

KPI RESEARCH & STRATEGY
*DIGITAL BUSINESS BANKING
AND TRACKER STUDY*

2022

Background to Digital Business Banking and Tracker Study 2022

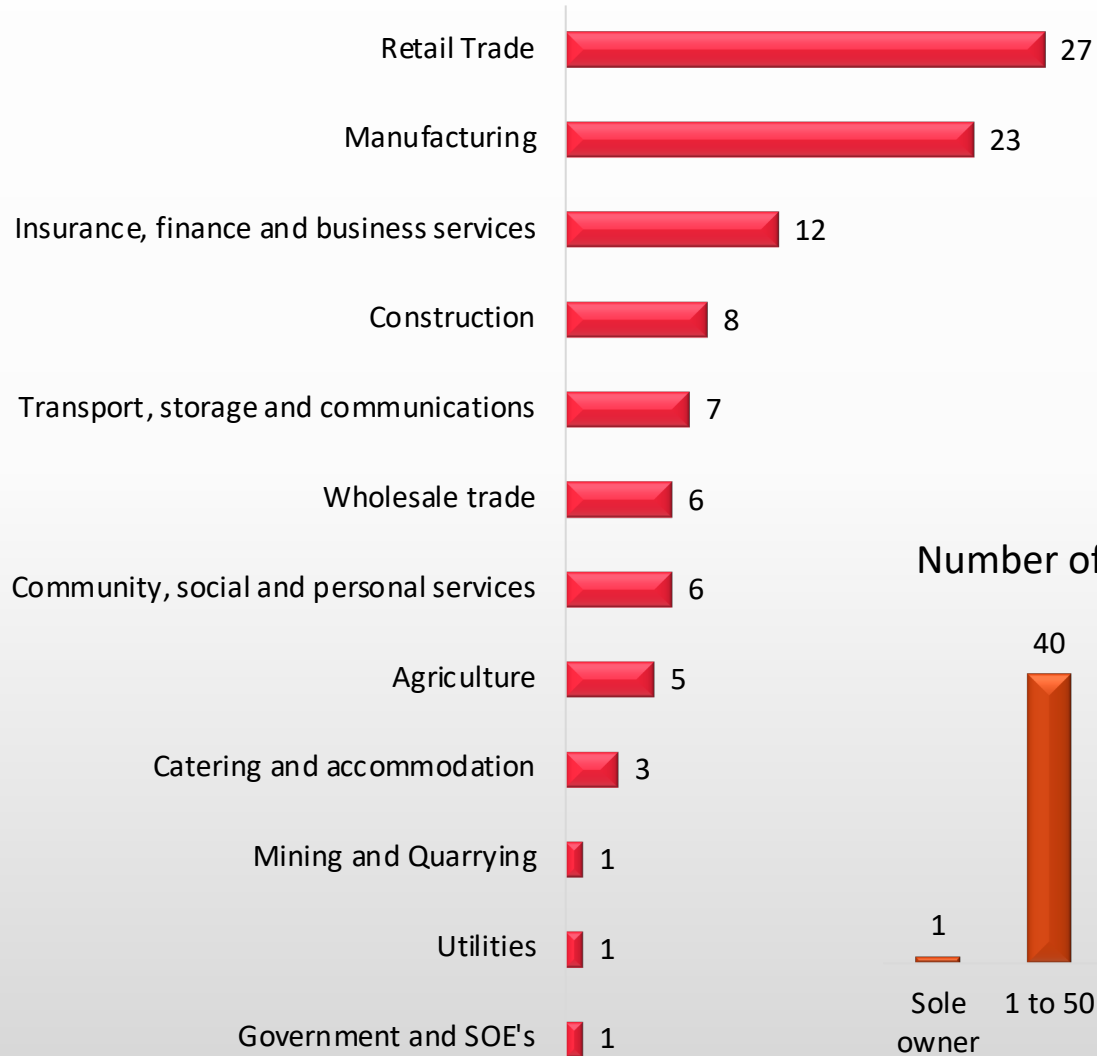
Digital Business Banking and Tracker Study (formerly Business Electronic Banking and Tracker Study): Annual tracking study for over 30 years; focus on market share, digital and transactional banking performance

2022: DBB & Tracker: digital banking in the context of overall transactional banking; interviews conducted in the metro regions (Teams/Zoom, face to face and telephonic) – September to end October

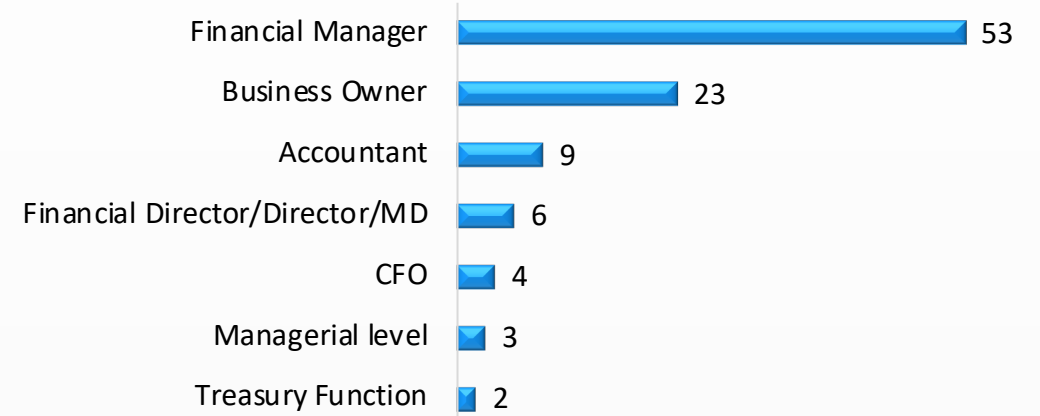
Sample of 709 interviews: No prior sample segmentation by business or corporate bank and primary digital bank
Controlled Metro sample: Gauteng 60%, Cape Town 20%, Durban 20%

Industry sector, full time employees, respondent designation and age (%)

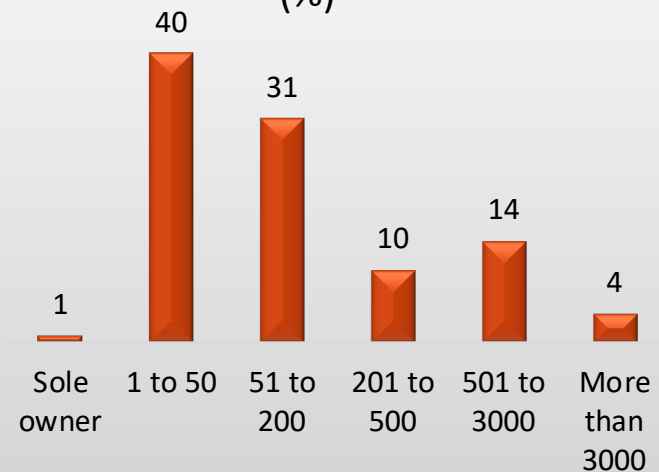
Industry sector (%)



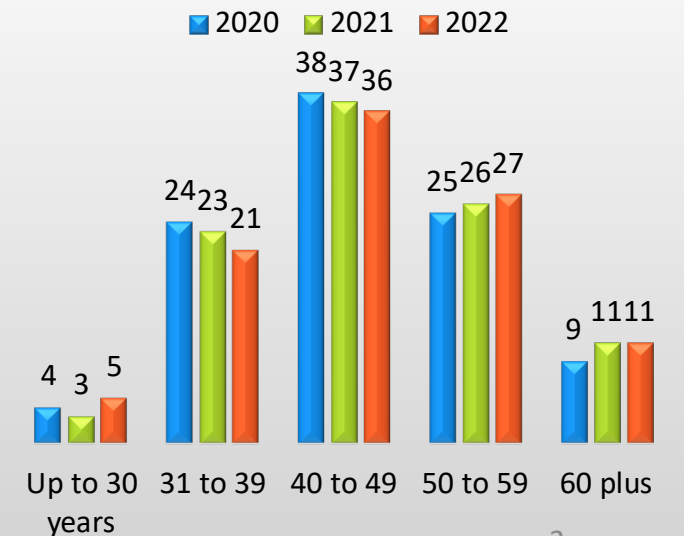
Respondent designations: Financial decision makers (%)



