Banking, Financial Services, and Insurance

SPARK Matrix™: Digital Banking Services, 2024

Market Insights, Competitive Evaluation, and Vendor Rankings

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Executive Overview

This research service includes a detailed analysis of global digital banking services vendors' market dynamics, major trends, vendor landscape, and competitive positioning analysis. The study provides a competition analysis and ranking of the leading digital banking services vendors in the form of the SPARK Matrix™. This research provides strategic information for service vendors to better understand the market supporting their growth strategies and for users to evaluate different vendors' capabilities, competitive differentiation, and market position.

Market Dynamics and Overview

Quadrant Knowledge Solutions defines Digital Banking Services as:

"Digital Banking is the automation of traditional banking capabilities offered through a platform that enables banks in driving digital transformation journey to provide a seamless and convenient banking experience through digital channels, such as websites, and mobile apps. Digital Banking Services include the implementation and deployment of various banking services that are offered alongside the platform including digital onboarding, transaction monitoring, open banking, loan origination and card issuance, wallets and payments, retail and corporate banking, and regulatory and compliance. It leverages advanced analytics, AI/ML, and robotic process automation to gain insights, enhance risk management, improve customer engagement, and optimize end-to-end processes."

The emergence of digital banking services signifies a major transformation in the financial industry, driven by rapid technological advancements and shifting consumer preferences. The digital transformation market has evolved from a basic online presence to a comprehensive integration of advanced technologies that reshape industries, customer experiences, and business strategies. Fintech startups leveraging innovative technologies introduced a new era of banking characterized by convenience, speed, and enhanced user experience. The widespread adoption of the internet and mobile technologies, particularly smartphones, has significantly propelled this shift, making banking more accessible and convenient. Additionally, Regulatory changes have further facilitated the growth of digital banking, with many countries implementing policies to support fintech and digital banking initiatives such as open banking. Consequently, traditional banks have accelerated their digital transformation to stay competitive and align with customer expectations, leading to widespread acceptance and integration of digital banking services across the financial sector.

Digital banking services encompass a wide array of capabilities and offerings that enhance the overall banking experience for consumers and businesses. One of the primary capabilities of digital banking services is mobile banking. Mobile banking apps provide users with 24/7 access to their accounts, allowing them to conduct transactions, monitor spending, and receive real-time notifications about account activity. From mobile banking and personal finance management tools to advanced security features and innovative payment solutions, digital banking services provide a convenient, efficient, and secure way to manage financial activities in the digital age. These tools often integrate with Artificial Intelligence (AI) and Machine

Learning (ML) algorithms to provide personalized financial advice and insights, further empowering users to make informed financial decisions. Additionally, Digital banking services also cater to business needs, providing comprehensive solutions for small and medium-sized enterprises (SMEs). These technologies are reshaping the realm of digital banking services, allowing financial institutions to provide innovative and convenient offerings, thereby gaining a competitive edge while upholding security and compliance standards.

Digital banking services help organizations achieve digital transformation by utilizing banking services that enhance and restructure their fundamental banking system, thus resulting in an enhanced customer experience. It increases accessibility to the customer by enabling 24/7 access to accounts and services, thereby reducing operational costs. Digital transformation allows banks to introduce innovative financial products and services, such as digital wallets and AI-driven chatbots catering to the changing customer needs. It also enables banks to offer personalized recommendations and financial insights tailored to individual customers, thereby improving customer service efficiency and providing agile decision-making. In summary, digital banking services offer organizations enhanced financial management, improved operational efficiency, better customer engagement, robust risk management, easy access to financial products, and scalable solutions. These benefits collectively contribute to the overall growth and success of businesses in an increasingly digital economy.

The future outlook for digital banking services is poised for continued innovation and transformation, driven by several key trends. The integration of AI and ML will be central to the future of digital banking, enabling highly personalized customer experiences, enhanced security measures, and improved operational efficiency. AI-powered chatbots and virtual assistants will become more sophisticated, providing instant customer support and automating routine tasks. Additionally, Blockchain technology and cryptocurrencies are expected to play a more significant role along with Open Banking initiatives, offering secure, transparent, and decentralized transaction methods through greater collaboration and innovation, allowing third-party providers to offer enhanced services through API integrations. The focus on customer experience with environmental, social, and governance (ESG) practices in banking will gain prominence, with banks investing in advanced data analytics to deliver personalized financial advice and proactive services. Overall, the global expansion of digital banking services will promote financial inclusion, providing access to banking services for underserved and unbanked populations, thereby driving economic growth and development in emerging markets.

Quadrant Knowledge Solutions' SPARK Matrix™: Digital Banking Service, 2024 research includes a detailed analysis of the global market regarding short-term and long-term growth opportunities, emerging technology trends, market trends, and future market outlook. This research provides strategic information for technology vendors to better understand the existing market, supporting their growth strategies, and for users to evaluate different vendors' capabilities, competitive differentiation, and market position.

The research includes detailed competition analysis and vendor evaluation with the proprietary SPARK Matrix™ analysis. The SPARK Matrix™ includes ranking and positioning of leading Digital Banking Service vendors with a global impact. The SPARK Matrix™ includes an analysis of vendors, including Accenture, Aspire Systems, Atos, Birlasoft, Capgemini, CGI, Cigniti, Coforge, Cognizant, Comarch, Endava, Fujitsu, GFT, HCL Technologies, Infosys, Itransition, LTI Mindtree, Maveric Systems, Mphasis, NTT Data, Persistent Systems, Quinnox, Softtek, Sopra Banking, Tech Mahindra, Tietoevry, Virtusa, Wipro, WNS, and Zensar.

The following are the key capabilities of digital banking services:

- **Support for Core-banking**- The vendors providing Digital Banking services support core-banking solutions by offering a real-time centralized system that seamlessly integrates various banking functions that include account origination, lending and deposits, cards, payments, and wallets, and adherence to local and international banking regulations and compliance. Additionally, they also support customer onboarding, and lifecycle management with full KYC, reporting and compliance, and customer engagement solutions by seamlessly integrating the core banking system with other third-party systems to enhance customer engagement and lower time-to-market.

