

Simon-Kucher Global Sales Study 2020 – Banking & Financial Institutions

Digitalization needs to be supercharged

Simon-Kucher Global Sales Study at a glance

Type & scope

- Online study by Simon-Kucher & Partners
- 15 questions on the effects of COVID-19 on the sales process in the banking sector

Timing

- October 2020

Participants

- Worldwide professionals in the banking industry
- Executives of all functions and areas were interviewed

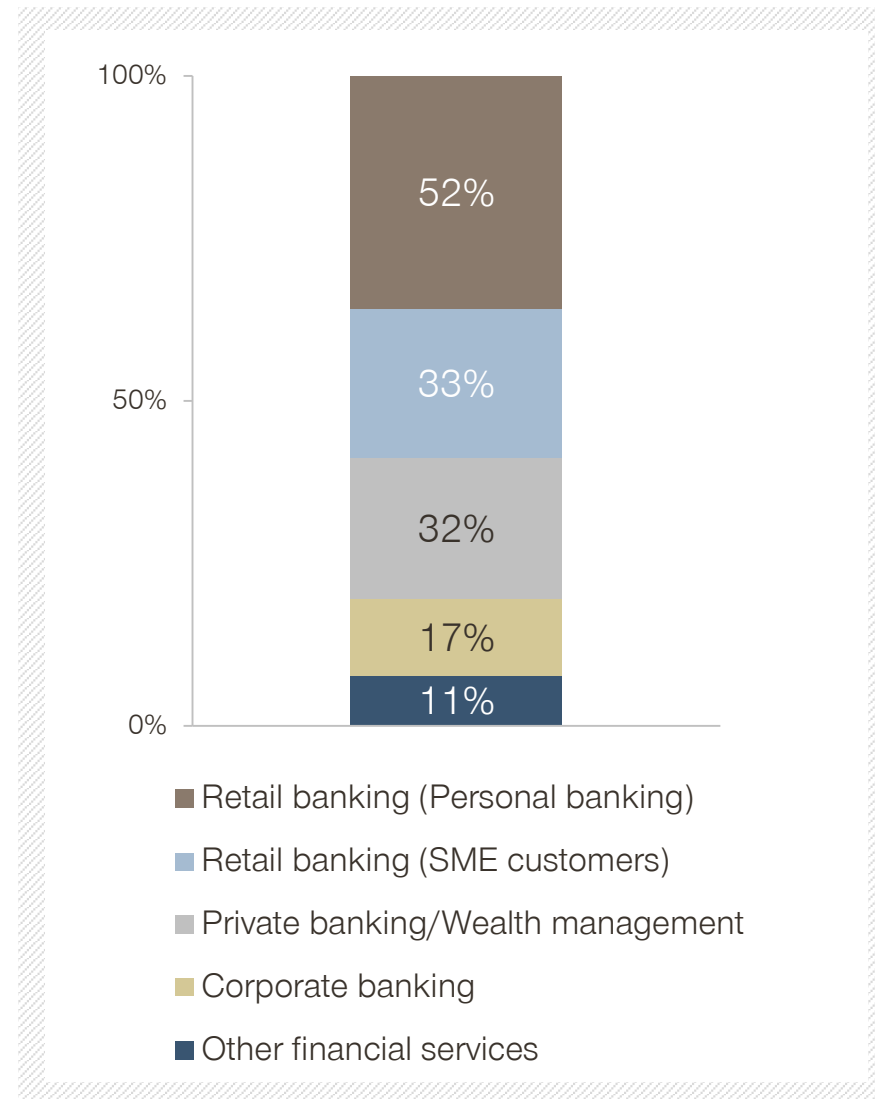
Countries

- Austria, Belgium, Canada, France, Germany, Italy, Switzerland, Spain, USA

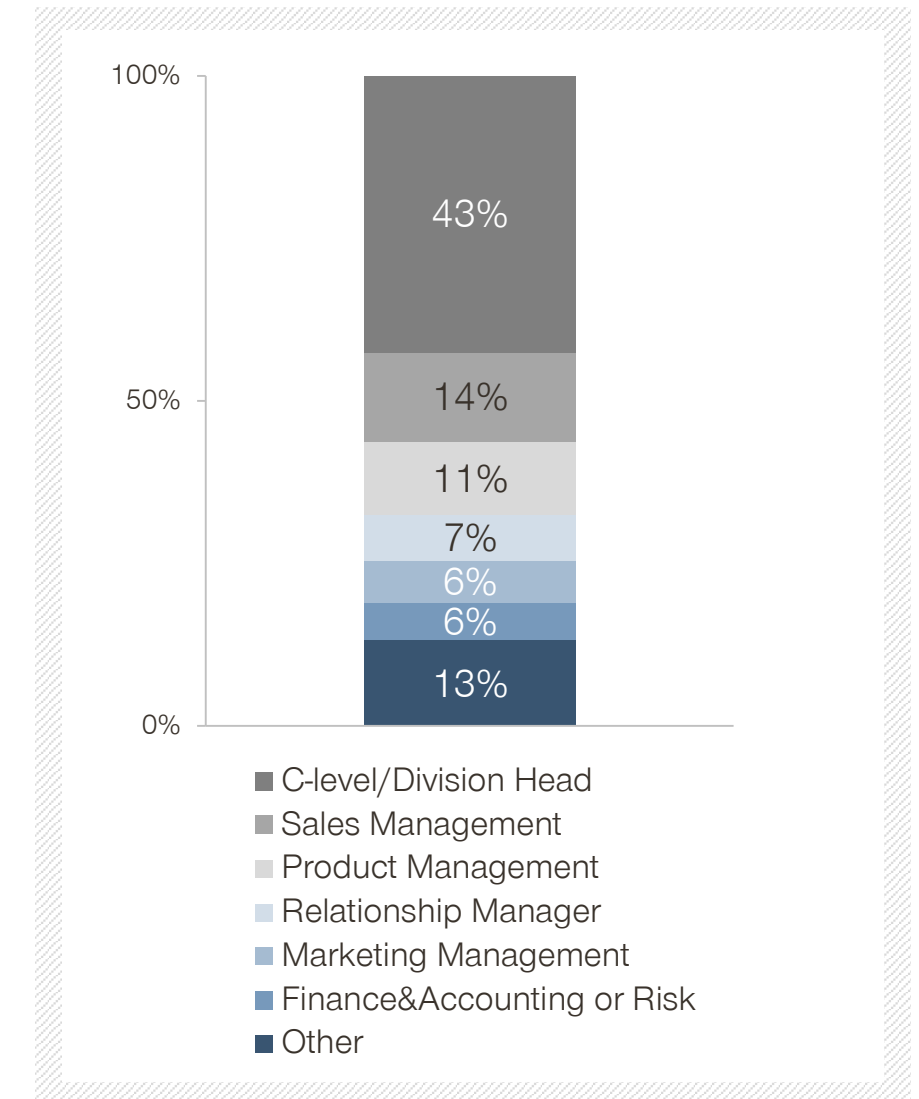
Sample

- 329 participants participated in the survey