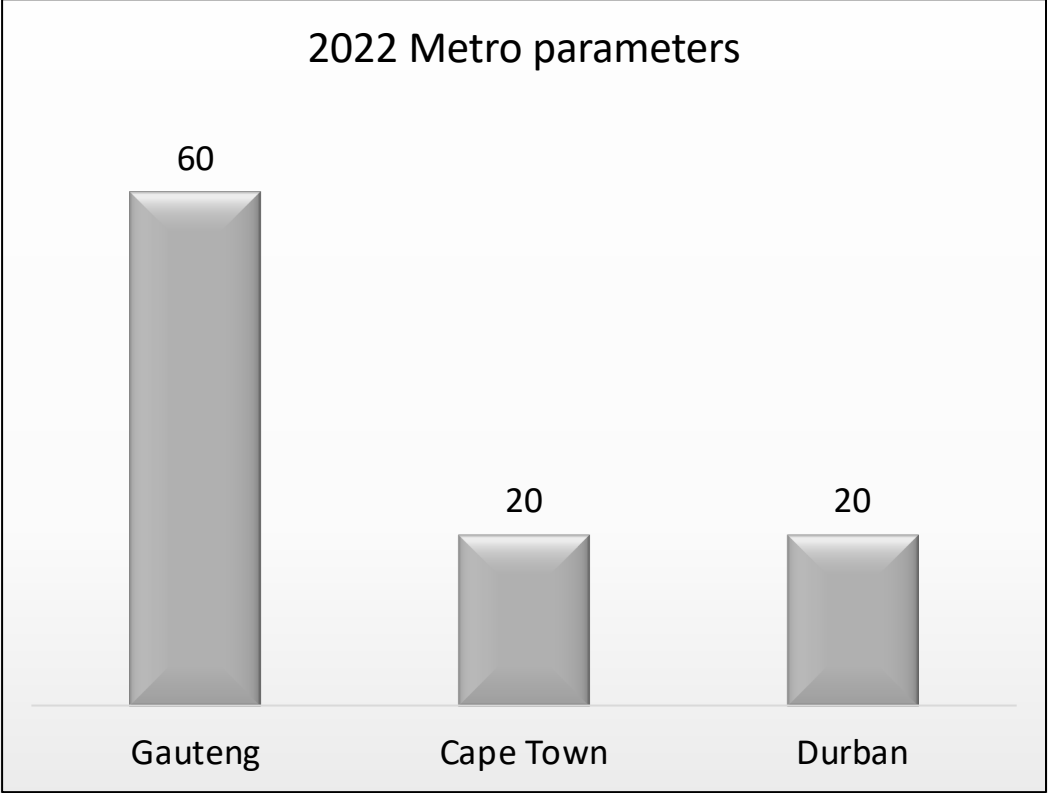
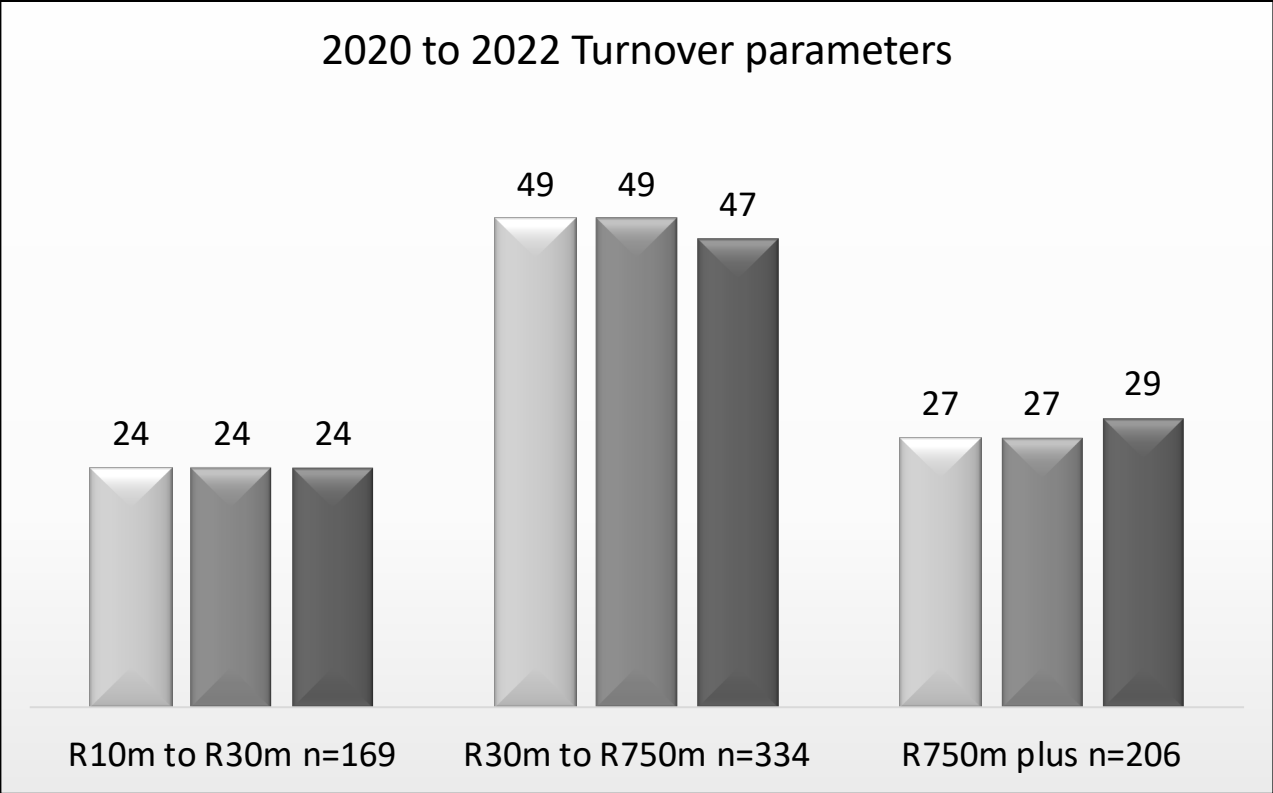
Number of full time employees (%)



Age groups for FDM's (%)



SECTION HEADER: Context for analysis and main bank for digital business banking services



Primary bank for digital business banking services



Primary bank by company annual turnover



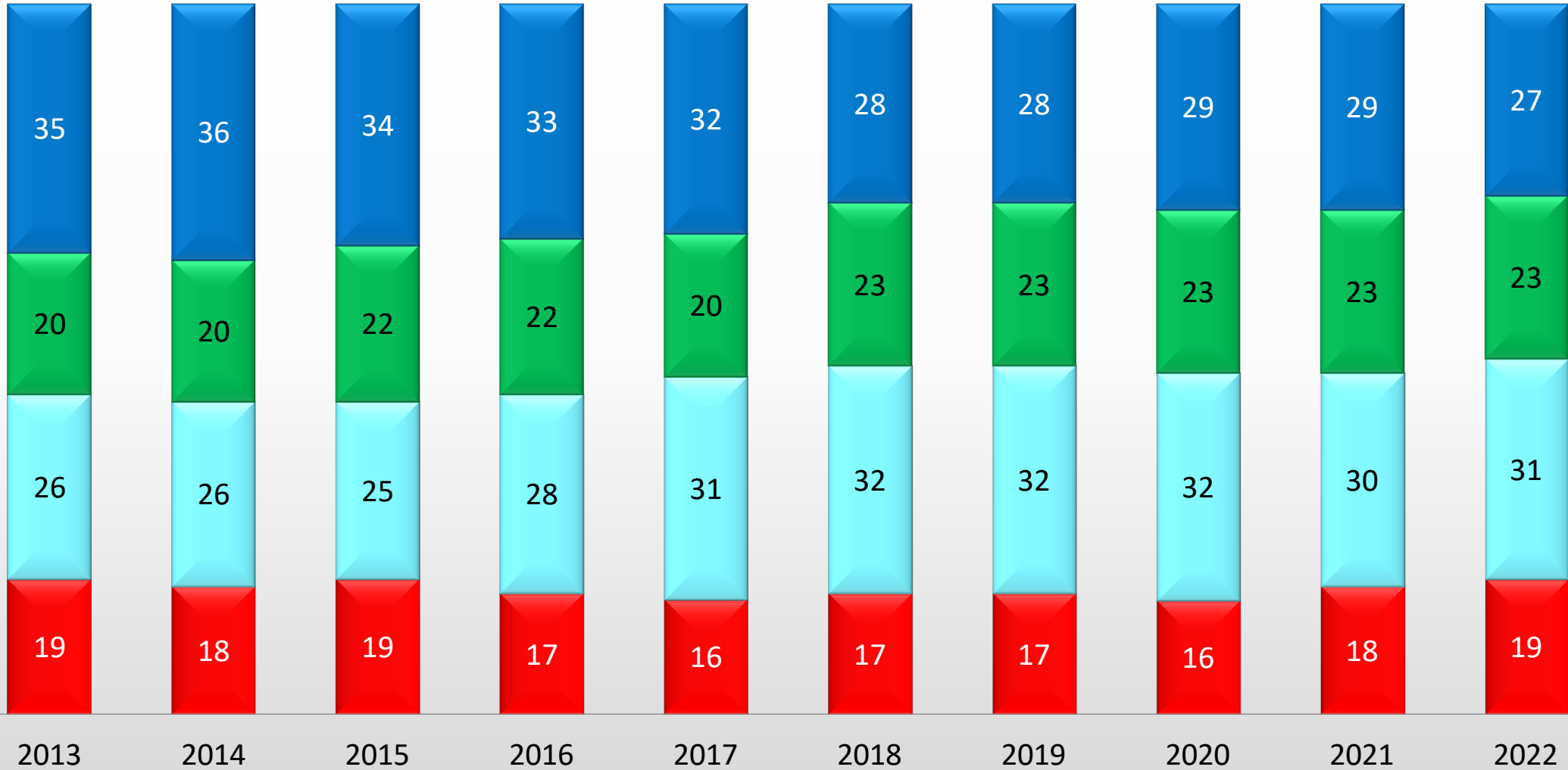
Primary bank by single or multi banked status



Levels of switching primary digital bank

Main bank for digital business banking (% ten years of tracking)

■ Absa
 ■ FNB
 ■ Nedbank
 ■ Standard



10 year summary trend: Increase or decrease over 10 years

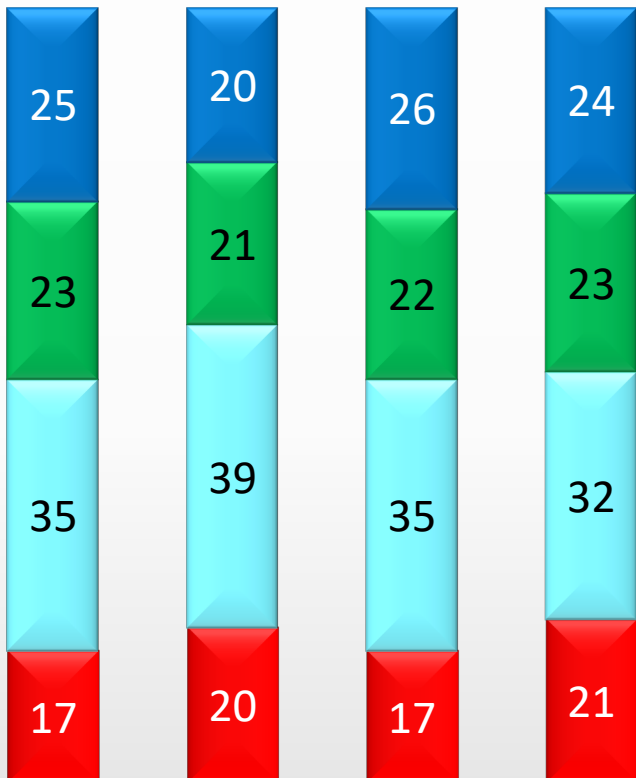
Absa –no change
 FNB +5%
 Nedbank +3%
 Standard – 8%

Responses for other main banks: Investec three and one response each for Citibank, Mercantile and RMB

Main bank for digital business banking 2019 to 2022 turnover segments

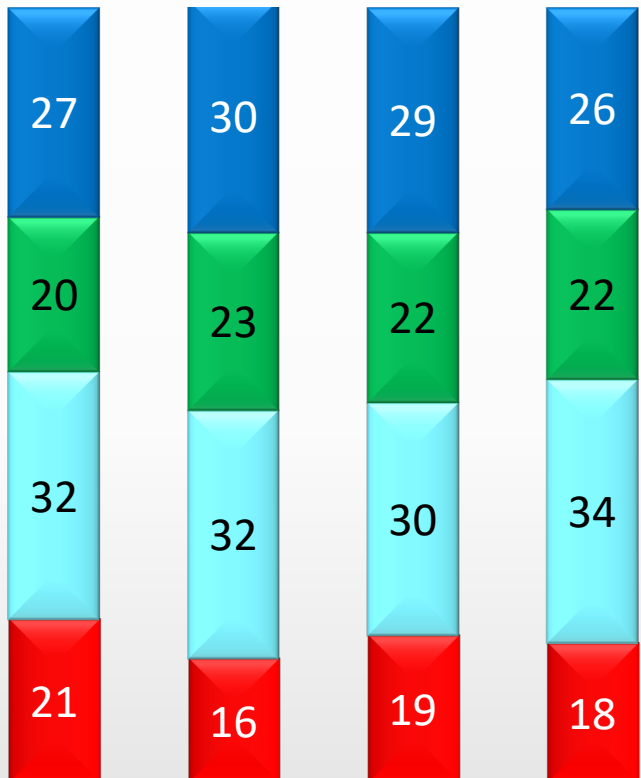
R10m to R30m, R30m to R750m and R750m plus (%)