- **Omnichannel Banking Experience-** Digital banking service providers assist banks and financial institutions in providing cohesive banking experiences across various channels, platforms, and devices. They achieve this by creating omnichannel solutions, ensuring a uniform customer experience. They assist in personalizing banking processes from a customer perspective across retail, corporate, and other banking areas. The platform provides insights regarding customer behaviors, needs, and trends that help banks create highly personalized engagements and a 360-degree view of the customer to understand their end-to-end journey. An omnichannel experience helps banks

achieve higher customer acquisition and retention while delivering better service. Vendors also support omnichannel portals by offering self-service capability and a comprehensive end-to-end banking journey to enhance customer touchpoints. In addition to the omnichannel experience, omnichannel digitization supports compatibility across multiple devices such as desktop, mobile, tablet, and web enabling convenience for the bank's customers and offering uninterrupted and smooth customer experiences.

- **Banking Analytics:** Digital Banking services offer a wide range of banking analytics capabilities that include real-time analytics, predictive analytics, customer segmentation & profiling, and risk management. These analytics services enable banks and financial institutions to monitor transactions and customer behavior by leveraging historical data and advanced algorithms. It also provides real-time insights that allow for immediate detection of anomalies, such as fraudulent activities or unusual transaction patterns, thereby improving security measures. Additionally, these analytics services allow banks to optimize their services by analyzing customer interactions and preferences, allowing for more personalized and timely offerings. These services aim to improve efficiency and profitability in the banking and financial services industry.

- **Customer Experience Services:** Vendors are offering enhanced visualization and analytical tools, reporting capabilities, self-service, live support, and user authentication to drive a better customer experience. These additional capabilities empower organizations to uncover fresh avenues for growth, introduce novel products, and revamp purpose-oriented omnichannel customer services. They play a pivotal role in streamlining marketing, sales, and service operations across the organizational landscape. Furthermore, these vendors extend customer experience services via chatbots, alongside fraud prevention and real-time translation functionalities, enhancing the overall customer experience.

- **Digital Onboarding:** Digital banking service providers offer a comprehensive digital customer onboarding framework that facilitates a seamless end-to-end onboarding process. This includes assisting customers in selecting the right products, providing product information,

guiding them through the application process, and finalizing agreements. The framework seamlessly integrates with KYC procedures, customer identification, and credit checks to ensure a frictionless experience. It eliminates the need for extensive documentation and the issues associated with paper-based documents by allowing banks to accelerate onboarding through automated document submission and verification, e-signature, due diligence, and intuitive self-service. Overall, digital onboarding helps banks reduce processing costs, leads to faster application processing and quicker access to banking services, improving customer satisfaction and gaining customer loyalty.

- **Payment Processing:** Digital banking vendors provide a comprehensive suite of payment processing capabilities that cater to the needs of various financial institutions. End-to-end payment processing has the ability to handle multiple payment methods, including credit and debit card transactions, electronic funds transfers (EFT), mobile payments, and online banking transactions. It also supports international payment processing, enabling transactions in multiple currencies and across different countries ensuring seamless transactions and enhancing customer satisfaction by offering diverse payment options. Additionally, it supports the integration of payment processing with other banking services and platforms. Digital banking vendors offer APIs and SDKs that allow seamless integration with existing financial systems, e-commerce platforms, and mobile apps. This interoperability ensures that payment processing is streamlined and efficient, reducing the time and effort required to manage transactions.

- **Digital Lending and Mortgage-** The digital banking service provides a digital lending solution that offers end-to-end loan processing from onboarding with embedded scoring and profiling to refinancing and collection by accessing all the financial data of the user which enables banks to make lending decisions accurately. It offers real-time parameterization with a built-in rules engine which automatically performs risk scoring and mitigates the risk to the lowest possible value that helps banks for instant approval/dis-approval. The solution also provides tailor-made loan processing and has a credit product module that supports various types of credit services with full parameterization. Additionally, it also includes traditional revolving and non-revolving lines of credit for consumers and businesses, bridge credits, trade

financing, installment, and buy-now-pay-later products, and monitors loan performance across the loan lifecycle.

- **Wallets and Payments:** Digital banking service providers support banks in developing and implementing digital payment solutions including mobile payment, and contactless payments alongside integration with emerging technologies like blockchain and cryptocurrency. Wallets and payment solutions are constructed to align with SWIFT messaging and the ISO 20022 global regulation for financial data, while also supporting cross-border instant payments. Furthermore, they encompass a diverse array of functionalities, encompassing issuance, instant payments, account-to-account transactions, open finance, cash management, and virtual accounts. This solution facilitates the modernization of payment systems by empowering cloud-based payment processes, facilitated through API-ready cloud-native frameworks. Additionally, it introduces a cohesive payment acceptance framework, ensuring a seamless and unified system for receiving payments through various channels.

- **Consultancy:** A vendor consultancy service helps banks and FIs in designing the future roadmap of a digital solution, suggesting designs for delivery models, leveraging the digital disruptors, and driving the customer experience. Leading vendors offer assessment and strategy formulation as part of the consultancy, including UX strategy, assessment and benchmarking, user research, user journey transformation, and next-generation UX.

Competitive Landscape and Analysis

Quadrant Knowledge Solutions conducted an in-depth analysis of major digital banking services vendors by evaluating their services, market presence, and customer value proposition. The evaluation is based on primary research with expert interviews, analysis of use cases, and Quadrant's internal analysis of the overall digital banking services market. This study includes an analysis of key vendors, including Accenture, Aspire Systems, Atos, Birlasoft, Capgemini, CGI, Cigniti, Coforge, Cognizant, Comarch, Endava, Fujitsu, GFT, HCL Technologies, Infosys, Itransition, LTI Mindtree, Maveric Systems, Mphasis, NTT Data, Persistent Systems, Quinnox, Softtek, Sopra Banking, Tech Mahindra, Tietoevry, Virtusa, Wipro, WNS, and Zensar.

Accenture, Infosys, GFT, Wipro, Tech Mahindra, Cognizant, HCL Technologies, Sopra Banking Software, WNS, NTT Data, Mphasis, and Cigniti are the top performers in the global digital banking services market and have been positioned as the leaders in the 2024 SPARK Matrix™ analysis of the digital banking services market.

Accenture offers a comprehensive suite of digital banking solutions through its proprietary platforms like SynOps, myIndustry, AIP+, and myNav. These platforms utilize data analytics, AI, and hybrid cloud environments with advanced architectures to drive the complete transformation of banking operations, enabling powerful digital innovation and efficiency capabilities.

Infosys accelerates digital transformation in banking through its Finacle platform, which includes digital engagement tools and core banking solutions. These tools support various services such as lending, payments, and wealth management, while enhancing customer interaction and operational excellence through automation and advanced processing technologies.