Expertise¹



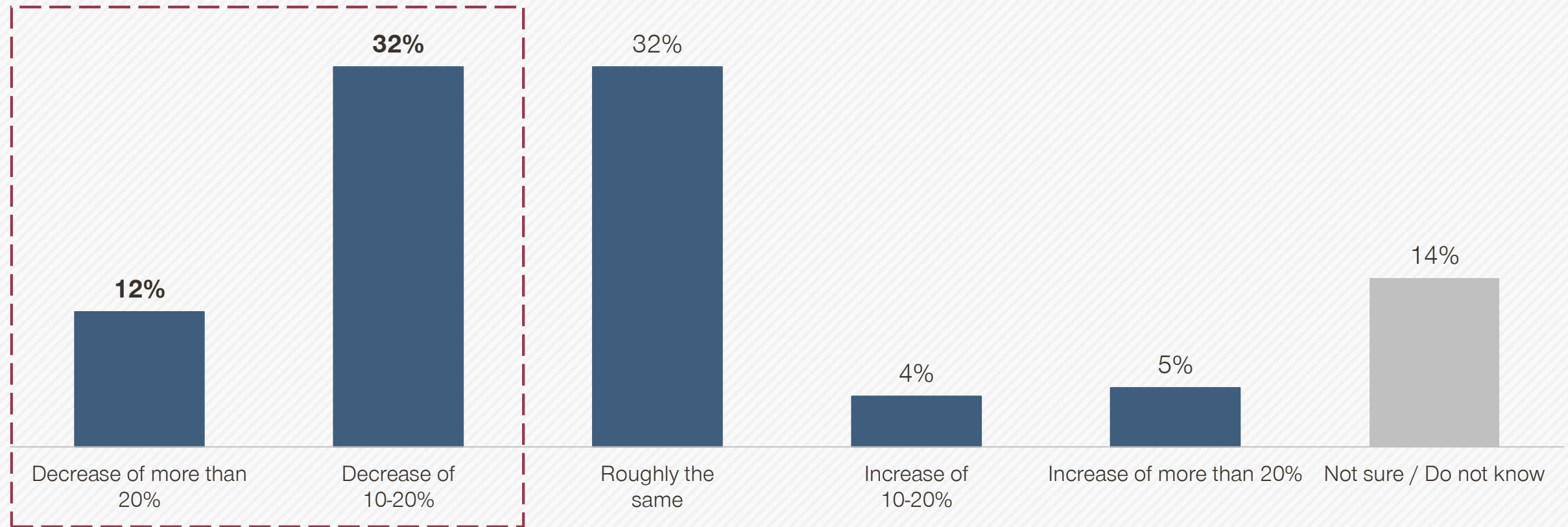
Function



1) Multiple entries possible

Banks expect to reduce the size of their branch networks

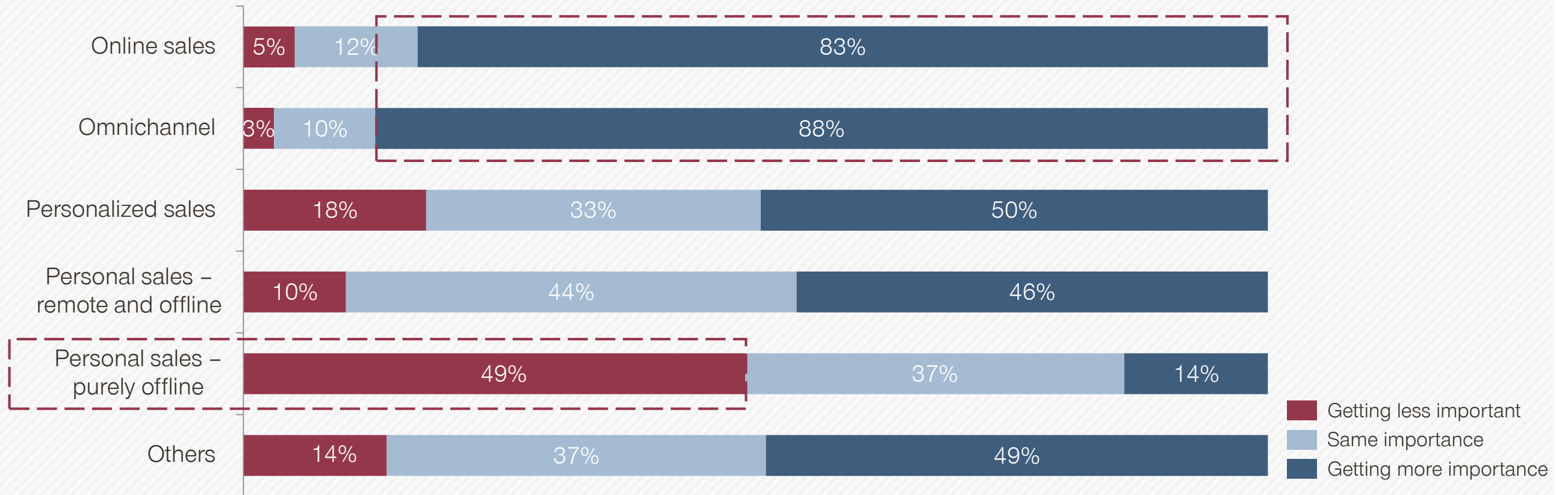
How does your bank plan to manage the number of branches in your distribution network in the next 2-3 years?¹



