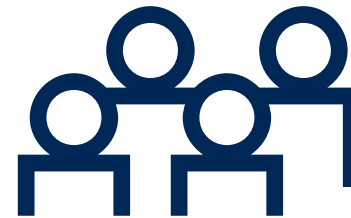
Transformational or  
High Business Impact



Initial Tangential  
Impact on Banks

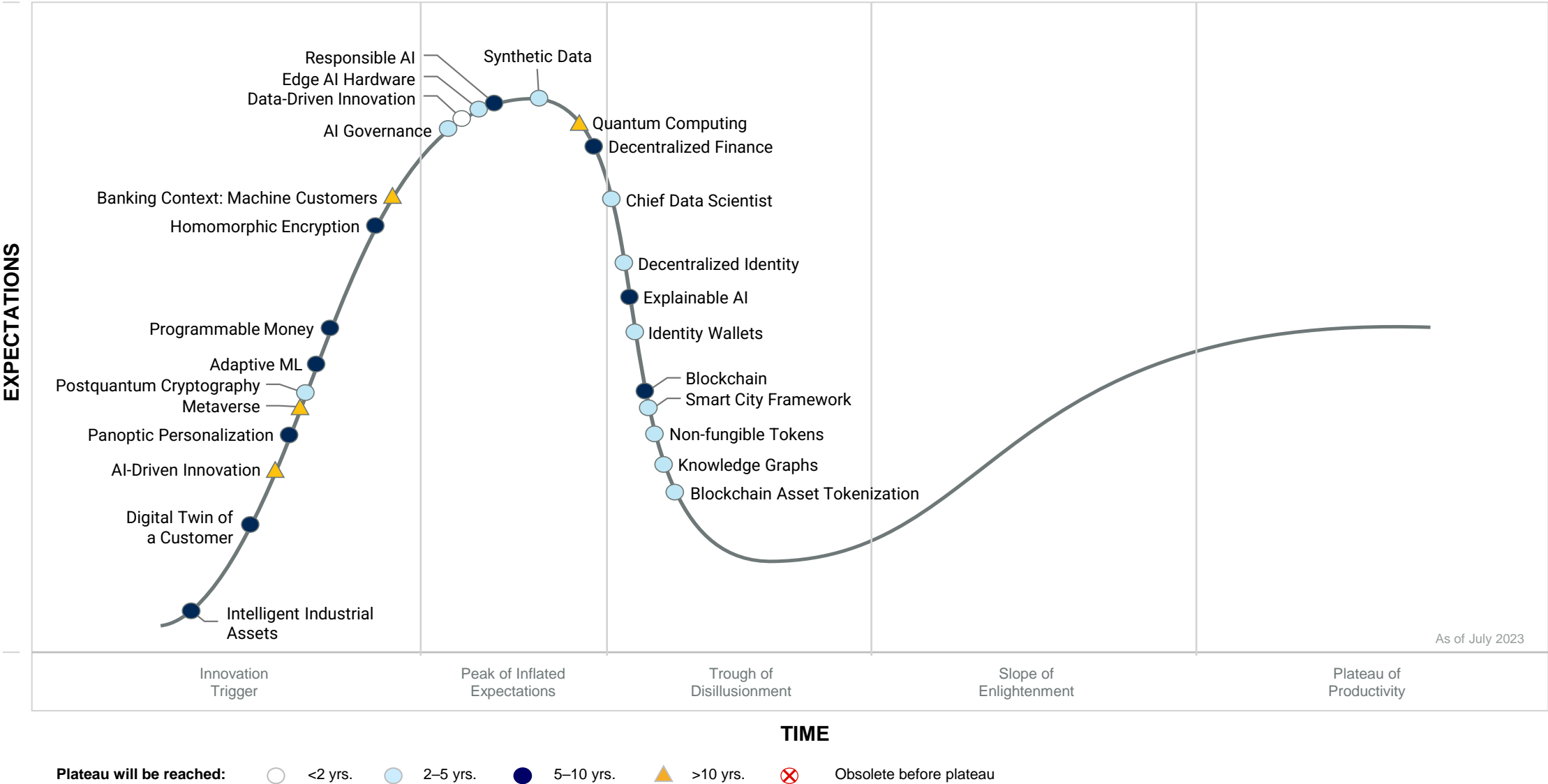


Longer Time to  
Reach Maturity



Change  
Consumption  
Patterns

# Hype Cycle for Emerging Technologies in Banking, 2023



Source: [Hype Cycle for Emerging Technologies in Banking, 2023](#), 20 July 2023 (G00794940)