R10m to R30m Segment



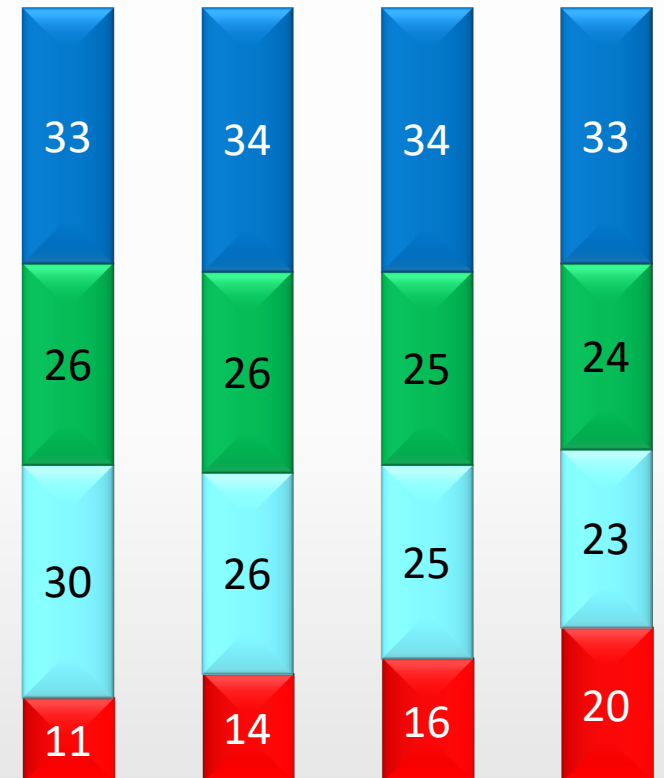
2019 n=172
2020 n=169
2021 n=170
2022 n=169

R30m to R750m Segment



2019 n=342
2020 n=349
2021 n=342
2022 n=330

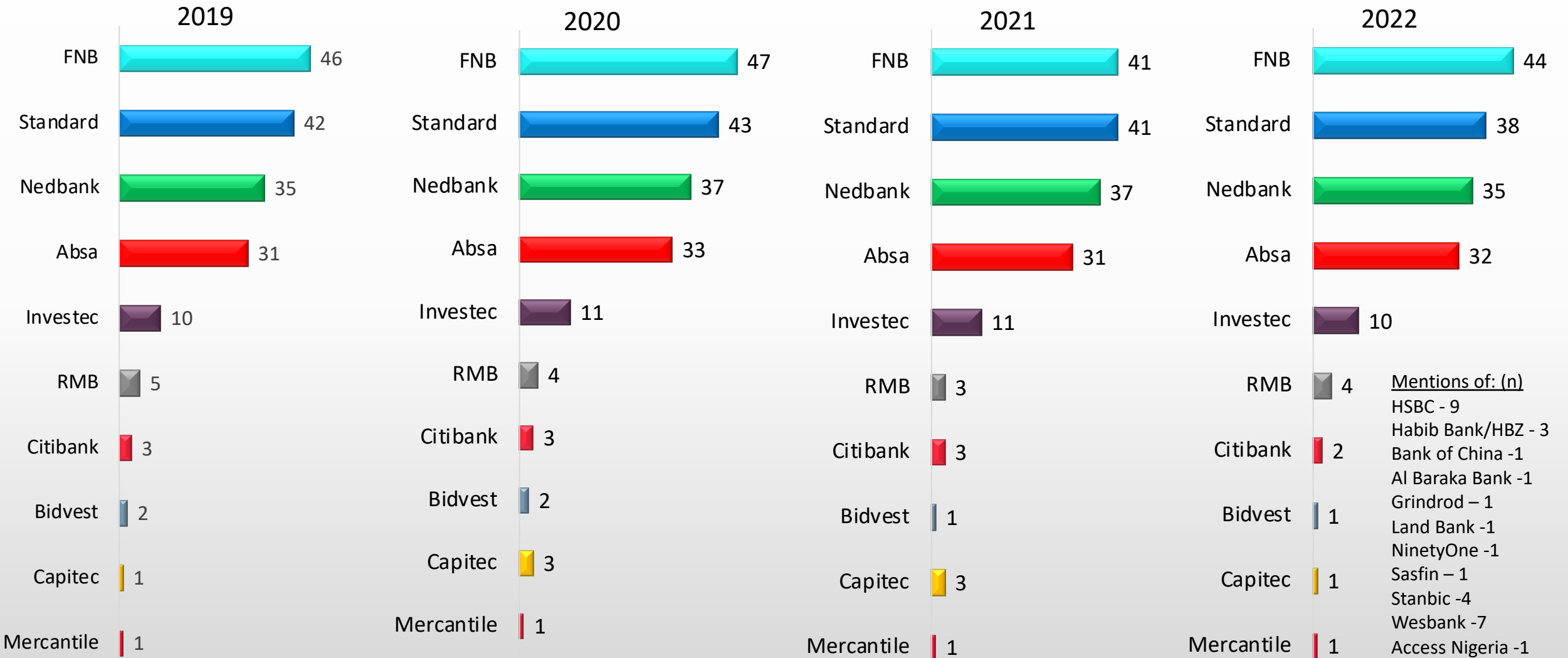
R750m Segment



2019 n=199
2020 n=194
2021 n=193
2022 n=204

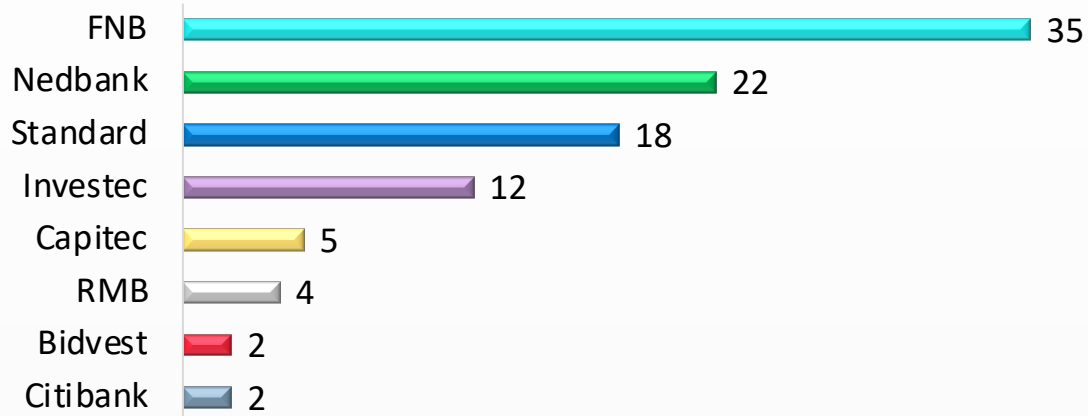
IN ADDITION: 98% consider their main digital bank to be their main/primary business bank (11 did not – 2 each for Absa FNB and Nedbank. Standard Bank was 5)

Overall business and corporate banking landscape: bank/s used (%) Multiple responses 2020 to 2022

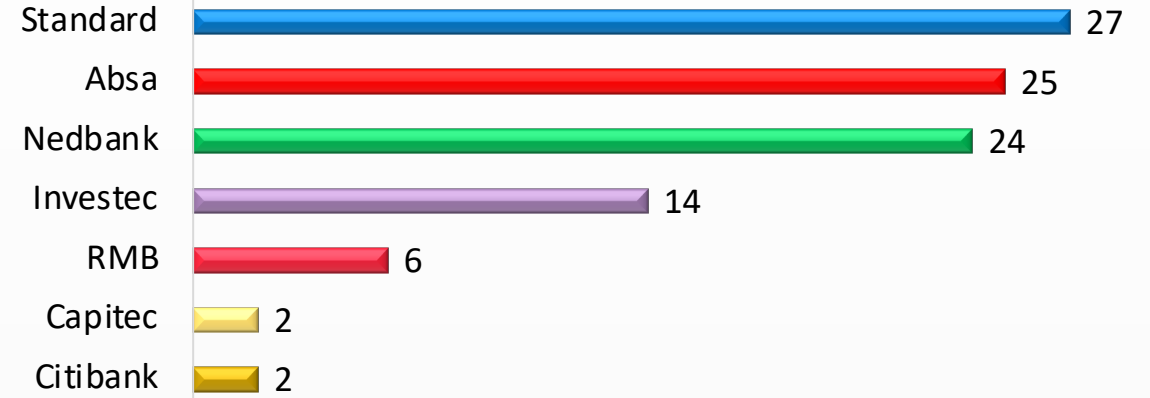


Multi banked for OVERALL BANKING; where the other accounts reside by MAIN DIGITAL BANK (%)

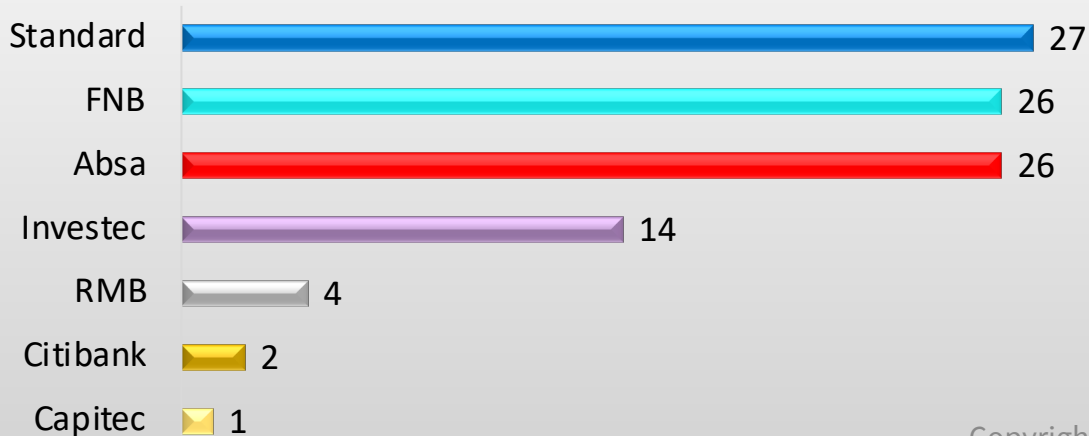
Primary Absa (41%) multi banked (%)