Banks will **reduce their physical presence**, with the number of traditional branches expected to decline more than 10% by **44% of respondents**

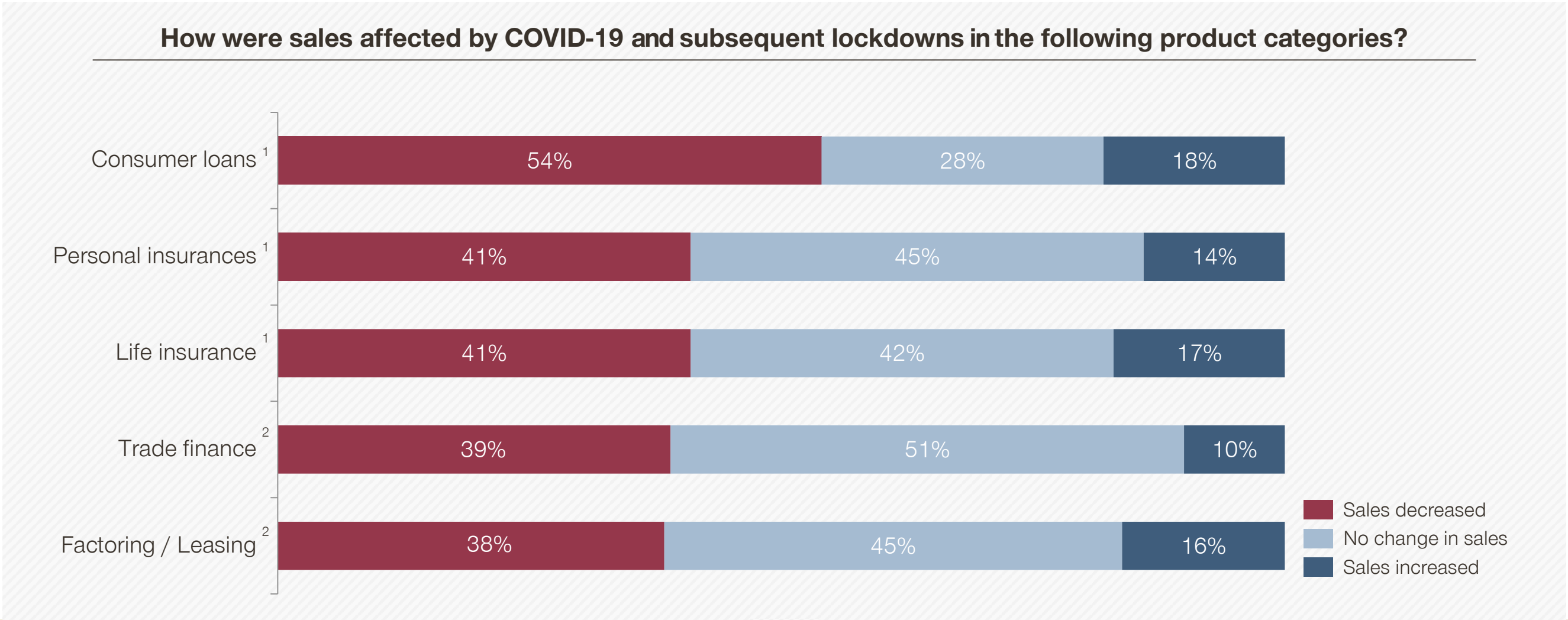
Digital and omni-channel sales are expected to become more important

