

Banking Transformation Assignment

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Executive Summary

Digital banking is on a steady rise and digital bank customers has shown to be a better revenue generator than traditional customers. As more consumers are transitioning to mobile platforms, the demand for electronic services skyrockets. Disruptors like the super app Grab take a further step to challenge the leading position of banks in financial industry. Necessary transformations are hence needed to ensure POSB digibank app remains highly competitive in the financial industry. Therefore, we are combining the capabilities of DBS PayLah! into POSB digibank to produce a more client-centric prototype that focuses on efficient account opening, NFC-enabled payment method and split-bill function.

Market research (E-commerce)

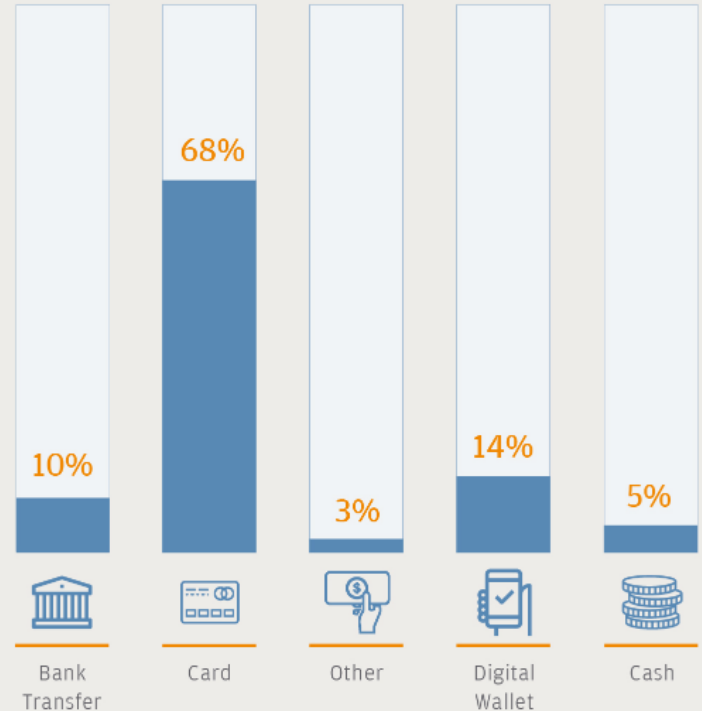


- Most popular payment method
- Expected to decline in the near future



- Expected to grow exponentially
- Comprises 22.5% of sales by 2021

E-commerce payment method split by value



Source: J.P. Morgan 2019 Payments Trends – Global Insights Report: Data provided by Edgar, Dunn and Company, 2018.

Market research (E-commerce)

E-commerce market value ⁷	\$4.9 billion
Mobile commerce market size ⁸	\$2.1 billion
Mobile commerce as a percentage of e-commerce market size ⁹	42.3%
Internet penetration ¹⁰	87%
Smartphone penetration ¹¹	75%
Bank account penetration ¹²	98%
Card penetration per capita ¹³	3.57