# 4 Themes: Hype Cycle for Emerging Technology in Banking



Data Ecosystems  
and Data as Digital  
Assets



Artificial Intelligence  
and Uplifted  
Computational Power



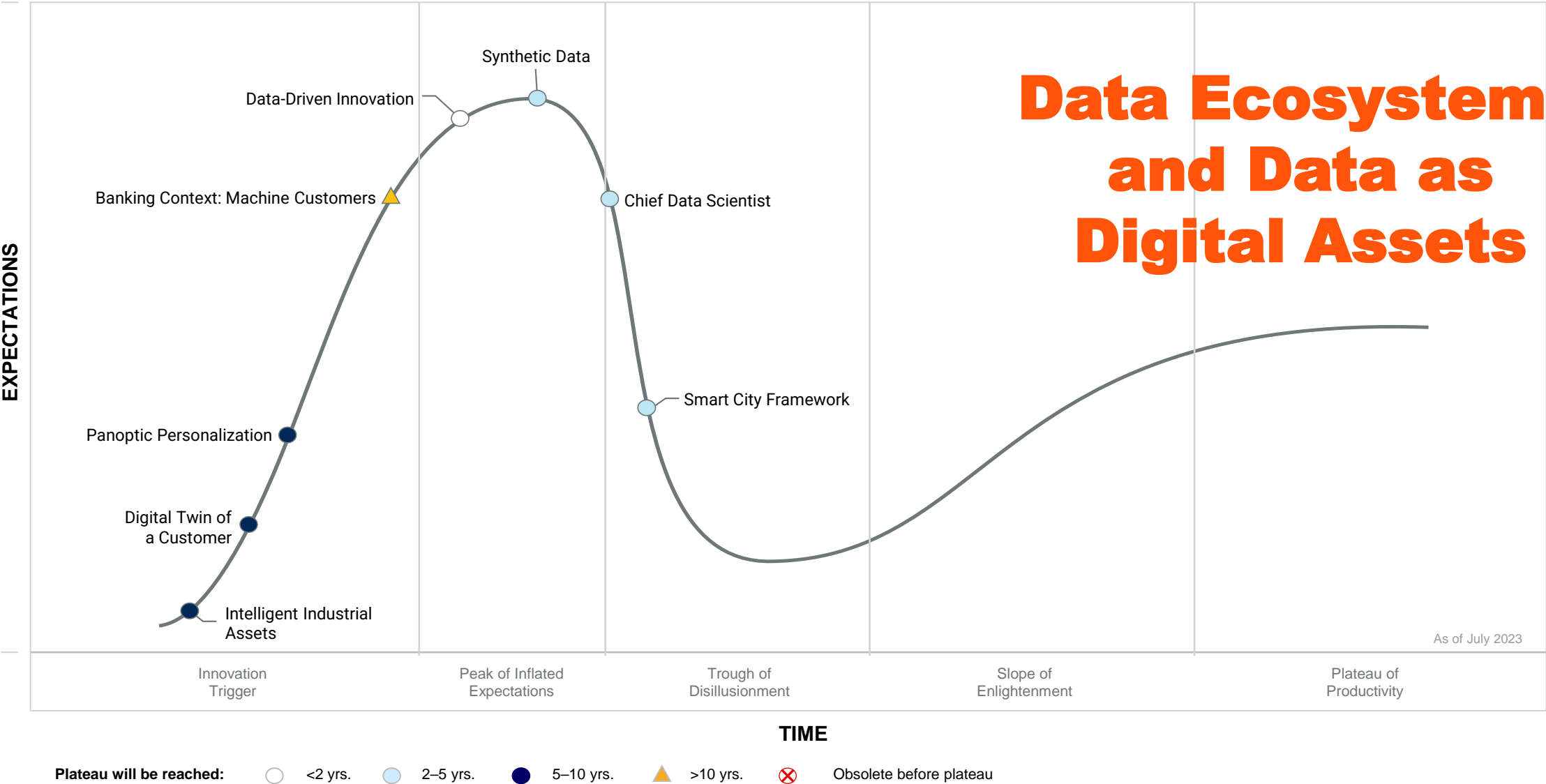
DeFi,  
Programmability and  
the Metaverse