How would you rate the future importance of the following channels (measured by % of sales)? ¹



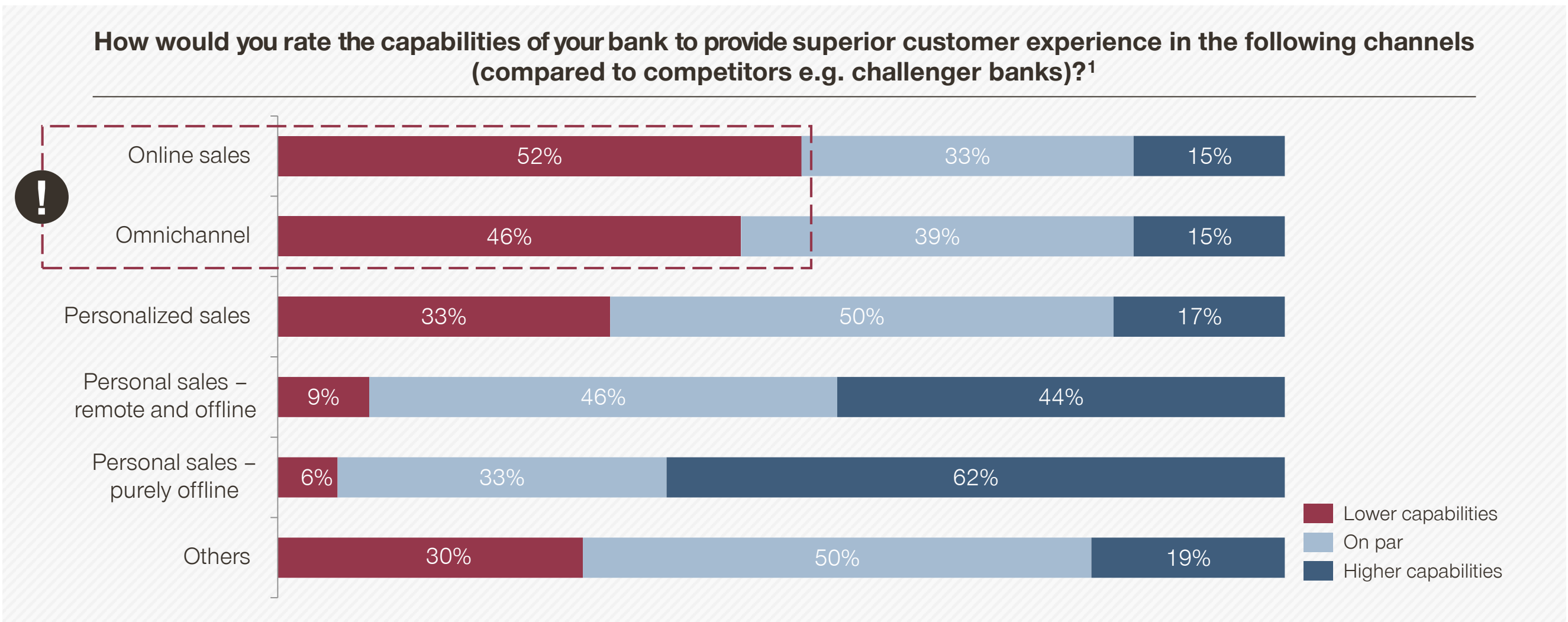
Online and omni-channel sales are **getting more important** while entirely offline personal sales are expected to lose importance

Yet sales declines during COVID-19 lockdowns demonstrate continued dependence on branches