Preferred e-commerce methods

\$2.1 billion



E-commerce
completed on a
mobile device

n/a



Mobile commerce
completed
in-app

n/a



Mobile commerce
completed
on a browser

SINGAPORE DIGITAL BANK LICENSES: **14 WERE SHORTLISTED**

FULL BANK LICENSE



FULL BANK LICENSE



FULL BANK LICENSE



FULL BANK LICENSE



FULL BANK LICENSE



WHOLESALE BANK LICENSE



WHOLESALE BANK LICENSE



WHOLESALE BANK LICENSE



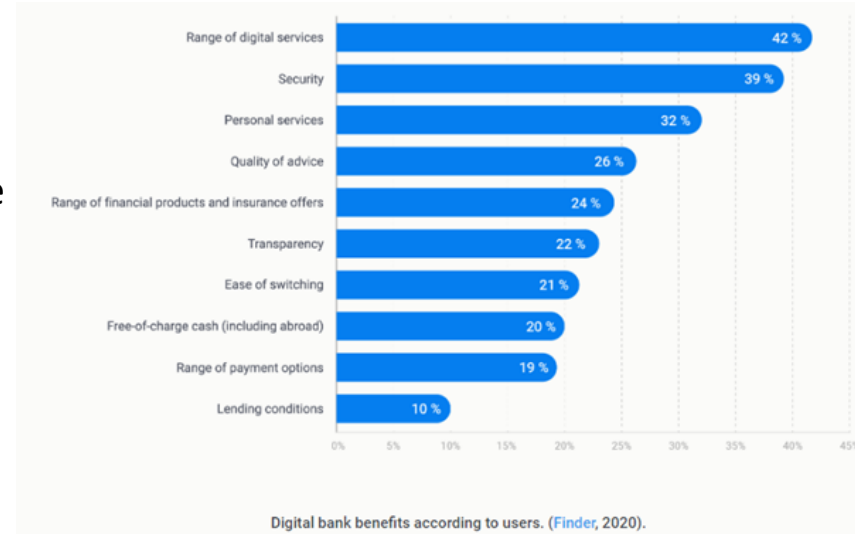
What Singaporeans Need To know

 Seedly Reads

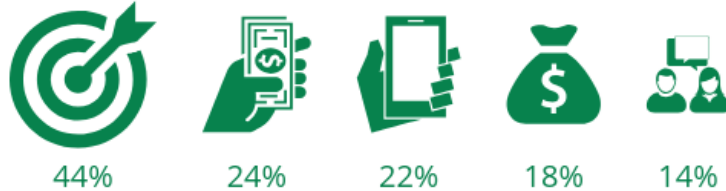
The rise of disruptive force forces banks to keep up in the race of digital transformation

Why the need to transform into a digital bank?

- A recent survey states that *Two-thirds of banking customers say they plan to convert fully to a digital bank in the future.* ([Finder, 2020](#)).
- The main reason was having more advantages like
 - efficiency, cost savings, increased accuracy, greater agility, enhanced security, and improved competitiveness
- Graph provided shows the main benefits users find important are the range of digital services with 42%, security with 39%, and personal services with 32%.



WHY CUSTOMERS CHOOSE ONLINE BANKS?



- It's more efficient
- Affords greater control over my money
- Access to easy-to-use mobile apps
- Lower account costs
- More personalised

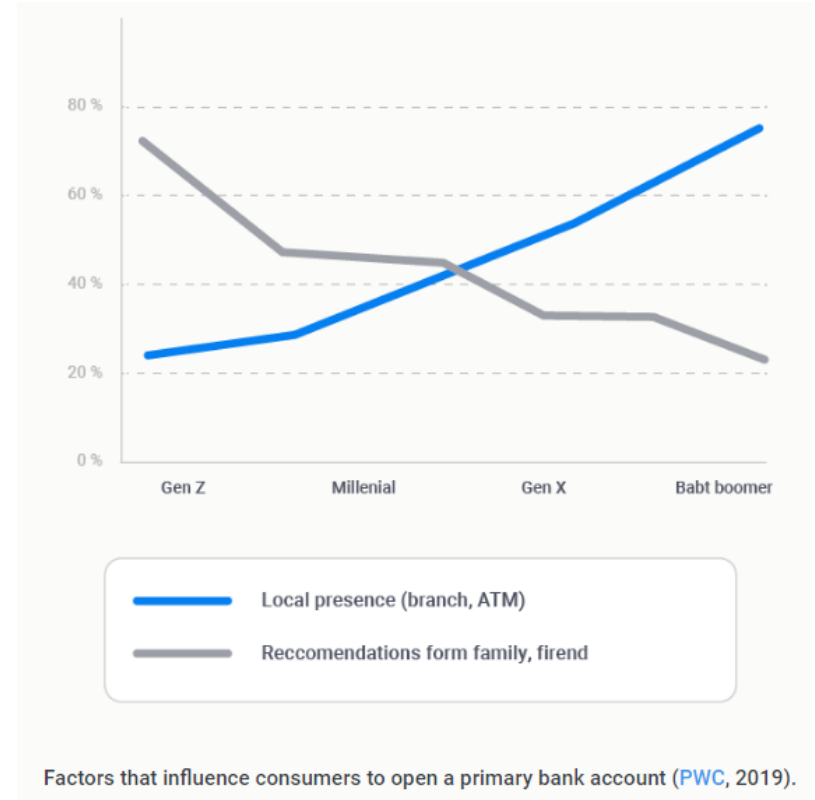
Statistics taken from Pepper's *Change in Banking* report, 2019