The Shift in Digital  
Identity and Encryption  
Technologies

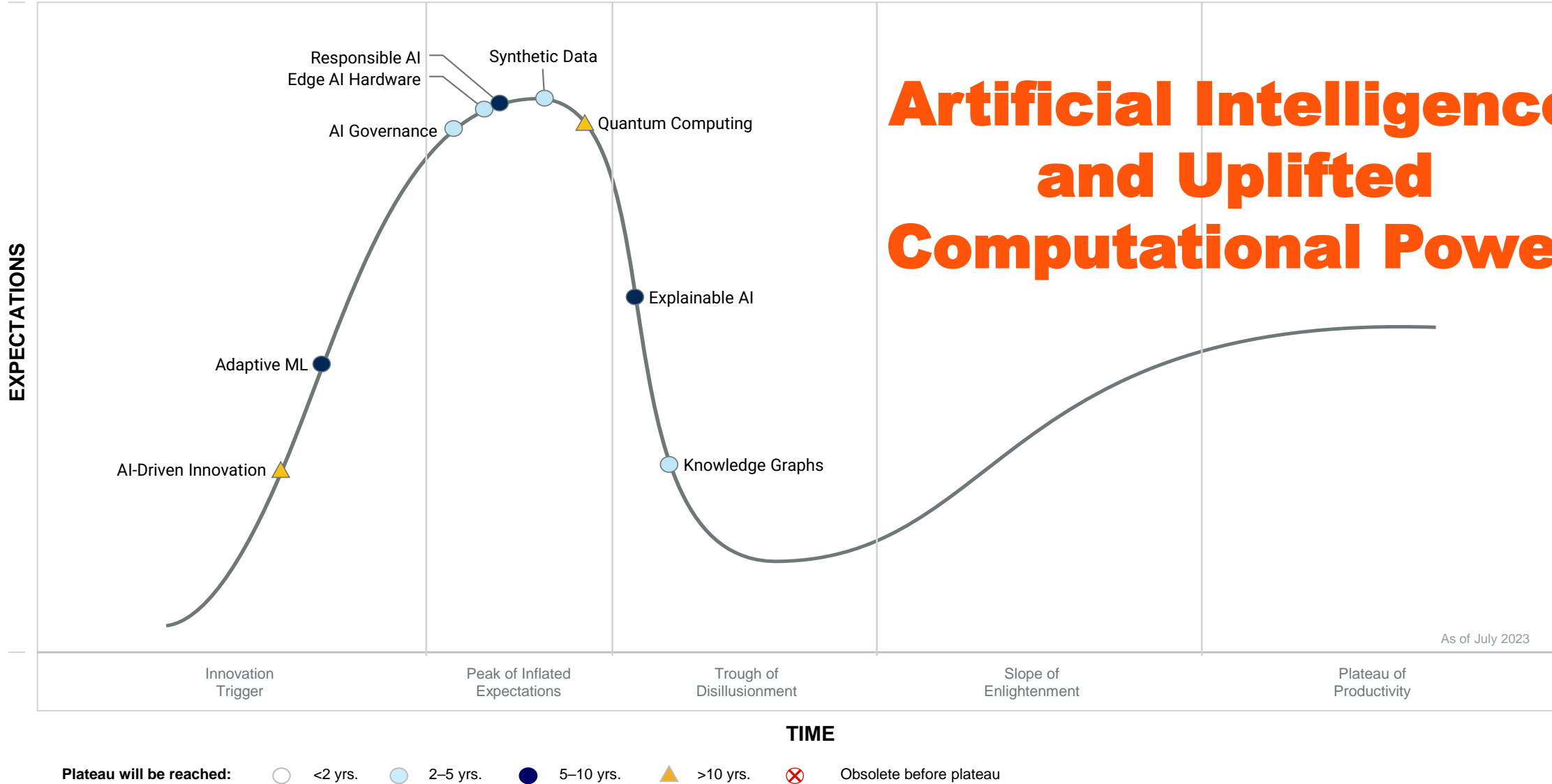


# Hype Cycle for Emerging