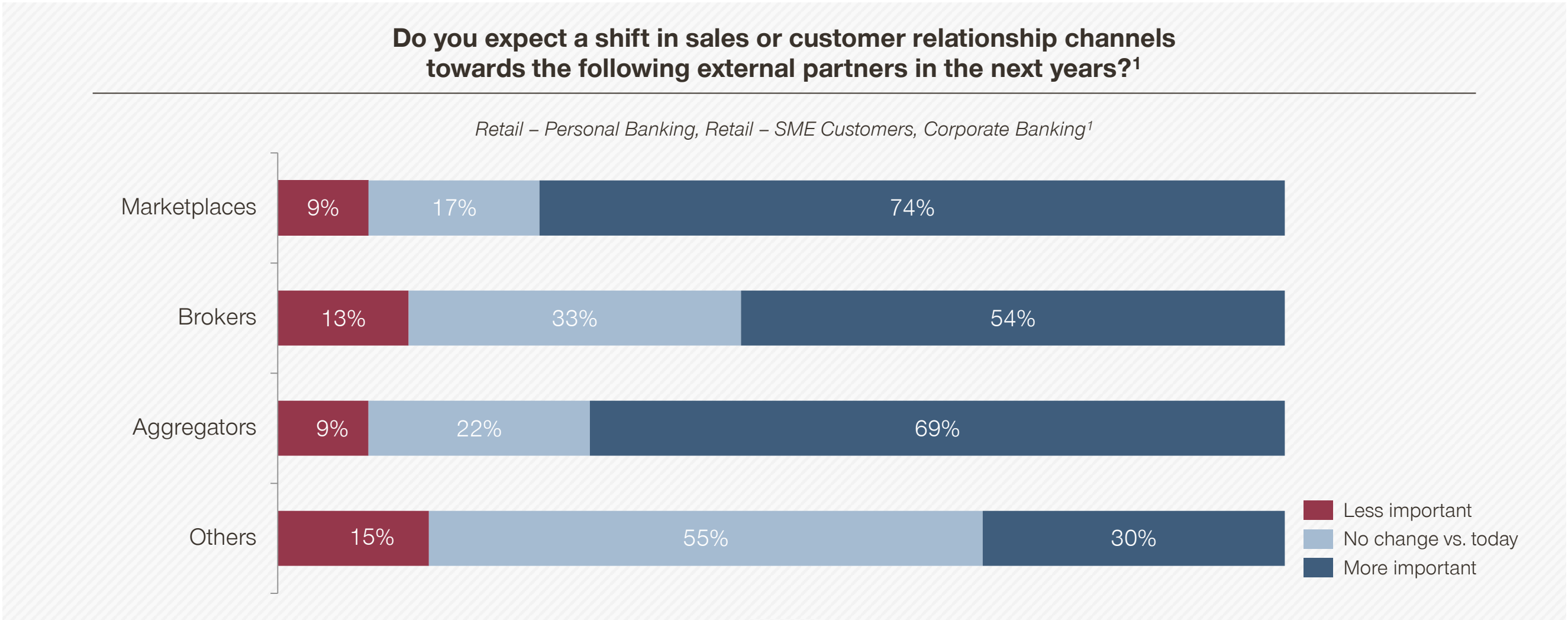
Digital revenue generation remains aspirational

Self assessment: banks need stronger capabilities to complete the digital transformation



A significant percentage of respondents **say they have lower capabilities than peers** in **online** and **omnichannel sales**

At the same time, banks expect third party distribution partners to become more important



Marketplaces (e.g. price comparison platforms), **brokers** (e.g. independent mortgage brokers that compare offers) and **aggregators** (e.g. advice platforms that select products for customers) may **take over customer relationships**

Digital acceleration, amplified by the COVID-19 pandemic, demands a more effective response from banks

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Illustrative - not exhaustive



Customer behavior becoming more digital

Loss of personal touch points with customers

Third parties getting more important



Enable and optimize omnichannel buying journeys

Identify new ways to effectively target customers


Define a strategy for external partners and own platforms

- Strengthening the digital capabilities across the entire organization
- Developing a set of digital sales tools to be used both from RMs when facing the clients and from clients alone
- Simplifying the digital experience by removing the typical navigational and cognitive barriers
- ...

