



NEWS RELEASE

U.S. Banks See IT Modernization as a Way to Improve Customer Experience

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ISG Provider Lens™ report sees banks moving to digital payments amid COVID-19 pandemic
STAMFORD, Conn., Dec. 21, 2020 (GLOBE NEWSWIRE) -- Many large banks in the U.S. have engaged in long-term digital modernization efforts focused on improving customer experience, with new banks focused on cloud-first and API-first banking-as-a-service opportunities, according to a new report published today by Information Services Group (ISG) (Nasdaq: III), a leading global technology research and advisory firm.

The 2020 ISG Provider Lens™ Banking Industry Ecosystem Report for the U.S. finds smaller banks in the country also looking for digital transformation, with many focused on modernizing their IT infrastructures in a single “big bang” approach. Many small banks are consolidating, creating the need for a single core banking system, the report says.

Many of the IT modernization efforts are tied to efforts to improve customer experience, the report says. In the past, U.S. banks focused on improving the front-end of the customer experience, by creating customer-friendly apps and websites, but these efforts are no longer enough to remain competitive.

Banks need to re-think their internal systems and operating models to respond to rapidly changing customer needs and to tap into the emerging FinTech ecosystem, said Owen Wheatley, ISG lead partner for Banking and Financial Services in the Americas.

“Customers are in control as switching costs plummet, millennial buying power increases, and non-traditional



banking models gain market share,” he said. “The ability for banks to attract and retain customers is more critical now than ever.”

The report sees a growing demand for alternative payment systems in the U.S., with digital payments not necessarily replacing cash and card services, but supplementing them. Alternative payment systems such as e-wallets and real-time payments are no longer a value-add service but a must-have for major banks in the U.S. The COVID-19 pandemic has driven up the demand for cashless payment alternatives.

In addition, U.S. banks are streamlining and optimizing their payment systems, as significant operating costs are tied to transaction and processing fees, the report says. The focus is on reducing costs as well as seamlessly offering alternative payment options to customers.

Banks are also looking to revamp their know-your-customer and anti-money laundering systems, with artificial intelligence tied to these services considered a driving force behind digital banking, the report adds. Many banks are moving to automated anti-money laundering checks to improve speed and reduce false positives.

The 2020 ISG Provider Lens™ Banking Industry Ecosystem Report for the U.S. evaluates the capabilities of 28 providers across four quadrants: Core Banking Platform Implementation Services for Retail, Core Banking Platform Implementation Services for Corporate, Payment Ecosystem Services and Know-Your-Customer/Anti-Money Laundering Services.

The report names Accenture, Infosys and TCS as leaders in all four quadrants. Capgemini is named as a leader in two quadrants, and Atos, Cognizant, DXC Technology, FIS, Fiserv and IBM are named as leaders in one.

In addition, Atos, DXC Technology, Hexaware, LTI and Wipro were named Rising Stars—companies with “promising portfolios” and “high future potential” by ISG’s definition—in one quadrant.

Customized versions of the report is available from **Capgemini** and **Infosys**.

The 2020 ISG Provider Lens™ Banking Industry Ecosystem Report for the U.S. is available to subscribers or for one-time purchase on this **webpage**.

About ISG Provider Lens™ Research

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of

appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services globally, across Europe and Latin America, as well as in the U.S., Germany, Switzerland, the U.K., France, the Nordics, Brazil and Australia/New Zealand, with additional markets to be added in the future. For more information about ISG Provider Lens research, please visit this [webpage](#).

A companion research series, the ISG Provider Lens Archetype reports, offer a first-of-its-kind evaluation of providers from the perspective of specific buyer types.

Starting this year, each ISG Provider Lens™ study will include a Global Summary to help enterprise subscribers better understand provider capabilities across all geographic markets covered by that study. All ISG Provider Lens™ reports also will now include an Enterprise Context feature to help executives quickly identify key insights related to their roles and responsibilities.

About ISG

ISG (Information Services Group) (Nasdaq: **III**) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit www.isg-one.com.

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