GFT provides complete digital banking solutions with its accelerators "BankLiteX" and "BankStart," which support the creation of cloud-based banking entities. These accelerators offer modular, scalable solutions built on AWS cloud-native services, promoting efficient service delivery and enhanced customer engagement through an API-based approach.

Wipro delivers end-to-end digital banking transformation services, encompassing strategy development, consultation, and implementation. Utilizing the Digital

Rig™ framework, Wipro's solutions allow for seamless system integration and customization. Their proprietary technologies span areas such as loan origination, eKYC, cybersecurity, and data analysis, supported by a robust partnership ecosystem.

Tech Mahindra's digital banking solutions support comprehensive transformation with a flexible bank-in-a-box framework, enabling quick deployment and cost-effective operations. The framework includes modern architectural components and scalable systems that enhance customer experiences and streamline business model implementation.

Cognizant provides digital banking solutions across various sectors, including retail and commercial banking, lending, and payments, focusing on automated front and back office processes. The Cognizant Neuro Business Processes suite offers intelligent automation to improve customer service and streamline banking operations.

HCL Technologies "HCLTech Novus Digital Banking" facilitates digital transformation with its Banking-as-a-Service capabilities, supported by a strong partner network. The solutions encompass digital lending, onboarding, payments, reconciliation, and trade finance, all powered by advanced AI and cognitive technologies.

Sopra Banking offers a full digital transformation approach with its cloud-based, human-centered design solutions. This approach enhances banking processes from onboarding to a complete digital experience, utilizing open architecture and API-first strategies to lower costs and improve customer interactions.

WNS's digital banking services integrate domain expertise with data-to-insights capabilities and digital innovation. WNS co-creates digital transformation journeys by leveraging analytics, Robotic Process Automation (RPA), and Artificial Intelligence (AI). WNS banking solution is a holistic product suite with customized solutions across the finance sector, ensuring anytime-anywhere digital access. WNS offers a digital customer service suite through its key accelerator titled WNS EXPIRUS™. It is a unique Customer Experience (CX) solution that integrates human-assisted design and domain expertise with Artificial Intelligence (AI)-driven conversational insights and CX consulting-led strategies

NTT Data Platea banking accelerator supports digital transformation with a cloud-native, event-driven architecture and dual API management for improved

security and efficiency. The digital maturity model framework helps banks assess their current digital status and develop customized action plans for integrating advanced digital technologies.

Mphasis digital banking services combines deep domain expertise with cutting-edge technology through its Tribes and Squads model, delivering next-generation services and hyper-personalized experiences via the Mphasis Front2Back™ approach. Mphasis X2C2™ framework uses cloud and cognitive technologies for hyper-personalized digital transformations. Its Mphasis.ai unit focuses on AI-driven transformation, empowering businesses to leverage AI responsibly for growth and competitive advantage.

Cigniti's digital banking services help banks with the implementation and deployment of banking services and solutions using its AI-led proprietary digital assurance platform "BlueSwan™", a next-generation digital assurance platform, and "Zastra™", an end-to-end enterprise-grade machine learning collaboration platform to accelerate the digital engineering process. These accelerators and solutions help empower enterprises throughout their digital transformation journey.

Vendors such as **Coforge, Capgemini, Tietoevry, Atos, CGI, Virtusa, Fujistu, Maveric** Systems, and Persistent Systems have been positioned as strong contenders. These companies provide comprehensive service capabilities and are rapidly gaining market traction across industries and geographical regions. These companies are also mindful of the upcoming market trends and have outlined a comprehensive roadmap to tap into future growth opportunities. Additionally, these companies mostly focus on catering to large and complex organizations.

The SPARK Matrix™ analysis categorizes **Softtek, LTI Mindtree, Endava, Aspire Systems, Zensar and Birlasoft** as contenders, while I**transistion, Comarch,** and **Quinnox** are positioned as aspirants in the market. These companies are experiencing rapid growth and are consistently striving to enhance their in-house capabilities by adopting enhanced services and offering diverse use cases. Additionally, they are planning to expand their market reach beyond their current offerings to explore new markets and attract new clients.

While most vendors may provide all the core functionalities, the breadth and depth of the capabilities may differ by different vendors' offerings. Users should evaluate digital banking service vendors that offer comprehensive capabilities and a broad

range of out-of-the-box functionalities, core banking, open banking, cards and payments, lending services, financial crime prevention, omnichannel customer experience, microservice architecture, and integrated data management.

The vendors' ability to provide a genuinely open solution is crucial for improving the customer ownership experience. Furthermore, the vendor's customer value proposition may vary based on factors such as deployment ease, user-friendliness, price/performance ratio, and support for a wide range of use cases. These use cases include digital customer onboarding, end-to-end loan origination, core insurance, digital transformation, and payment monitoring.

The industry is currently undergoing rapid transformation, which compels digital banking service vendors to allocate greater resources to their R&D budget and continuously enhance their value proposition in order to meet future customer needs. Users should assess vendors that present a robust service strategy and a forward-looking roadmap aimed at elevating their features and functionalities, along with a Banking-as-a-Service (BaaS) approach that aligns with emerging transformational trends.

While numerous vendors concentrate on delivering competitive pricing and pertinent functionalities to cater to Small and Medium-sized Businesses (SMBs) and mid-sized organizations, larger enterprises demand more comprehensive and integrated services equipped with advanced capabilities. Vendors must demonstrate the ability to adapt to emerging trends, such as employing AI/ML for predictive personalization and implementing advanced analytics to enhance risk management.

Key Competitive Factors and Technology Differentiators

The following are the key competitive factors and differentiators for the evaluation of digital banking services vendors. While most of the vendors of digital banking services may provide all the core functionalities, the breadth and depth of functionalities may differ by different vendors' offerings. Due to the increasing competition in the market, vendors are improving their service capabilities and overall value proposition to remain competitive. Some of the key differentiators include:

Mobile-first Banking Service: Users should evaluate the vendors of Digital banking service providers who support a mobile-first approach that are designed to provide a seamless and comprehensive banking experience optimized for mobile devices. The development of user-friendly mobile apps that offer a wide range of banking functionalities, such as account management, fund transfers, bill payments, and check deposits, all accessible with a few taps enhances the customer experience. Users should also look for vendors who offer advanced security measures in mobile banking that include biometric authentication and end-to-end encryption to safeguard data transmissions along with real-time alerts and notifications. Additionally, Customer support and engagement capability are the key aspects the users should assess the vendors of Digital banking services.