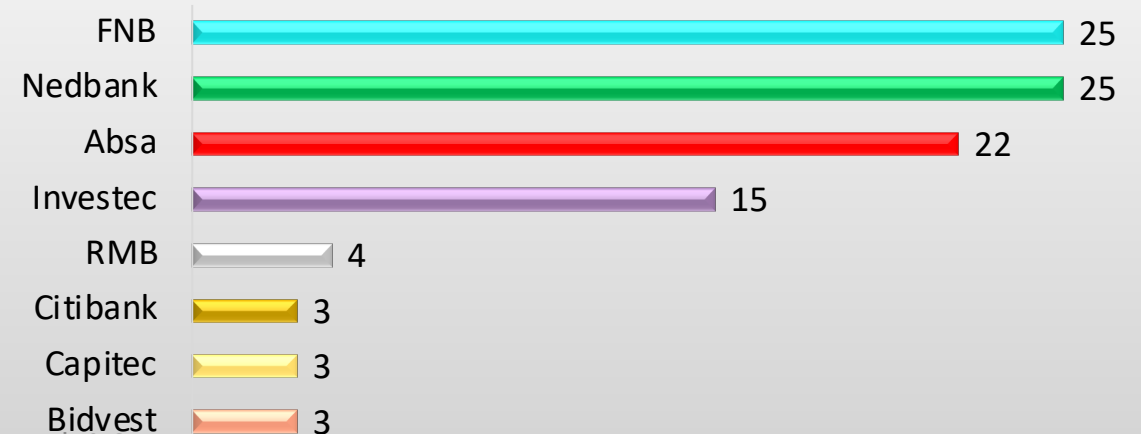
Primary FNB (44%) multi banked (%)



Primary Nedbank (45%) multi banked (%)



Primary Standard (48%) multi banked (%)



Other banks used for DIGITAL BUSINESS BANKING (%) Multiple responses

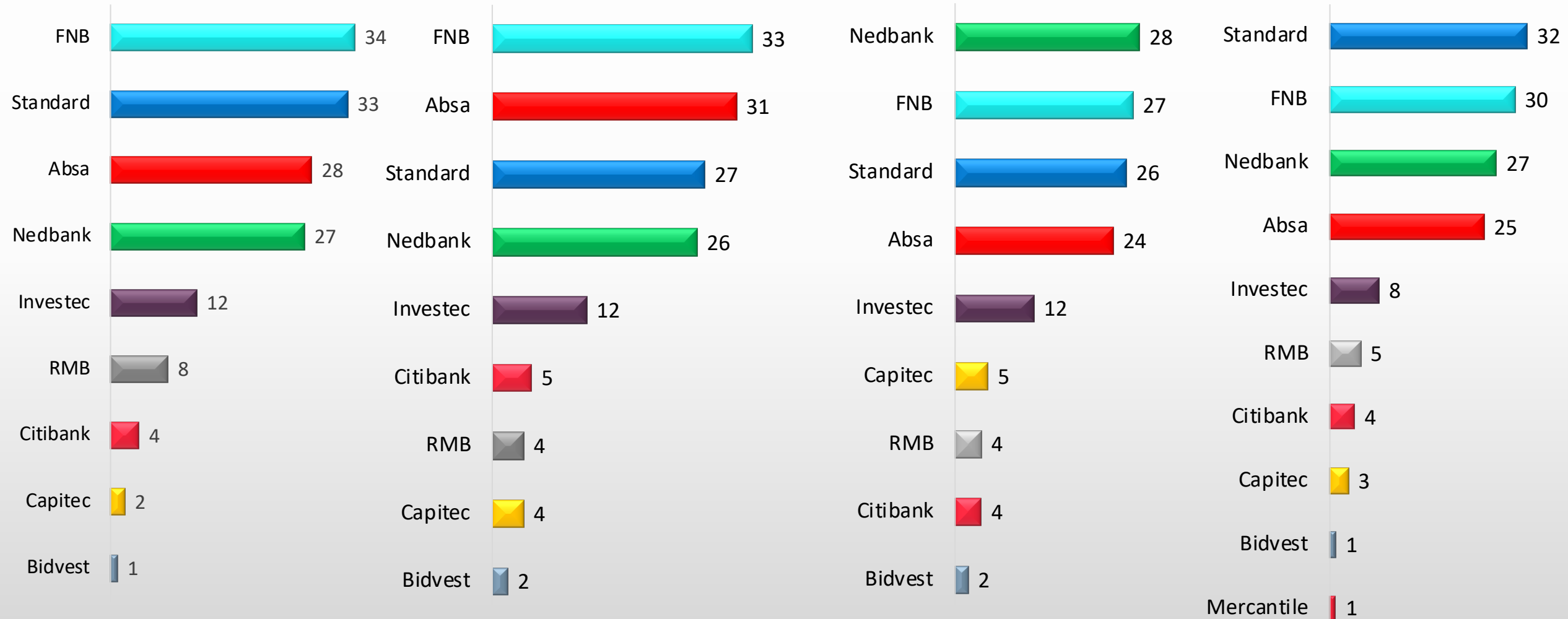
30% of the overall sample (n= 212) 2020 to 2022