44% choose efficiency!

- **Efficiency** is one of the factor why traditional banks are losing out to digital banks.
- Although traditional banks have transformed most of their services digitally, some complex products and services they provide, such as mortgages are not yet digitized.

Why the need to transform into a digital bank?

- Millennials are a disruptive force in the financial world
- Usually search for information online instead of following the traditional method
- Hence, traditional bank presence will decrease as time goes by.
- Banks should focus on the millennials and the Gen Z with will ultimately involves the banks to transform



Why the need to transform into a digital bank?

- The next leading motivation is to generate growth
- DBS has reported that a typical digital customer generates twice as much revenue as compared to a traditional customer
- The doubled in revenue is clearly a motivation for banks to transform entire transform itself digitally



Statistics taken from Fujitsu's Digital Transformation of Banking Services report, 2018



POSB Digibank

POSB Digibank app

Rank

1st

for SG financial
mobile app usage

Provide

150⁺

online banking services

Ready

24/7

to serve

Mobile App Ranking

Top Google Play apps in Singapore | Finance | Top Free



Google Play Store



Singapore



Finance



Top Free



Go



Leader Board ⓘ



App Trends ⓘ

🕒 Last updated: July 10, 2020

Share

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App ⓘ	Publisher ⓘ	Usage Rank ⓘ	Change ⓘ	▶ Store Rank ⓘ ▾	▶ Change ⓘ
1 POSB digibank	DBS Bank Ltd	1	=	1	=
2 DBS digibank SG	DBS Bank Ltd	2	=	2	=
3 Singtel Dash	Singtel Idea Factory Pte Ltd	34	+1	3	=
4 DBS PayLah!	DBS Bank Ltd	8	=	4	=
5 POSB jolly	DBS Bank Ltd	21	=	5	+1

Competitor's Digital Transformation



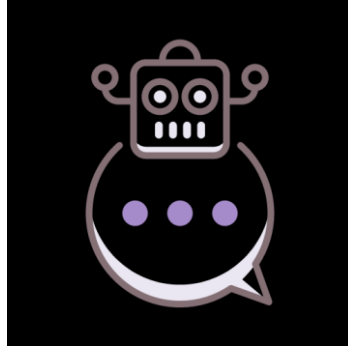
**Case Study on
Oversea-Chinese Banking Corporation**

Case Study on OCBC



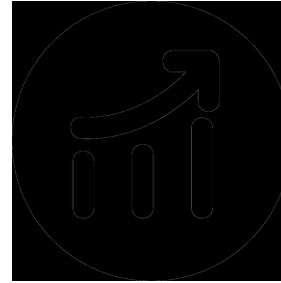
Digitalised Services

- moved over 30% of over-counter services to ATMs
- same day account set-up and business incorporation for startups



Emma Chatbot

- handles simple tasks quicker and more efficient
- increased loans take-up by 4 times



OCBC RoboInvest

- algorithms are used to customarily assign users assets to various investment tools



OCBC Pay Anyone

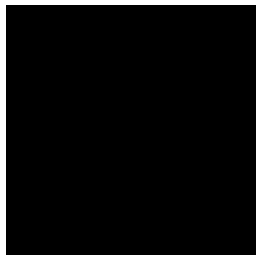
- enable users to withdraw cash from OCBC ATM with QR code.
- ability to use in Japan and Thailand at competitive exchange rate that used Singtel VIA network

How should the bank transform?