Technologies in Banking, 2023



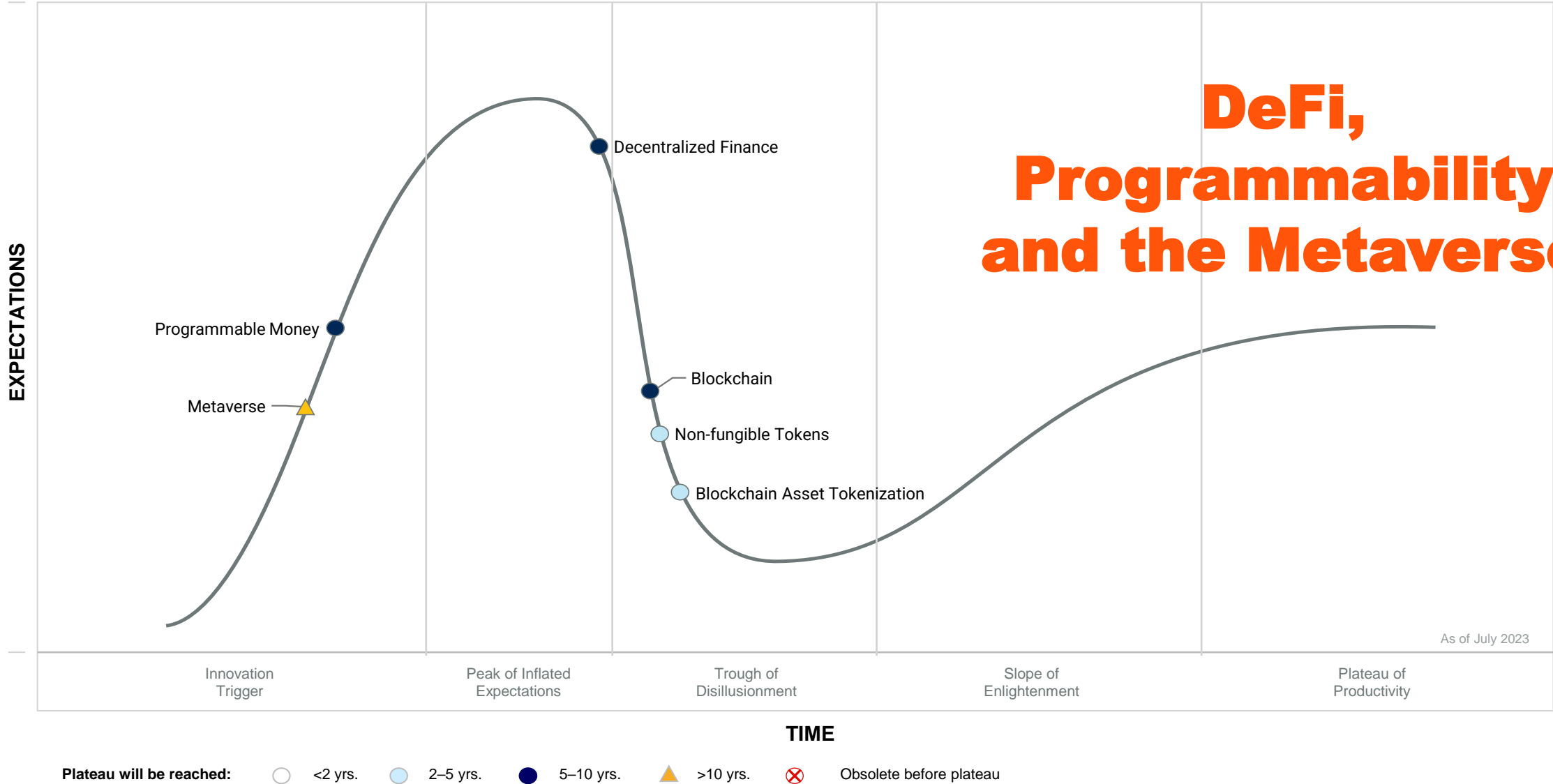
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