2019

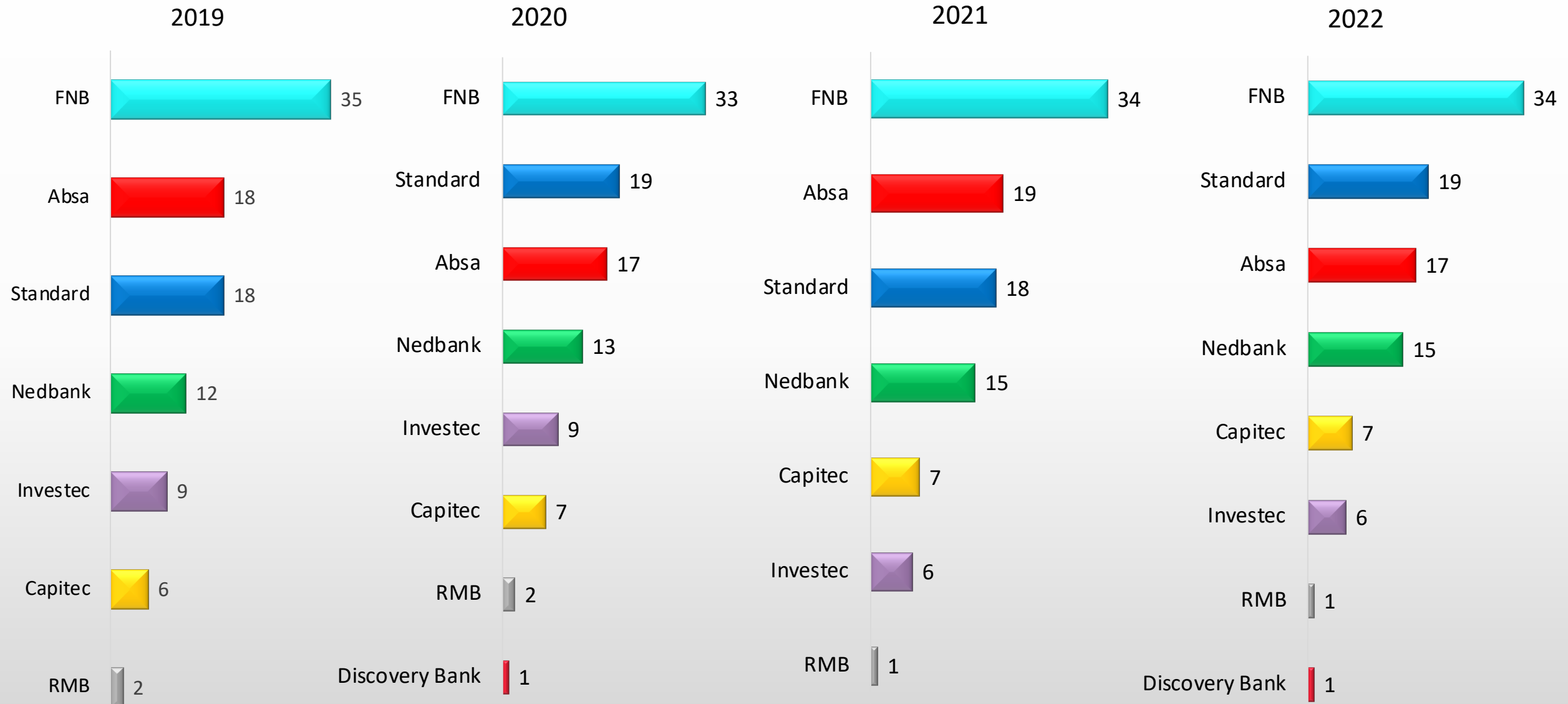
2020

2021

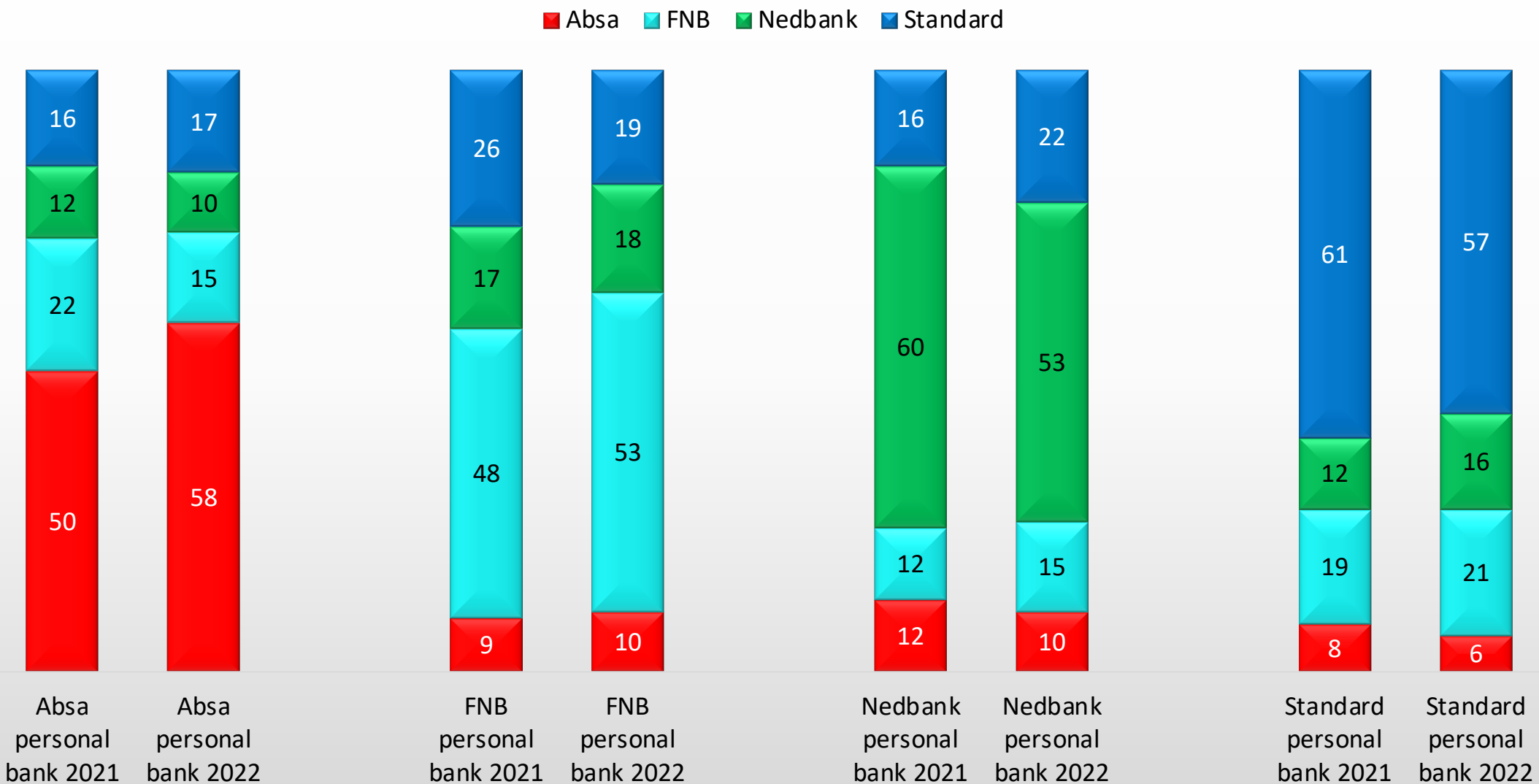
2022



Main PERSONAL bank of financial decision makers (%) 2020 to 2022



Correlation: Main PERSONAL bank for financial decision makers by main DIGITAL BUSINESS bank (%)



Correlation: eg. if the personal bank for these financial decision makers is FNB, their business account is also with FNB ,53%

Nedbank has a correlation of 53%

Standard Bank is 57% and Absa is 58%

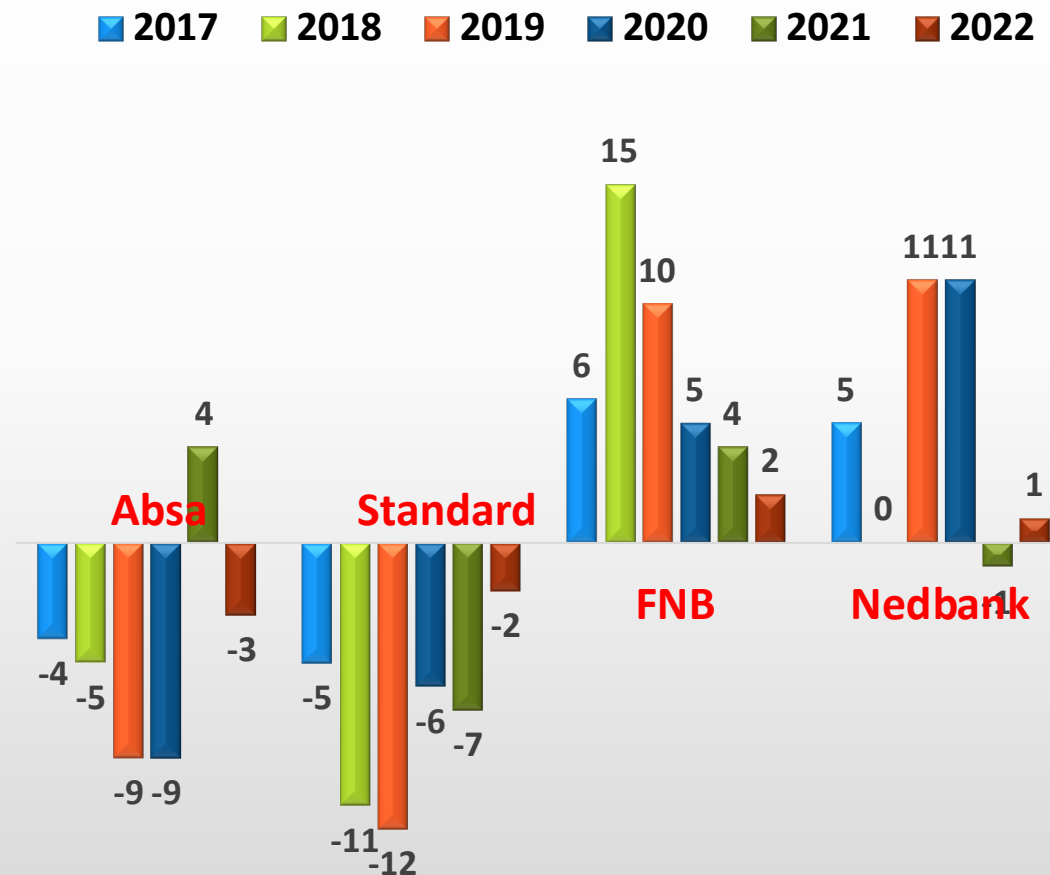
Overall average correlation of 55%

Has the organisation changed its main bank in the past 3 years? Number of responses

Annual levels of switching	2017 = 5.5%	2018 = 5%	2019 = 5,5%	2020 = 5%	2021 = 3%	2022 = 2.5%
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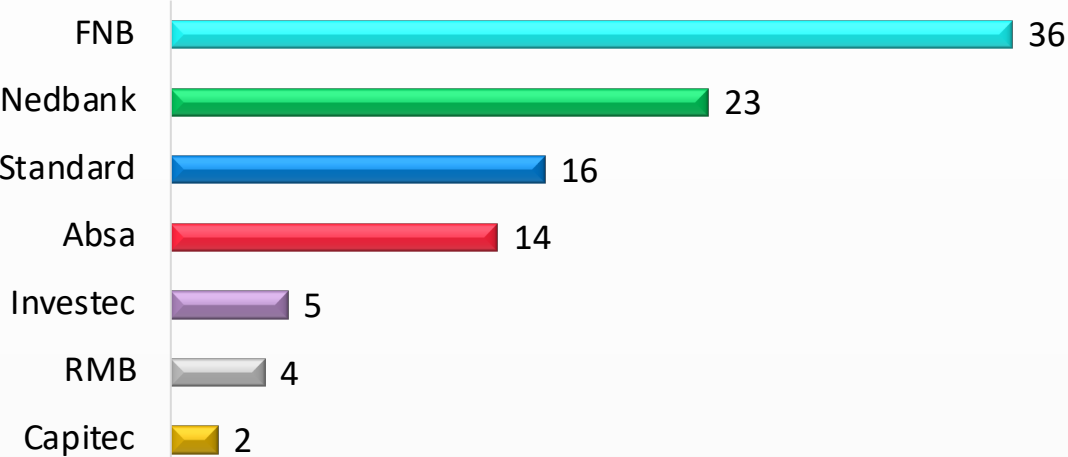
From bank...	R10m to R30m	R30m to R750m	R750m plus	Loss
Absa	2	3	1	6
FNB	2	1	0	3
Nedbank	2	1	1	4
Standard	2	1	2	5
To bank...	R10m to R30m	R30m to R750m	R750m plus	Gain
Absa	3	0	0	3
FNB	2	2	1	5
Nedbank	2	2	1	5
Standard	1	1	1	3
Investec	0	1	0	1
RMB	0	0	1	1

Six year summary of net loss or gain

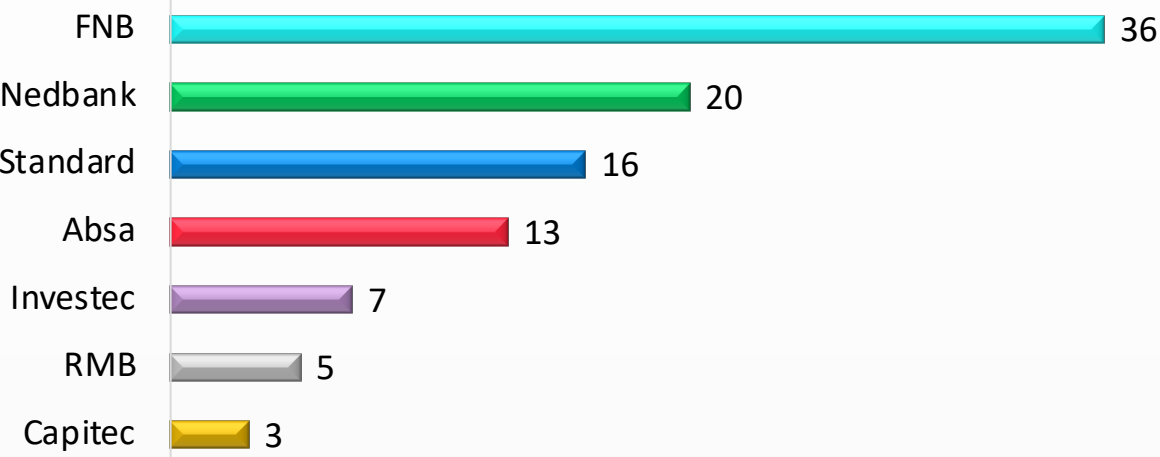


Excluding current main digital bank, the hypothetical next choice if switching (%) 2020 to 2022