API-Lead Microservice Architecture: Vendors in the digital banking platform market offer a cloud-native API-lead, containers, and microservices architecture that plays an important role in digital banking by helping banks and financial organizations drive innovation through the continuous and speedy delivery of software applications. Users (Banks and Financial Institutions) should opt for the platform providers that utilize microservices architecture that enables designers, software developers, marketing specialists, and business managers to work collaboratively and help them to provide and offer customer-centric solutions efficiently. Besides delivering faster, less disruptive new product launches, and scalable and rapid responses to customer needs, the open microservices architecture technology is redefining and innovating the overall CX experience across the digital banking ecosystem.

AI-Drive Chat Bots: AI-driven chatbots are transforming core banking functionalities by enabling customer-driven self-service channels. Users should

evaluate the vendors who offer AI-based assistance that helps them with essential tasks like paying bills, tracking financial status, managing transaction limits, and handling emergencies such as resetting passwords and locking cards. Chatbots enhance customer engagement by analyzing preferences and delivering personalized interactions. Users should also opt for the vendors who are partnering with conversational AI vendors or building in-house AI capabilities to deliver enhanced customer experiences, ensuring personalized service, consistent omnichannel support, and quick problem resolution.

Customizable Widget Marketplace: Several leading vendors in the digital banking platform market offer widget marketplace functionality. This feature allows FIs not only to select from pre-built widget catalogs, including calculators for home loans, student loans, and insurance recommendations but also to develop their functionalities and widgets. These can be employed to target specific customer segments. Digital Banking Platform vendors should focus on providing banks with the ability to develop their marketing-focused widgets that include campaign banners that are linked to web content, wiki, polls, and forms, enabling banks to offer personalized user engagement.

Transaction Monitoring: The digital banking service providers develop, deploy, and implement real-time transaction monitoring, financial event monitoring, fraud monitoring & analysis solutions. The solution leverages a range of cutting-edge technologies, including robotics, AI, ML, natural language processing (NLP), and text mining to identify transaction patterns, and customer behavior, and trigger alerts with deviations in the patterns. Transaction Monitoring allows banks to identify and address potential risks associated with money laundering, fraud, and other financial crimes and safeguards customers' funds and personal information. These technologies are harnessed to develop robust solutions to enhance the effectiveness and efficiency of financial crime prevention.

Open Banking and Integration: Vendors within the digital banking services market offer an API-based Banking-as-a-Service approach that drives a seamless delivery of services across third-party apps, microservices, and implementation of custom-made software to ensure efficiency across the business. When considering options, users should prioritize vendors offering pre-integrated solutions that align with PSD2 regulations. They should also seek providers that enable end users to share financial data via open banking, thereby unlocking access to a diverse array of supplementary financial services and products. Open banking aggregation further empowers users by facilitating ecosystem integration and permitting them to share account data with Third-Party Providers (TPPs)

whenever needed. Users should direct their attention towards vendors who adeptly orchestrate the digital landscape, enabling open banking functionality. These vendors should offer assistance with customized product suggestions, enhancing personal finance management, and expediting streamlined processes for loan or mortgage approval. Furthermore, users should prioritize vendors capable of integrating with a variety of top-notch technologies, delivering prebuilt and readily accessible integrations, and extending robust support for open APIs and related services.

Hyper-Personalization Service: Hyper-personalization in digital banking is revolutionizing user experiences by tailoring financial solutions and advice to individual objectives. Vendors are introducing accelerators that provide real-time insights, personalized communication, and user-friendly interfaces. This strategy enhances convenience, effectiveness, and security, promoting well-informed decision-making through focused alerts and monitoring while adhering to strict data privacy regulations. It empowers users to confidently navigate their financial journey, fostering a stronger bank-customer relationship and an enhanced sense of control over their financial future. Therefore, users are advised to evaluate the vendors who can deliver and implement services and solutions enabling hyper-personalization, which will help them in navigating their financial journey and enhance their sense of control over the financial future.

Maturity of AI and ML Models: Leading vendors are progressively utilizing technologies such as AI, ML, and RPA to deliver banking services seamlessly. Users should evaluate vendors who deliver services to build AI/ML-backed core banking solutions and digital banking platforms that allow users to entirely automate the digital onboarding process, micro-segment banking users for enhanced customer experience, and enhance transaction monitoring by reducing false positives in fraud detection. Additionally, it includes predictive analytics and AI-driven chatbots and helps banks leverage data analytics and AI technologies to gain insights, enhance risk management, and improve customer engagement. Users should evaluate the platform based on its capability to offer advanced customer analytics and reporting to gain real-time, comprehensive insights for optimizing the customer journey and innovating products and service offerings accordingly. Users must assess vendors based on their ability to formulate holistic AI strategies across the banking ecosystem. Additionally, users should also prioritize the vendors who support natural language processing to identify client intent and promptly generate automated responses, including pre-filled trade proposals, for relationship managers thereby enhancing efficiency and customer satisfaction.

Intelligent automation: Users should opt for the vendors offering Intelligent automation (IA) which automates deployment and allows organizations to create an automation ecosystem by combining external tools, processes, and cutting-edge technologies such as AI, RPA, optical character recognition (OCR), workflow orchestration, ML, and other cognitive capabilities and frameworks. IA aids users in data extraction, application alignment, and automating repetitive tasks without any errors. It also plays a crucial role in KYC, customer onboarding, loan credit approval, account maintenance, regulatory reporting, etc., allowing for contactless banking, ensuring business continuity, and delivering operational efficiencies. Additionally, it also helps organizations to align their solution suites/ services and frameworks and address industry-specific use cases while providing a seamless user experience.

The sophistication of Banking-as-a-Service Architecture: Users should evaluate the vendors of digital banking services based on the architecture of their banking-as-a-service accelerators that simplify the design and development of digital banks and reduce operational and implementation costs. It enables users to accelerate the digital transformation by providing all the building blocks needed to deliver digital channels, as well as the banking platforms by leveraging microservices, open APIs, and easy integration with third-party fintech solutions. Users should look for vendors who provide cloud-native and open plug-and-play architecture with pre-defined frameworks that offer a quick reconfiguration and balance between custom-made and third-party services that assist in enabling the modern core-banking capability and help in the rapid transition from a legacy to a modern multi-core banking environment and achieves scalability, flexibility, and real-time processing.