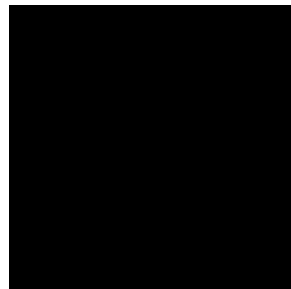
Reinvent customer journey

- determine critical points
- enhance the experience
- increase revenues up to 20% and reduce costs by up to 25%



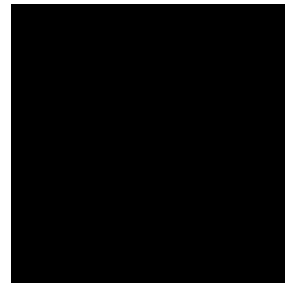
Leverage power of data

- bulk data collection and analysis
- identify opportunities and reduce costs



Refine operating models



- combination of human interaction and digital services
- adoption of advanced location models





Adopt data-driven approach

- develop client-centric strategies
- enable higher level of customisation

Comparisons

Features		
Brand	Family-centric	Everyday and everything app
Reach	Locally in Singapore	Southeast Asian region
Feedback of products and services	Feedback of service is kept by POSB to improve products and service to sell	Ratings are made known to customers to make better decisions in choosing products and services
Incentives	Rewards only from credit card	Rewards from all services

Comparisons

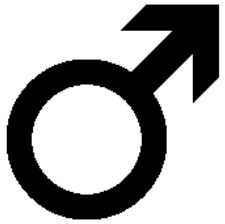
Features	 POSB	
Loans	Personal loan	Only to partner companies to rent cars for Grab drivers
Insurance	Car, home, mobile plans, personal accident, maid insurance, etc.	Rides and travel

Interview insights into mobile payments



Interviewee insights	Potential Opportunities
Use of PayNow to manually calculate and split bill	Offer better split bill function in app
Choice of E-Payment method due to incentives like discounts and vouchers	Integrate various payment methods into an app
Limited merchants accepting each type of E-payments	
Too many similar applications in the market lead to confusion	Integrating banking and e-wallet services into one platform

Persona for our design: Paul



Gender



Age



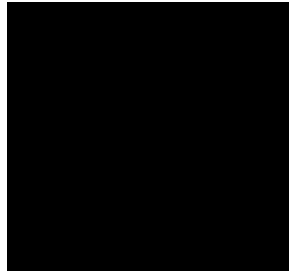
Engineer



Attached



Budget lifestyle



Active users



Tech savvy

Persona's Customer Journey

Scenario: Setting Up Account
Grab vs PayLah!

Opening an account



Stages	1. Play store	2. Register via POSB Digibank application	OTP authentication	Selection of bank account	Input personal information	Login into PayLah with newly created account
Actions	Download PayLah! application	Download POSB digibank application and login	Receive OTP and authenticate user's identity	Choose the bank account that links to PayLah	Enter nickname, password and mobile number	Switch to DBS PayLah! application to log in
Thoughts& Feelings	Easy	Simple	Would be good if the process is automated	Feels good as he has the flexibility to choose which account he wants to link	Feels the process is tedious	Annoyed that he needs to constantly switch between applications
Pain points	NA	Need to between application	Have to type in received OTP manually		Tedious process, too many accounts to remember	Switching between applications
Opportunities		Make the whole sign-up process in one application only	Automate the process of filling in OTP		Sign in with POSB digibank account instead of creating a new account with DBS Paylah	

Opening an account

Stages	Play store	Choose one of account creation	Receive SMS OTP	End of account creation
Actions	Download Grab app	Choose between Google , Facebook or Phone number	Key in the received OTP when being prompt	—
Thoughts & Feelings	Easy	Felt it was a easy sign up using Google account.	Auto-input of SMS OTP when received	Fast and efficient sign up process
Pain points	—	—	—	—
Opportunities	—	—	—	—

Persona's Customer Journey

Scenario: Dining Out With Friends
Grab vs PayLah!