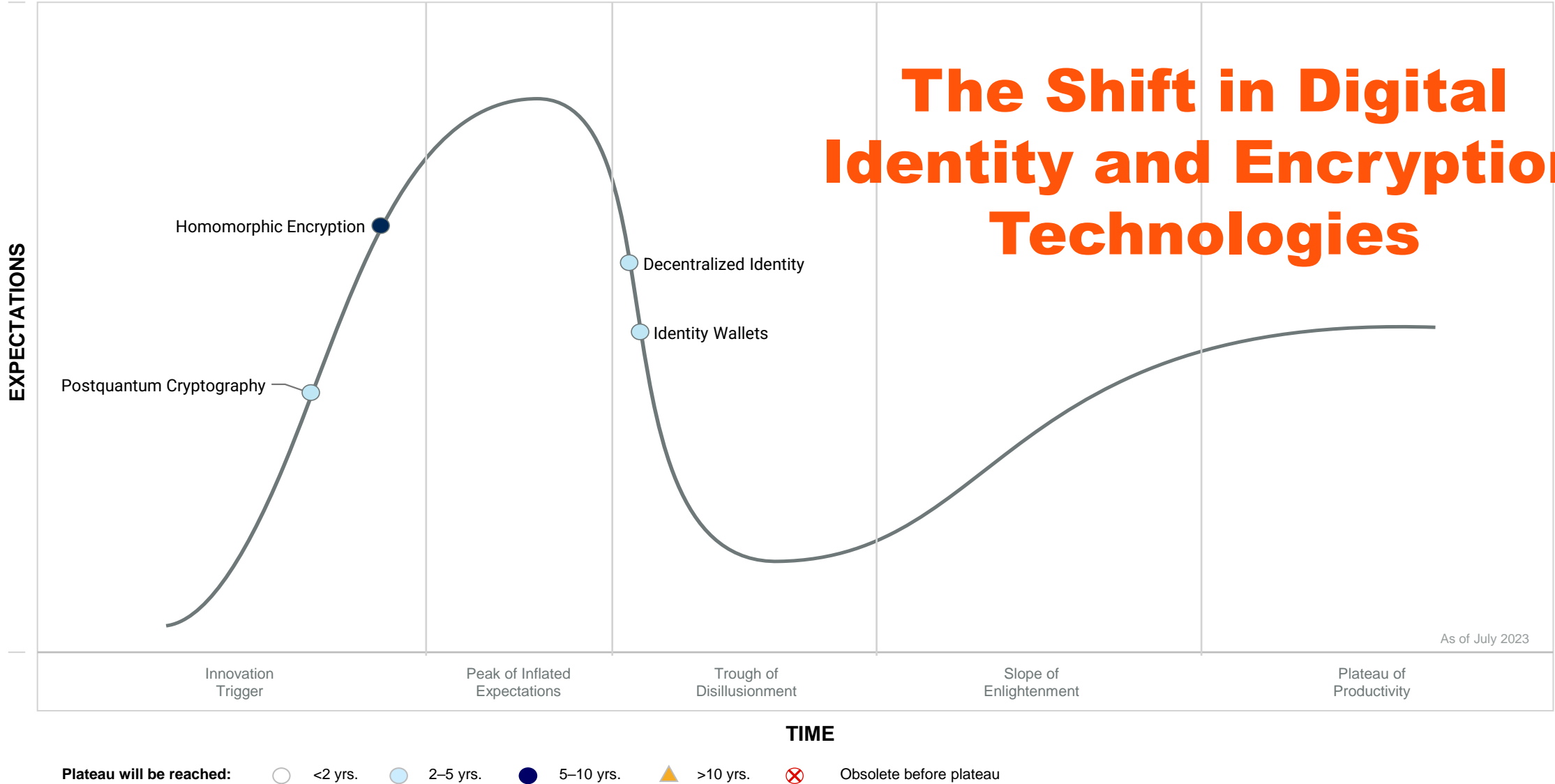
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# **The Other Side of the Lens: Priority Matrix View**