The Sophistication of Service Capabilities: Before making a purchase decision, users should conduct a thorough evaluation and weighted analysis of various digital banking services vendors based on their specific organization's needs and use cases. An organization's need for a key digital banking services vendor may vary depending on the industry vertical, consulting services, customer experience, and end-user size. Users should also look for digital banking service vendors with a track record of successful large-scale deployments and thoroughly examine the use cases that have already been deployed. Users should look for vendors providing holistic digital banking services with integrated technology such as AI, ML, and cognitive capabilities and enhancing banking services to cater to a wide range of industry-specific use cases. However, Companies that provide digital banking services may differ in terms of ease of development, deployment and

usage, scalability, integration, analytics and reporting, and support for a wide range of use cases.

Industry Experience and Domain Knowledge: Users should evaluate vendors based on their specific domain knowledge to gauge their ability to provide basic service functionalities, consulting services and cater to a diverse range of industry-specific use cases. Furthermore, users should take into consideration the availability of cutting-edge technological tools like explainable AI, machine learning, blockchain, and other innovations that can enhance service capabilities. It's crucial for users to thoroughly assess vendors in terms of their provision of diverse process automation, data-driven transformations, and strategic third-party partnerships. These factors are pivotal for expanding service portfolios and delivering elevated customer experiences. Users are also advised to scrutinize vendors based on their track record, instances of customer success, capacity to foster innovation for compelling banking product creation, and the range of delivery models they offer.

Competitive Strategies and Use Cases: Users should evaluate digital banking services vendors based on their ability to provide industry-specific use cases such as digital customer onboarding, layered architecture, transaction monitoring for card fraud prevention, real-time payment infrastructure upgrades, card service processes for issuing and processing cards, dispute resolution support, card production, and cash management. Users should also look for vendors who offer seamless integration, business and technical value, analytics, and automation, reporting capabilities, and research & development services. Furthermore, users with one or more specific requirements should evaluate digital banking services vendors based on their differentiating strategies, which include customized services, a multi-channel approach to increasing customer acquisition, security testing features, exclusive fraud experts, and a cloud-based platform. Users must carefully evaluate vendors who offer automation of various processes in order to improve stakeholders' experiences and business outcomes.

Integration of Orchestration and Automation: Vendors of digital banking services specialize in service orchestration and automation while integrating advanced technologies into organizations' platforms. Users should carefully examine vendors offering AI/ML technologies that assist users, analysts, and decision-makers prioritize, analyze, and respond to automated processes. Users should also select providers who can provide analytical tools for real-time reporting and automation while reducing time-to-market.

Partnership for Scalability: In collaboration with digital banking service providers and technology suppliers, hyper-scaling for deployment capabilities across on-premises and cloud platforms is being developed. The breadth of service capabilities and the adoption rate for up-scaling and down-scaling may differ between vendors. Users should look for a digital banking service provider who can meet scalability requirements for large-scale deployment, offers cloud-native core banking, ensures reusability through a pragmatic component model as well as meets industry-specific requirements for deep learning, analytics, and insights, as well as explore innovative opportunities and improve business performance.

Vendor's Expertise and Domain Knowledge: Organizations should conduct a comprehensive evaluation of numerous digital banking service providers and vendors before making a final decision. Organizations need to assess vendors for their expertise and domain knowledge in comprehending the unique business challenges, use cases, industry nuances, and region-specific demands. Users should prioritize attributes such as user-friendliness, the breadth of service offerings, adaptability to dynamic market shifts and regulatory requisites, cost-effectiveness, and transparency. Additionally, organizations should consider a responsive service provider that promptly furnishes crucial information for informed decision-making. Users should seek a service provider with a track record of successful large-scale implementations and diligently scrutinize existing case studies. This analysis should serve as the foundation for establishing best practices in digital banking services.

Vision and Roadmap: Users should evaluate each vendor's technology vision and roadmap by considering vendors that are constantly enhancing and innovating their value proposition in terms of providing digital banking services with comprehensive end-to-end banking services. Furthermore, users should evaluate vendors whose products can be customized as per the organization's KPIs. Leading vendors in the digital banking service market are also heavily investing in digital transformation. Organizations should carefully evaluate the vendor's existing capabilities along with their vision and roadmap to improve overall satisfaction and customer ownership experience to ensure successful deployment.

SPARK Matrix™: Strategic Performance Assessment and Ranking

Quadrant Knowledge Solutions' SPARK Matrix™ provides a snapshot of the market positioning of the key market participants. SPARK Matrix™ provides a visual representation of market participants and provides strategic insights on how each supplier ranks related to their competitors, concerning various performance parameters based on the category of technology excellence and customer impact. Quadrant's Competitive Landscape Analysis is a useful planning guide for strategic decision making, such as finding M&A prospects, partnerships, geographical expansion, portfolio expansion, and similar others.

Each market participant is analyzed against several parameters of Technology Excellence and Customer Impact. In each of the parameters (see charts), an index is assigned to each supplier from 1 (lowest) to 10 (highest). These ratings are designated to each market participant based on the research findings. Based on the individual participant ratings, X and Y coordinate values are calculated. These coordinates are finally used to make SPARK Matrix™.

Service Excellence	Weightage
Sophistication of Services based on the mode of service delivery	20%
Sophistication of Services based on banking function	25%
Open Banking readiness	15%
Center of Excellence (COE)	8%
Data management and Governance	7%
AI/ML automation and Analytics	10%
Competitive Differentiation Strategy	10%
Partner Ecosystem	5%

Customer Impact	Weightage
Diversity of Client Base	25%
Market Presence	25%
Proven Record	25%
Customer Service Excellence	15%
Unique Value Proposition	10%

Evaluation Criteria: Service Excellence

- **Sophistication of Services based on the mode of service delivery:** Evaluates the breadth and depth of services offered, such as consulting, technology implementation, customer support, analytics service, omnichannel experience, training resources, and security.

- **Sophistication of Services based on banking function:** Evaluates the breadth of functional aspects of Digital banking covered such as Digital Onboarding, transaction monitoring, open banking, accounts and fund management, personal finance solutions, alerts and notifications, wallets and payments, loan origination and cards.

- **Open Banking readiness:** The ability that financial institutions, including banks and other entities to effectively implement and comply with Open Banking regulations and initiatives by having the necessary infrastructure and capabilities to share customer data securely and efficiently with third-party providers. Additionally, it also evaluates the ability to offer services like financial insights, product recommendations, personal financial planning, and customer dashboards.