- Defining criteria and priorities for an effective use of the available data given the technical / organizational constraints
- Evaluating the opportunity related to acquiring new data for segmentation purposes
- Systematizing the way client segments are both processed and interpreted
- ...

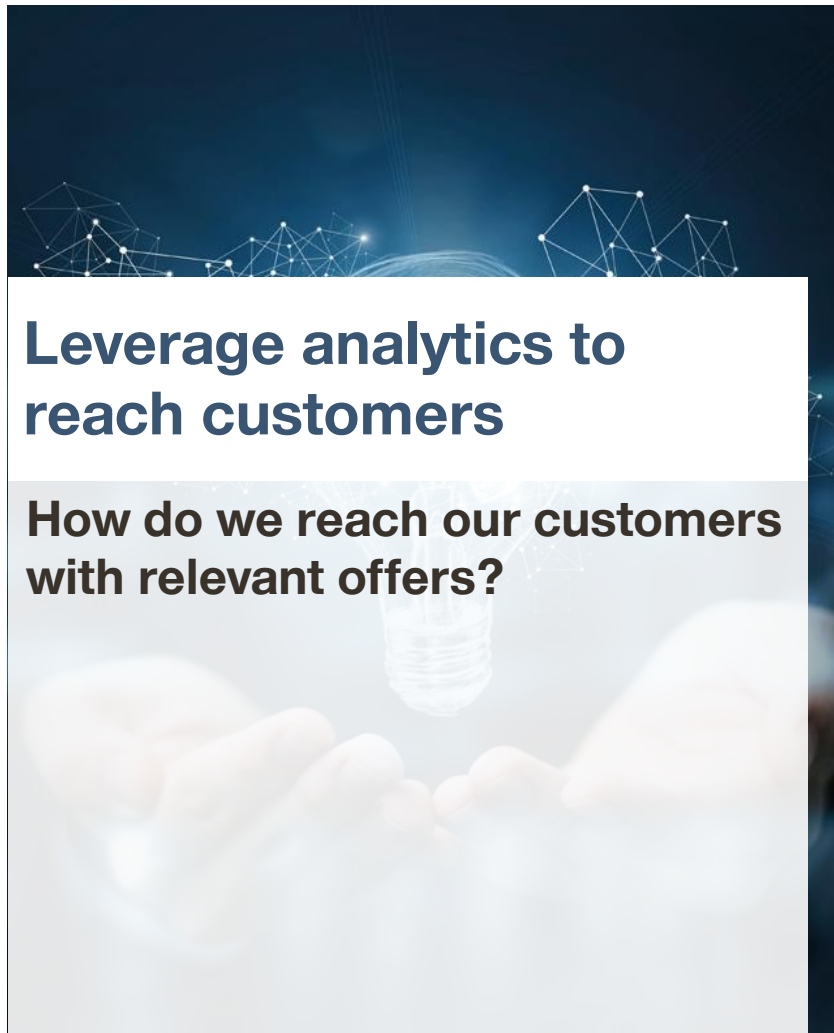
- Deciding the optimal strategy to offer new services / solutions (make vs. buy analysis)
- Strengthening the cross-selling, up-selling and acquisition opportunities by creating partnerships with third parties
- Defining a dedicated strategy and a detailed process to monetize the innovations introduced by external partners
- ...

Chapters of our Global Sales Study



Complete the digital transformation

How can banks transition toward more digital sales models?



Leverage analytics to reach customers

How do we reach our customers with relevant offers?



Define platform strategies

How can we react to the growing importance of third party platforms?

We are happy to share results along those 3 topics



**We are happy to discuss our
findings and solutions with you –
feel free to reach out!**

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