# Priority Matrix for Digital Banking Transformation, 2023

Benefit	Years to Mainstream Adoption			
	Less Than Two Years	Two to Five Years	Five to 10 Years	More Than 10 Years
Transformational	<b>Composable Core Banking</b> <b>Open Banking</b> <b>Real-Time Payments</b>	<b>Conversational User Interfaces</b> <b>Generative AI in Banking</b> <b>Green and Sustainable Finance</b> <b>Industry Cloud Platforms</b> <b>Retail CBDC</b> <b>TXN Data Monetization</b> <b>Wholesale CBDC</b>	<b>Autoadapting and Autocomposing Products</b> <b>Customer and Societal Ecosystems</b> <b>Decentralized Finance</b> <b>Natural Language Processing</b> <b>Real-Time Cross-Border Payments</b>	
High	<b>Banking as a Service</b>	<b>Banking Sustainability Tools</b> <b>Core Banking on the Public Cloud</b> <b>Customer Insight Engines</b> <b>Embedded Finance and Payments</b> <b>FS Industry Super Apps</b> <b>Hybrid Cloud for Banking</b>	<b>Digital Banking Platform</b> <b>Hyperautomation Tools in Banking</b>	
Moderate	<b>API Developer Portals in Banking</b>	<b>API Marketplaces in Banking</b> <b>Financial APIs</b> <b>Low-Code/No-Code in Banking</b> <b>Sustainable Procurement</b>		
Low				

# Priority Matrix for Emerging Technologies in Banking, 2023

Benefit	Years to Mainstream Adoption			
	Less Than Two Years	Two to Five Years	Five to 10 years	More Than 10 Years
Transformational		<b>Blockchain Asset Tokenization</b> <b>Decentralized Identity</b> <b>Non-Fungible Tokens</b> <b>Smart City Framework</b>	Decentralized Finance Digital Twin of a Customer Homomorphic Encryption Intelligent Industrial Assets Programmable Money Responsible AI	AI-Driven Innovation Metaverse Quantum Computing
High	<b>Data-Driven Innovation</b>	AI Governance Chief Data Scientist Identity Wallets Knowledge Graphs Postquantum Cryptography Synthetic Data	Adaptive ML Blockchain Explainable AI Panoptic Personalization	Banking Context: Machine Customers
Moderate				
Low				

**Ask Me a Question:**

**Hype Cycle for Digital Banking  
Transformation**

**Hype Cycle for  
Emerging Technology in Banking**





# Recommendations

- ④ Add your local context to these technologies. Market maturity and industry adoption will vary across geographies and banking sector.
- ④ Examine technology impacts at the enterprise and customer level — impact on customer consumption patterns is too often overlooked.
- ④ Get ahead of the curve by analyzing those emerging tangential technologies.
- ④ Finally, ensure colleagues understand the hype, as business value will significantly lag initial noise and speculation.

# Recommended Gartner Research

- 🔍 [Understanding Gartner's Hype Cycles](#)  
Philip Dawson, Jan-Martin Lowendahl and Felix Gaehtgens
- 🔍 [Tool: Create Your Own Hype Cycle With Gartner's Hype Cycle Builder](#)  
Frances Karamouzis and Jan-Martin Lowendahl