- **Center of Excellence (COE):** Evaluates the extent of knowledge base, relevant experience & expertise of workforce, best practice expertise, customization capabilities, and utilization of innovative tools/templates.

- **Data management and Governance:** The ability to create a robust framework for managing data adhering to data governance principles. It evaluates the transforming, optimizing, and managing volumes of data effectively thereby improving operational efficiency, enhancing customer experiences, and ensuring compliance.

- **AI/ML automation and Analytics:** The ability to adopt AI and ML along with analytics and robotic process automation will lead to cost optimization of back and middle offices. It evaluates the deployment of pre-integrated AI services and capabilities as a service or collection of accelerators.

- **Competitive Differentiation Strategy:** Evaluation of the vendor's key USPs in the product offerings compared to the competitor's offerings in the global market. It is based on functionality, pricing, customer service, technology updates, and ease of deployment.

- **Partner Ecosystem:** Evaluate the types and count of strategic partnerships with cross-banking and banking-specific platform vendors.

Evaluation Criteria: Customer Impact

- **Diversity of Client Base:** Evaluation of the existing client base that a company caters to based on a broad spectrum of individuals, organizations, or groups with differing characteristics, needs, preferences, demographics, regions, and industries.

- **Market Presence:** The ability to demonstrate revenue, client base, and market growth along with a presence in various geographical regions and industry verticals.

- **Proven Record:** Evaluation of the existing client base from SMB, mid-market, and large enterprise segments, growth rate, and analysis of the customer case studies.

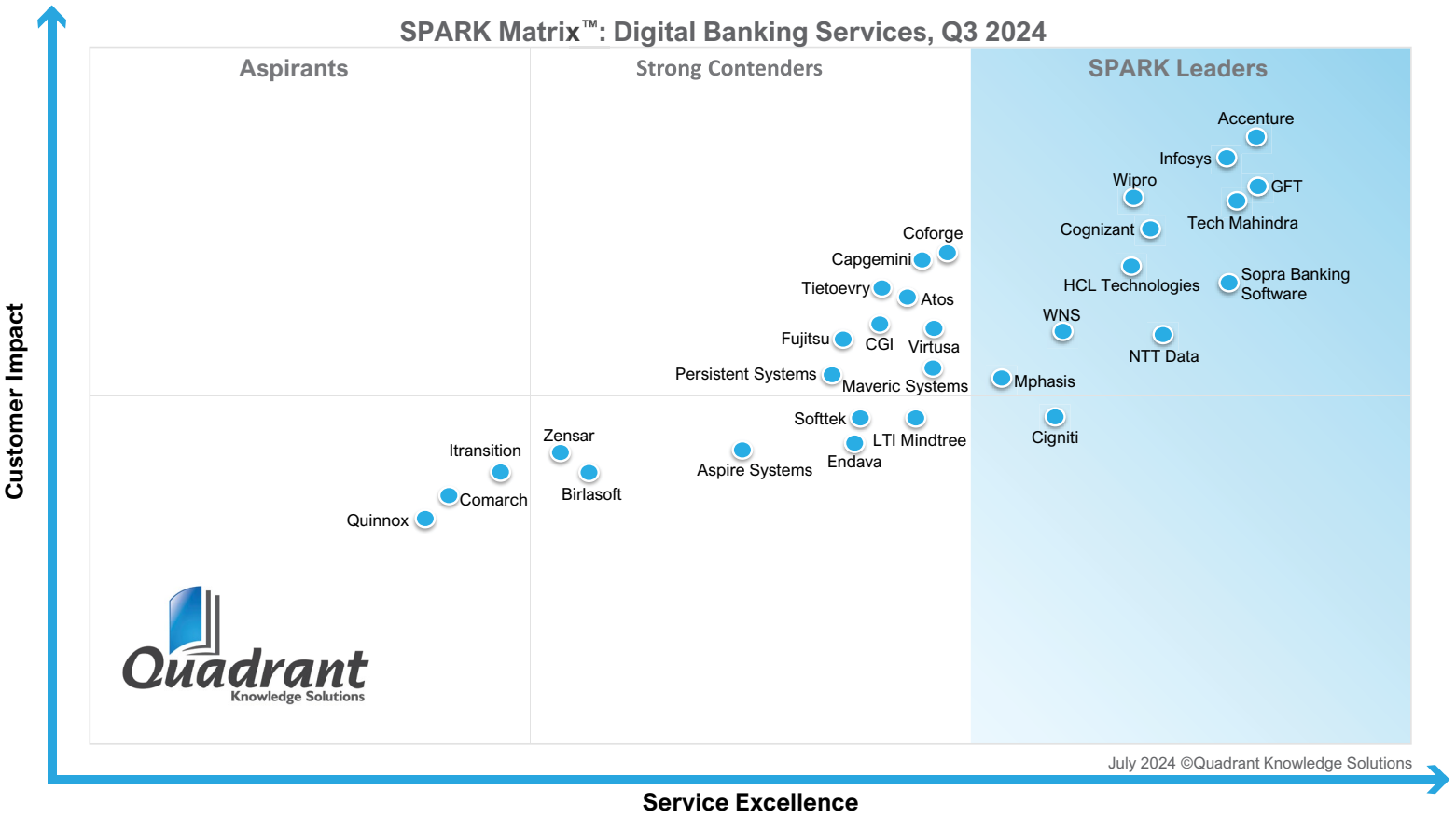
- **Customer Service Excellence:** The ability to demonstrate the vendor's capability to provide a range of professional services from consulting, training, and support. Additionally, the company's service partner strategy or system integration capability across geographical regions is also considered.

- **Unique Value Proposition:** The ability to demonstrate unique differentiators driven by ongoing industry trends, industry convergence, technology innovation, and others.

SPARK Matrix™: Digital Banking Services, 2024

Strategic Performance Assessment and Ranking

Figure: 2024 SPARK Matrix™
(Strategic Performance Assessment and Ranking)
Digital Banking Services, 2024



Vendor Profile

Following is the profile of the leading Digital Banking Service vendor with a global impact. The following vendor profile is written based on the information provided by the vendor's executives as part of the research process. The Quadrant research team has also referred to the company's website, whitepapers, blogs, and other sources for writing the profile. A detailed vendor profile and analysis of vendor, along with various competitive scenarios, are available as a custom research deliverable to our clients. Users are advised to directly speak to respective vendor for a more comprehensive understanding of their service capabilities. Users are advised to consult Quadrant Knowledge Solutions before making any purchase decisions regarding Digital Banking Services and vendor selection based on research findings included in this research.