E-payment



Stages	Buying Food	Selection of Payment Method	Process	Completing payment	Split bill	Getting all his money back
Actions	Order food for the whole table	Open PayLah! app	Scan QR code and input amount	Wait for the payment completion page	Refer to receipt to calculate each person bill and request verbally to pay up	Calculates the total amount of money he gets from his friends
Thoughts & Feelings	Easy	Impatient as he needs to load application and navigate to scan the QR code		Troublesome	Troublesome as he needs to calculate the prices with GST and service charge individually.	Tedious as he needs to calculate manually
Pain points	—	A tedious process as it requires a lot of clicks just to pay		The need to show the cashier the completed transaction page	Troublesome as it requires calculation and prompt friends to pay up constantly	Need to do calculation
Opportunities	—	An option to use NFC instead	How can we make the payment process less tedious and quick	How can we make the verification of payment easier between merchant and customer?	Implement a split bill function and integrate it into the request function in PayLah	A notification from PayLah that all requested amount is received

E-payment

Stages	Buying Food	Selection of Payment Method	Process	Completing payment	Split bill	Getting all his money back
Actions	Order food for the whole table	Open Grab app to pay via Samsung pay using GrabPay card	Tap phone to pay	Take receipt from cashier	Refer to receipt to calculate each person bill and request verbally to pay up	Calculates the total amount of money he gets from his friends
Thoughts & Feelings	Easy	Easy	Efficient	Easy	Troublesome as he needs to calculate the prices with GST and service charge individually.	Tedious as he needs to calculate manually
Pain points	—	—	—	—	Troublesome as it requires calculation and prompt friends to pay up constantly	Need to do calculation
Opportunities	—	—	—	—	Implement a split bill function and adopt the request function that is similar to PayLah	A notification from Grab that all requested amount is received

What DBS PayLah! can improve?



Simplify
account opening process



Enhance customisation
on user experience



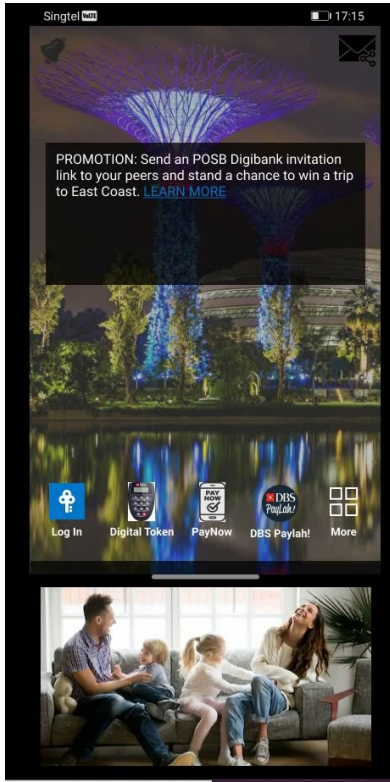
Enable more
demanding features

Design 

How can we make social life
easier for the young working
adult?

 Challenge

Prototype



Link to Prototype Demonstration:

https://drive.google.com/file/d/1ZVZSGCOZAHOFv2HFD1jAq_TKXREP-Eft/view?usp=sharing

Features and benefits

- Simple account opening process
 - Hassle-free for new users to sign up
 - Reduce the technical barrier for less tech-savvy users
 - An enhanced user experience
- NFC-enabled payment method
 - Enhanced convenience (reduce the need to switch between apps)
 - Generate greater usage traffic (attract more users and collect more data)
 - Choosing the best payment methods for the maximum benefits in one app
- Built-in bill splitting function
 - Incorporate service charge and tax for calculation
 - Auto calculate final amount based on the additional charges
 - Requesting different amount from people in one request

Reference

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