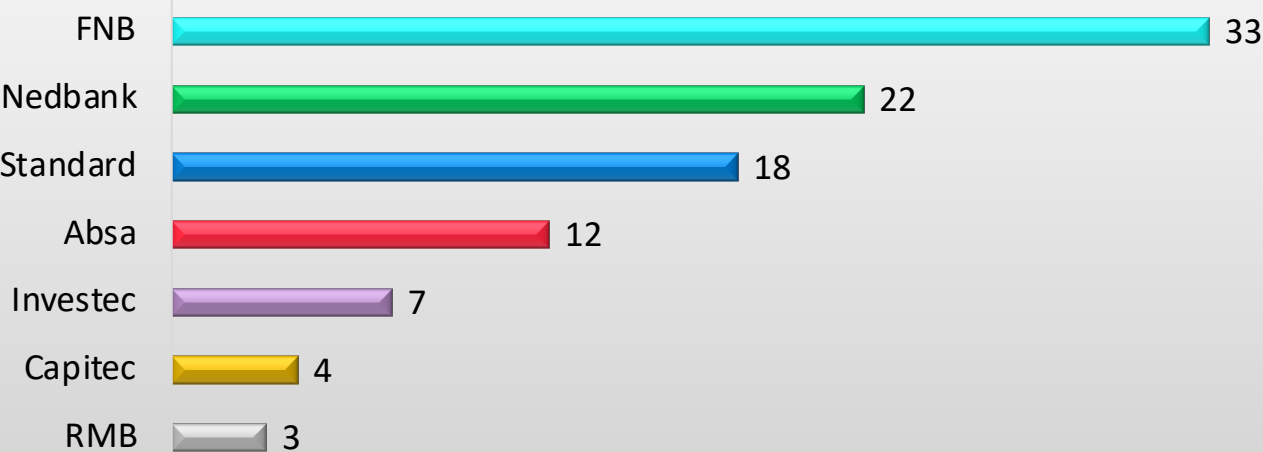
Next choice of bank 2020 %



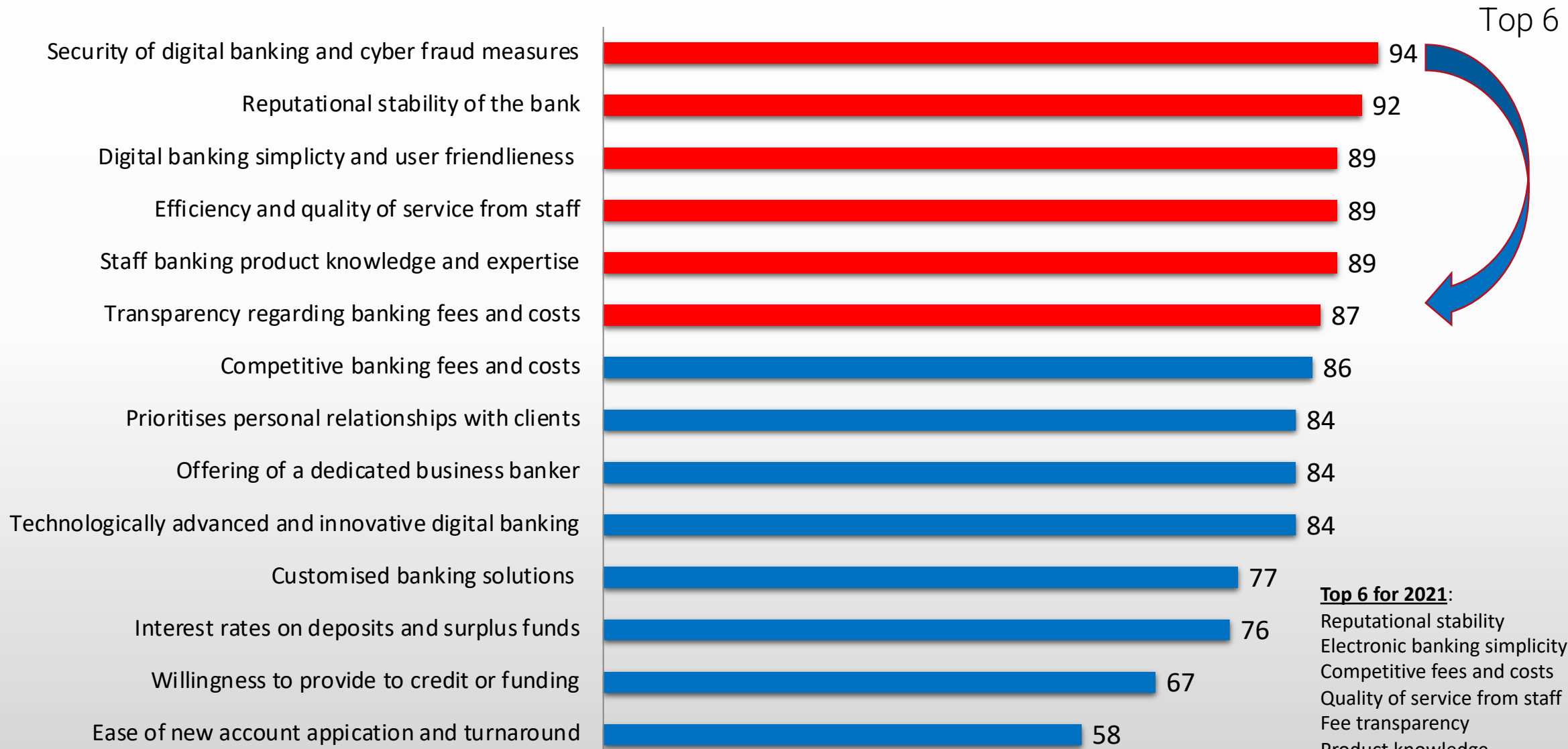
Next choice of bank 2021 %



Next choice of bank 2022 %

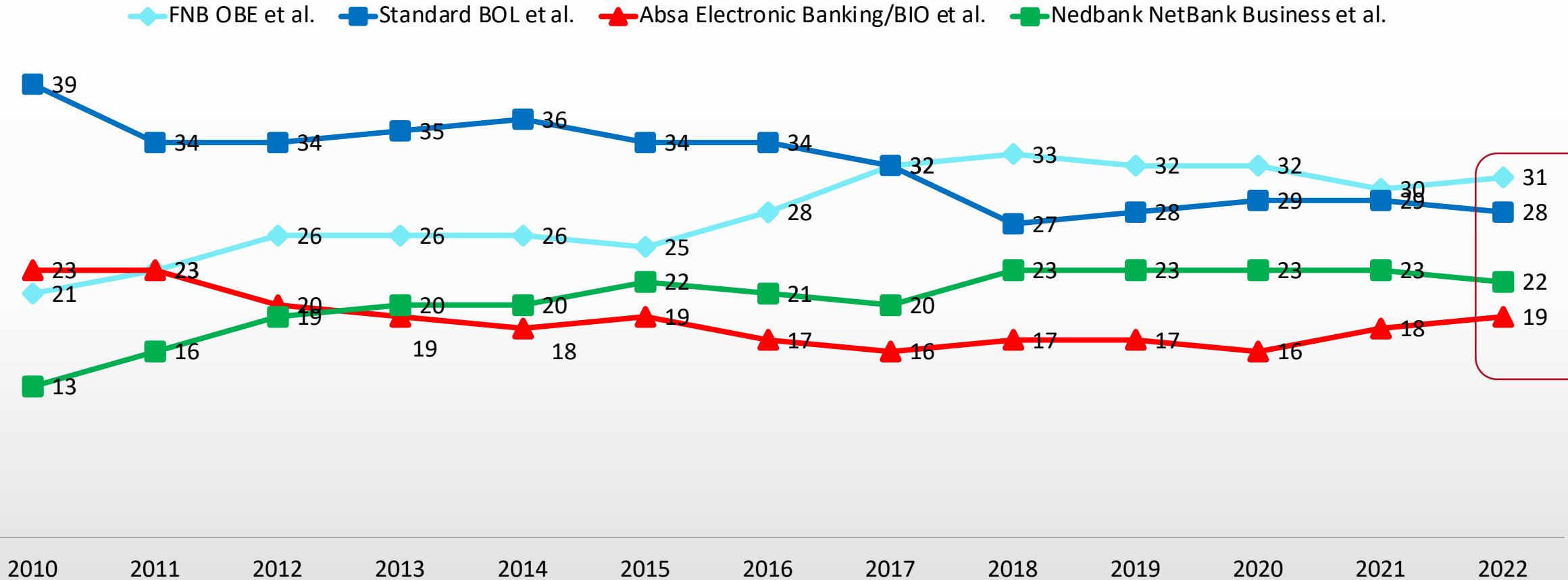


**If changing business banks, the importance of these attributes in the decision making process
(% for Extremely important from a structured table)**



Top 6 for 2021:
 Reputational stability
 Electronic banking simplicity
 Competitive fees and costs
 Quality of service from staff
 Fee transparency
 Product knowledge

Primary DIGITAL BANKING Product/s used (%) Overall sample 2010 to 2020

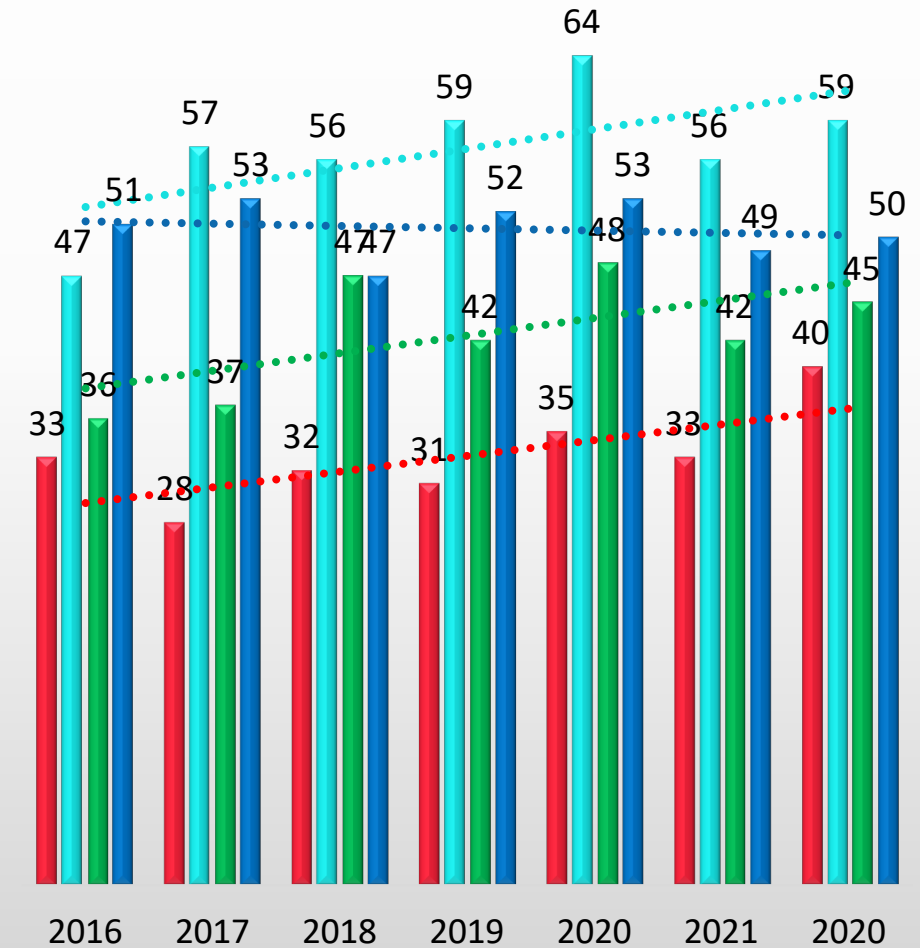


Summary: To continue monitoring the correlation between primary digital business bank and primary digital banking product – a reflection of the parallel trends for market share:

Overview of multiple digital banking products used – 2020 to 2022 (%)

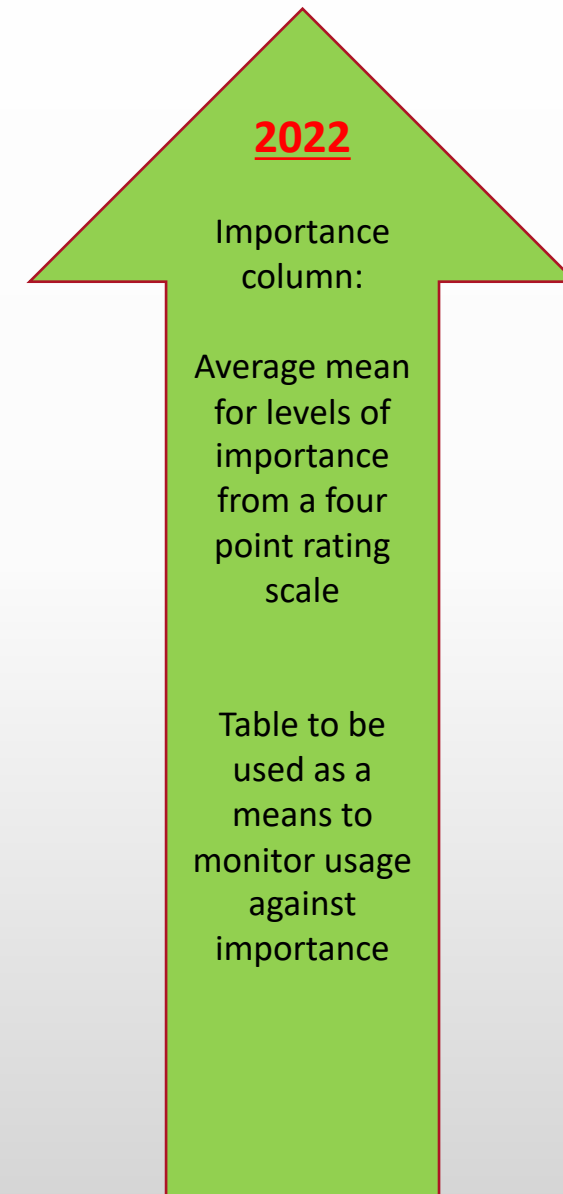
Bank and Electronic Banking Products	2020	2021	2022
FNB OBE (Online Banking Enterprise)	25%	22%	20%
FNB – Online Banking for Business	26%	25%	31%
FNB - PACS – Payments and Collections Systems	4%	4%	3%
FNB - e-Forex	9%	5%	5%
Standard - Business Online Domestic Banking	37%	37%	36%
Standard - Business Online – International Banking	9%	6%	6%
Standard - Business Online – Forex Trading	7%	6%	4%
Standard OneHub			4%
Absa Business Integrator Online (BIO)	19%	17%	11%
Absa Online for Business	11%	12%	20%
Absa - Business Integrator Mailbox	2%	2%	
Absa - Access integrated Solutions/Business Integrated Solutions (H2H)	1%	1%	5%
Absa - Business Integrator International Solutions	2%	1%	2%
Absa - Access			2%
Nedbank - NetBank Business	25%	23%	21%
NetBank Internet/Nedbank Online Banking	11%	11%	13%
Nedbank Business Hub			4%
Nedbank Money App			1%
Nedbank Business Mobile			2%
Nedbank Cash Online	2%	1%	n=2
Nedbank Corporate Payment System	2%	2%	4%
Nedbank Corporate Saver	1%	1%	
Citibank - CitiDirect	2%	2%	1%
Bidvest – Tradeflow	n=1	n=2	n=2
Bidvest – Global Payments Online (GPO)	n=1	n=1	n=2
Capitec Internet Banking - Global One	n=4	1%	n=2
Investec Online Banking	2%	4%	1%

The % sum of usage for each bank's electronic banking products – means of gaining or losing market share



Digital banking administrative services used and level of importance

Digital banking administration services being used currently and levels of importance (mean from a four point scale) 2022	Using (%)	Importance Average mean
To generate proof of payment either online or a banking app to an email	93	3,67
The ability to download company bank statements	92	3,84
The ability to view beneficiary payment history	90	3,70
To manage the password for your company - password control or re-set	85	3,66
The usage of notification services	81	3,31
To maintain our own third-party accounts	80	3,54
To maintain own profile online, the ability to capture and authorise functionalities	78	3,46
To update personal info online (email details / telephone numbers etc)	78	3,32
Real Time Clearing (clearing a transaction in 60 seconds)	78	3,34
The usage of alerts service	71	3,10
The facility of billing reports showing bank charges processed against each account	67	3,18
Action a change that has been authorised by another user online	65	3,12
To have MIS reports, eg. Comprehensive audit trails	64	3,08
The ability to authorise transactions through a business banking app	64	3,04
Consolidated balance reporting	60	3,06
The ability to update/add or delete those individuals who can sign documentation	60	3,11
To determine the grouping of accounts	59	2,92
To decide on the flow of transactions and which screens to have as default	57	2,87
Cash management/automated sweeping services	53	2,96



Attribute importance and main bank performance **BY PRIMARY PRODUCT**

Overall sample (%) **2022**

Digital banking product features: % for Extremely important and Extremely satisfied by main digital banking product	FNB OBE	FNB Online Banking for Business	Standard BOL	Absa BIO	Absa Online for Business	Nedbank NetBank	Nedbank Online Banking
Reliability / Stability (i.e. uptime)	71	67	67	62	56	67	54
Digital banking platform security features	73	67	69	76	66	71	61
Speed of system response	59	48	46	39	44	50	30
Convenience to transact when required	59	56	52	47	43	57	42
Digital banking data integrity/factually correct data	70	55	59	70	51	61	42
Ease of use / Ease of navigation	63	59	56	51	51	40	39
The range of banking functions and transactions	75	62	56	60	49	55	47
Flexibility in being able to modify beneficiaries etc	64	56	54	62	43	54	42
The security provided for business banking apps	74	74	63	55	61	58	61
Transaction notification services via email/SMS	67	61	57	51	50	60	33
The systems online support (help screens, user guide etc.)	46	38	39	38	39	35	39
Business banking app linked to digital banking product	52	63	56	54	55	54	47
The digital banking call centre support and responsiveness	24	23	24	29	19	25	40
Overall digital banking service satisfaction rating	64	65	61	58	51	52	54
Overall business banking app satisfaction	62	73	62	58	59	62	61
Average mean satisfaction overall:	61,5	57,8	54,7	54,0	49,1	53,4	46,1
Number of respondents:	59	155	181	36	84	75	56