GFT

URL: https://www.gft.com/int/en/

Founded in 1987 and headquartered in Stuttgart, Germany, GFT is an IT services and IT consulting digital transformation pioneer that develops sustainable solutions based on new technologies including artificial intelligence and blockchain. GFT is a major provider of digital banking services that offers end-to-end solutions that enable the launch of cloud-based digital banking entities via its digital banking accelerators, titled "BankLiteX" and "BankStart". These are modular end-to-end, scalable, omnichannel digital banking solutions designed with a building block architecture and pluggable components that leverage Thought Machine (in the case of BankLiteX) and Mambu (in the case of BankStart) core banking platforms and AWS cloud-native services, thereby enabling firms to accelerate the build and deployment of a cloud-based digital banking entity.

GFT's BankLiteX and BankStart provide a wide range of functional aspects of digital banking such as regulatory and security compliance, open banking, digital onboarding, AML, KYC, transaction monitoring, end-to-end loan origination and loan processing, payment/e-payment, cards, and wallets. In addition, GFT provides a range of services, such as security and compliance, AI and advanced analytics, technology implementation, customer experience and support, and technology consulting.

BankLiteX and BankStart, the flagship solutions of GFT, are designed to leverage native cloud services that are scalable, reliable, and resilient managed services to reduce potential downtime. The solutions provide numerous advantages, including pre-defined operating models, reduced operational costs and development costs, a unified repository for all projects, generating new revenue streams, faster integration, and testing, cost of ownership and service availability, full compliance, and regulatory requirements.

GFT's BankLiteX and BankStart provide a wide range of services, tools, and technology that offer functional aspects of digital banking such as regulatory and security compliance, open banking, digital onboarding, AML, KYC, transaction monitoring, end-to-end loan origination and loan processing, payment/e-payment, cards, and wallets. Additionally, GFT also offers a variety of service capabilities that include technology consultation, customer experience and support, technology implementation, of AI and advanced analytics, and security and compliance.

Analyst Perspective

Key Differentiators

- GFT offers a suite of assets and accelerators tailored for digital banking, particularly across platforms like Thought Machine and Mambu. Through the acquisition of Sophos Solutions, GFT strengthens its capabilities and offerings in the digital banking space, further enhancing the customer experience. Additionally, GFT pioneers the development of innovative tools and templates, such as its core banking assessment and AI. DA marketplace, to streamline processes and enhance productivity.

- The company provides unlimited computing capacity through its cloud-based High-Performance Computing (HPC) service implementation. This enables users to conduct complex calculations tailored to industries such as capital markets, insurance, payments, and Industrial IoT, which demand significant performance capabilities. It enhances operational agility and efficiency across both cloud and on-premises setups by ensuring that processing costs are aligned with business objectives. Additionally, GFT's open-source cloud landing zone and HPC accelerator assist in establishing the TIBCO GridServer environment, while also automating the setup of the organization's cloud framework and HPC grid infrastructure.

- GFT offers the Digital Banking Launcher (DBL), a cloud-native solution designed to facilitate modern core banking functionalities. DBL provides comprehensive components for deploying digital channels and integrating banking platforms with fintech ecosystems. It helps banks rapidly transition from a legacy to a modern multi-core banking environment and achieves scalability, flexibility, and real-time processing. DBL accelerates the transformation by providing a new core banking platform via the cloud, achieved by leveraging microservices, open APIs, and easy integration with third-party fintech solutions.

- BankLiteX and BankStart solutions offer a single development hub that provides a unified repository for all projects & technologies and programming languages enabling safe collaboration across all teams such as UI/UX design, DevOps, and operational teams. The solutions also provide business logic, a workflow engine, enabling solutions (smart contracts), and configuration management.

Strategy Roadmap

- Strategic Roadmap: GFT's strategic roadmap focuses on Digital Money and Digital Assets solutions along with CBDC, Cryptocurrencies, and new cross-border payment systems. Additionally, it also focuses on adopting GEN AI-driven customer support and customer analytics and prioritizing a digital-first, customer-first approach to meet the evolving user needs and expectations. Overall, GFT aims to help banks and financial institutions navigate digital transformation, drive innovation, and stay competitive.

Market Strategy

- Geo-expansion Strategy: GFT has its presence in Europe, followed by APAC, North America, and South America. GFT is planning for geo-expansion by entering Eastern Europe and MENA. It also forms strategic partnerships and alliances with local banks, fintechs, technology providers, and regulatory bodies to support its digital banking initiatives in specific regions.

- Industry Strategy: GFT caters to the needs of multiple industry verticals including banking, insurance, manufacturing, capital markets, and automotive. GFT is planning to provide retail wealth offerings, fully vertical managed services, digitalization of corporate wealth offerings, a fully integrated fraud system, and a single compliance repository for all brownfield banks.

- Use Case Support: GFT focuses on supporting multiple use cases, such as layered architecture, digital transformation, core insurance, and digital onboarding, that support local requirements and developments for the quick development of digital solutions for new and niche markets.

Customer/User Success Strategy

- GFT provides omnichannel service and support that enables banks to provide seamless banking experiences across multiple channels, including web and mobile. It assists banks in designing and developing omnichannel solutions to ensure consistent customer experiences. Additionally, it also provides design and development services to create intuitive and user-friendly interfaces for web and mobile applications.

- GFT's implementation service supports banks in modernizing and optimizing their core banking systems by replacing legacy systems with modern

platforms, enhancing system integration, and improving overall operational efficiency. It helps banks leverage data analytics and AI technologies to gain insights, enhance risk management, and improve customer engagement. Additionally, it also allows banks to develop multi-core and co-existence architectures by adopting cloud computing technologies, thereby optimizing their IT infrastructure.

Trend Analysis

- Digital banking trends include a mobile-first approach, personalized experiences through AI, robust security measures, AI-powered chatbots for customer support, expanded digital payment options, open banking initiatives fostering collaboration, tools for financial wellness, and ecosystem partnerships with fintech startups. These trends emphasize convenience, personalization, and security, catering to evolving customer needs in an increasingly digital landscape.

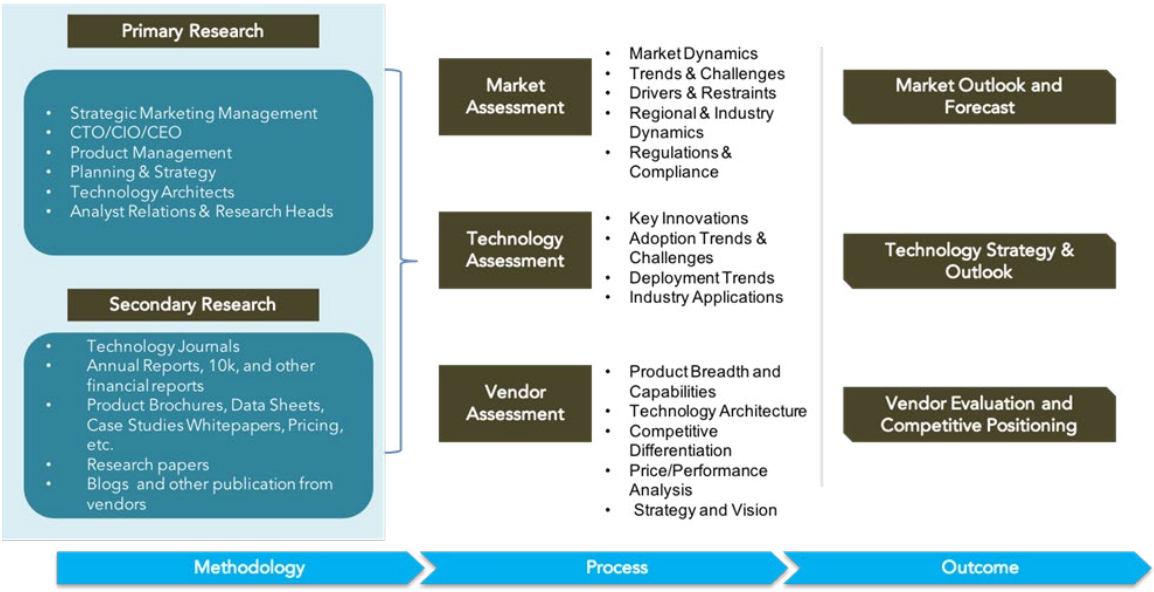
Final Take

- GFT is an established IT services and consulting firm specializing in digital transformation, with a focus on digital banking solutions. Their offerings, including BankLiteX and BankStart, enable the swift establishment of cloud-based digital banking entities through modular architectures and cloud-native services. GFT's solutions encompass various aspects of digital banking, such as regulatory compliance, security, transaction processing, and customer support. Their flagship solutions, BankLiteX and BankStart, emphasize reliability, scalability, and cost-effectiveness, aiming to streamline operations and reduce downtime. GFT also provides a suite of assets and accelerators tailored for digital banking, complemented by their acquisition of Sophos Solutions, enhancing their offerings in this domain. Additionally, they offer services that support High-Performance Computing (HPC) in the cloud, digital banking launcher (DBL), omnichannel support, and core banking system modernization to facilitate comprehensive digital banking transformations for their clients. Overall, these solutions empower banks to optimize operations, enhance customer experiences, and drive value across the finance sector.

- Users looking for a Digital Banking Service with a strong customer base in Europe, APAC, North America, and South America region and focusing on omnichannel multi-core architectures by adopting cloud computing technologies can choose GFT's Digital Banking Service.

Research Methodologies

Quadrant Knowledge Solutions uses a comprehensive approach to conduct global market outlook research for various technologies. Quadrant's research approach provides our analysts with the most effective framework to identify market and technology trends and helps in formulating meaningful growth strategies for our clients. All the sections of our research report are prepared with a considerable amount of time and thought process before moving on to the next step. Following is the brief description of the major sections of our research methodologies.



Secondary Research

Following are the major sources of information for conducting secondary research:

Quadrant's Internal Database

Quadrant Knowledge Solutions maintains a proprietary database in several technology marketplaces. This database provides our analyst with an adequate foundation to kick-start the research project. This database includes information from the following sources:

- Annual reports and other financial reports
- Industry participant lists
- Published secondary data on companies and their products
- Major market and technology trends

Literature Research

Quadrant Knowledge Solutions leverages on several magazine subscriptions and other publications that cover a wide range of subjects related to technology research. We also use the extensive library of directories and Journals on various technology domains. Our analysts use blog posts, whitepapers, case studies, and other literature published by major technology vendors, online experts, and industry news publications.

Inputs from Industry Participants

Quadrant analysts collect relevant documents such as whitepaper, brochures, case studies, price lists, datasheet, and other reports from all major industry participants.

Primary Research

Quadrant analysts use a two-step process for conducting primary research that helps us in capturing meaningful and most accurate market information. Below is the two-step process of our primary research:

Market Estimation: Based on the top-down and bottom-up approach, our analyst analyses all industry participants to estimate their business in the technology market for various market segments. We also seek information and verification of client business performance as part of our primary research interviews or through a detailed market questionnaire. The Quadrant research team conducts a detailed analysis of the comments and inputs provided by the industry participants.

Client Interview: Quadrant analyst team conducts a detailed telephonic interview of all major industry participants to get their perspectives of the current and future market dynamics. Our analyst also gets their first-hand experience with the vendor's product demo to understand their technology capabilities, user experience, product features, and other aspects. Based on the requirements, Quadrant analysts interview with more than one person from each of the market participants to verify the accuracy of the information provided. We typically engage with client personnel in one of the following functions:

- Strategic Marketing Management
- Product Management
- Product Planning
- Planning & Strategy

Feedback from Channel Partners and End Users

Quadrant research team researches with various sales channel partners, including distributors, system integrators, and consultants to understand the detailed perspective of the market. Our analysts also get feedback from end-users from multiple industries and geographical regions to understand key issues, technology trends, and supplier capabilities in the technology market.

SPARK Matrix: Strategic Performance Assessment and Ranking

Quadrant Knowledge Solutions' SPARK Matrix provides a snapshot of the market positioning of the key market participants. SPARK Matrix representation provides a visual representation of market participants and provides strategic insights on how each supplier ranks in comparison to their competitors, concerning various performance parameters based on the category of technology excellence and customer impact.

Final Report Preparation

After finalization of market analysis, our analyst prepares necessary graphs, charts, and table to get further insights and preparation of the final research report. Our final research report includes information including competitive analysis; major market & technology trends; market drivers; vendor profiles, and such others.

Client Support

For information on hard-copy or electronic reprints, please contact Client Support at

info@quadrant-solutions.com | www.quadrant-solutions.com