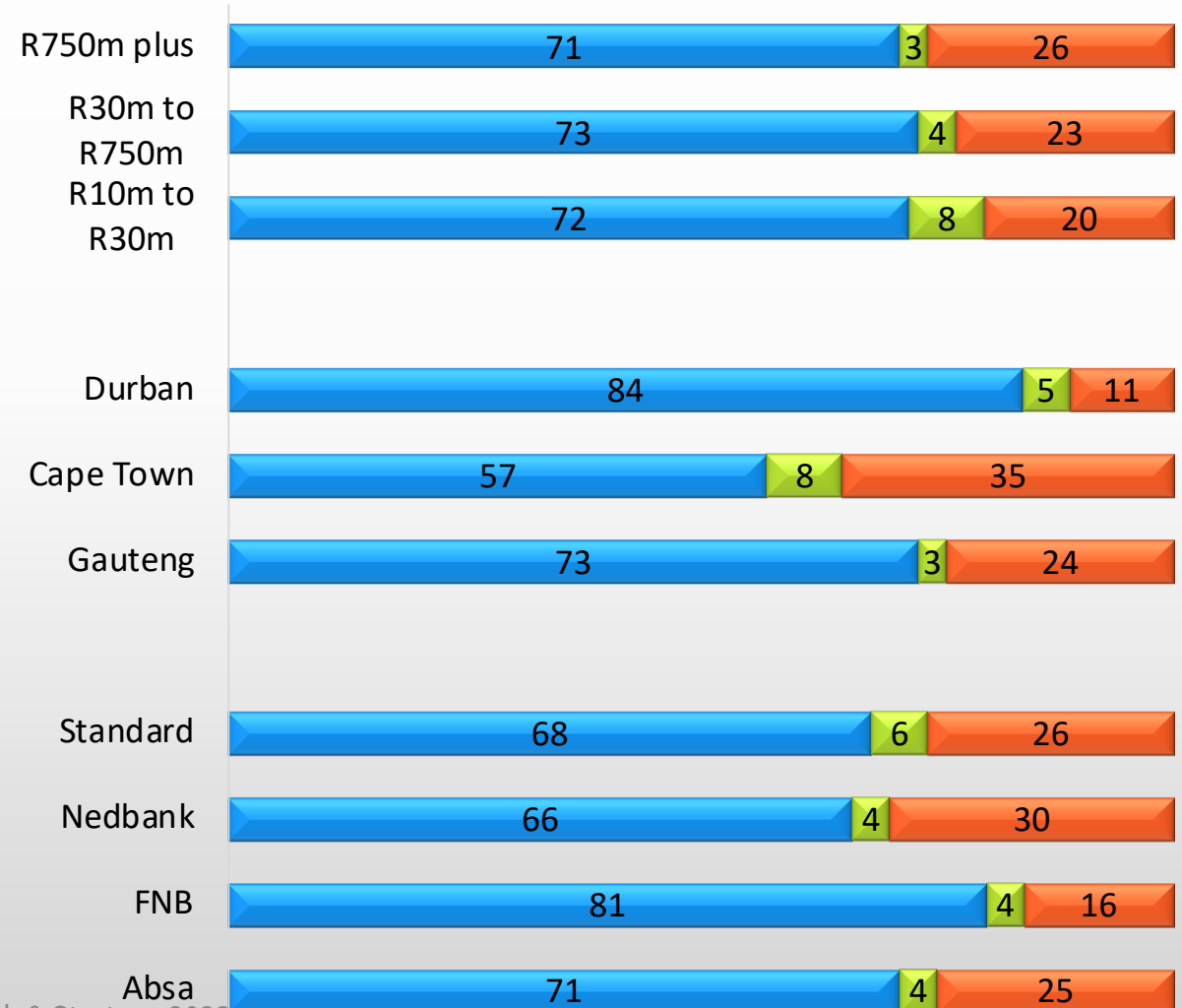
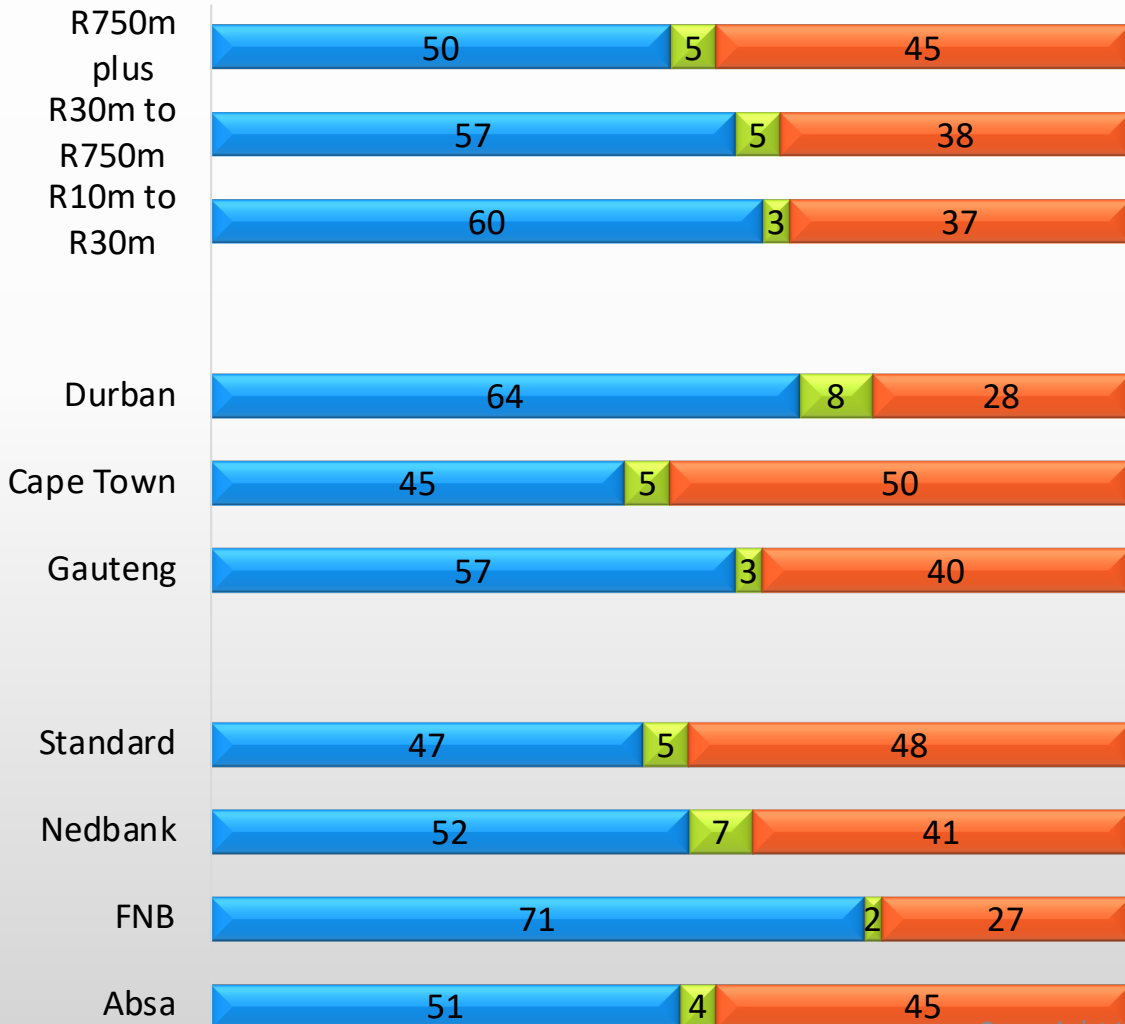
Usage of business banking apps for business banking (%) 2021 and 2022

2021

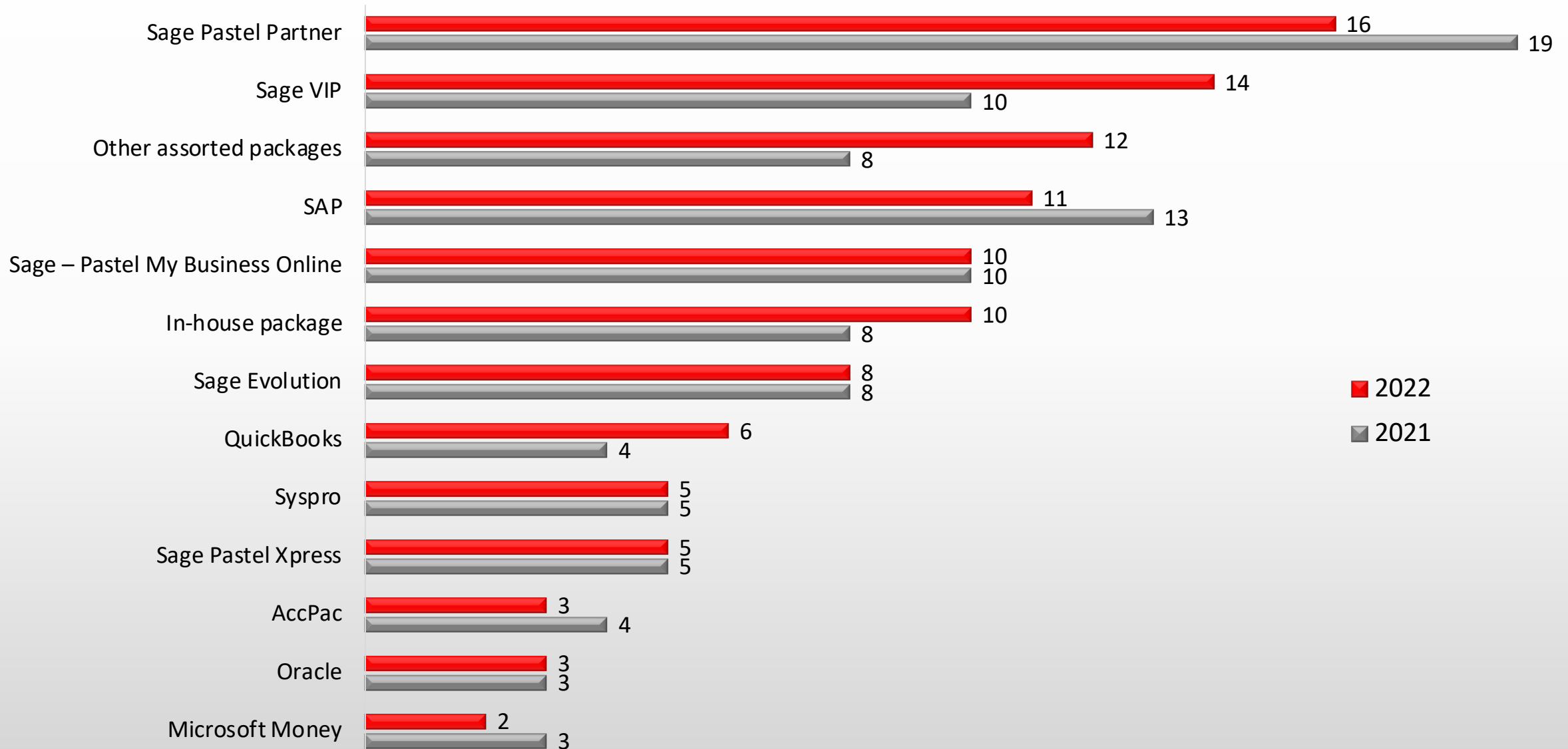
2022

■ Already using
 ■ Planning to use
 ■ Have no plans to use

■ Already using
 ■ Planning to use
 ■ Have no plans to use

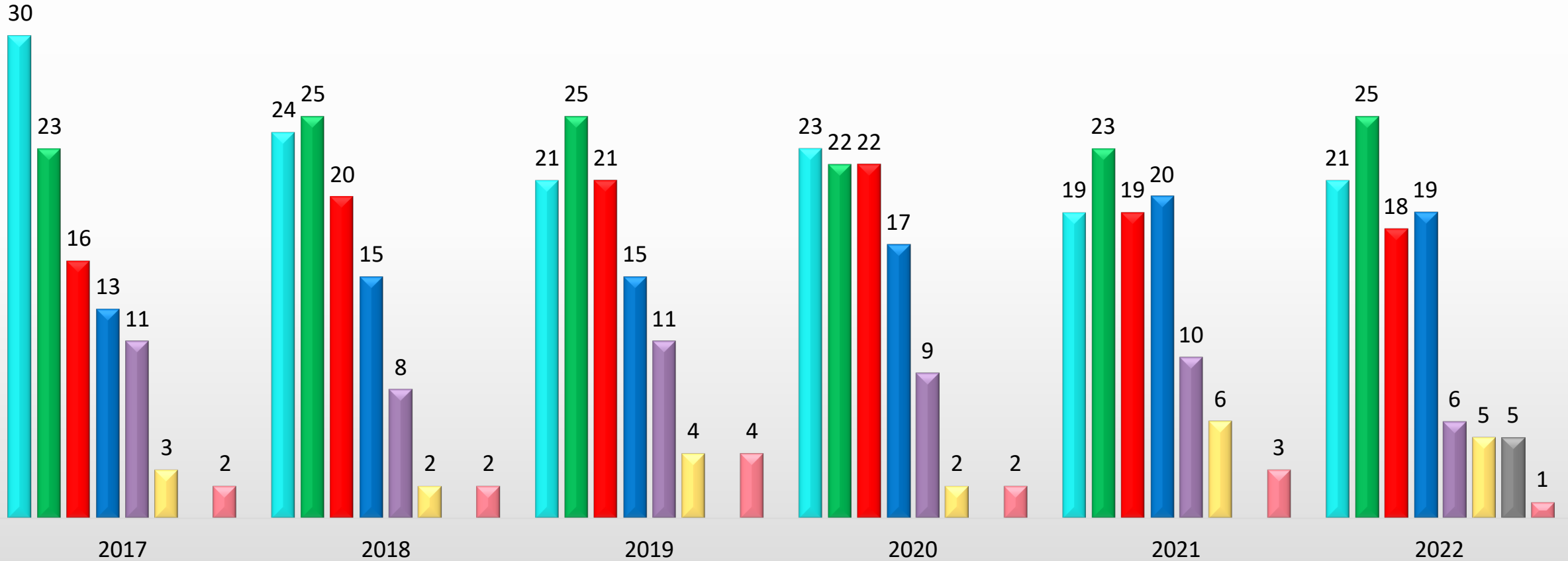


Business/accounting/ERP systems (%) 2021 and 2022



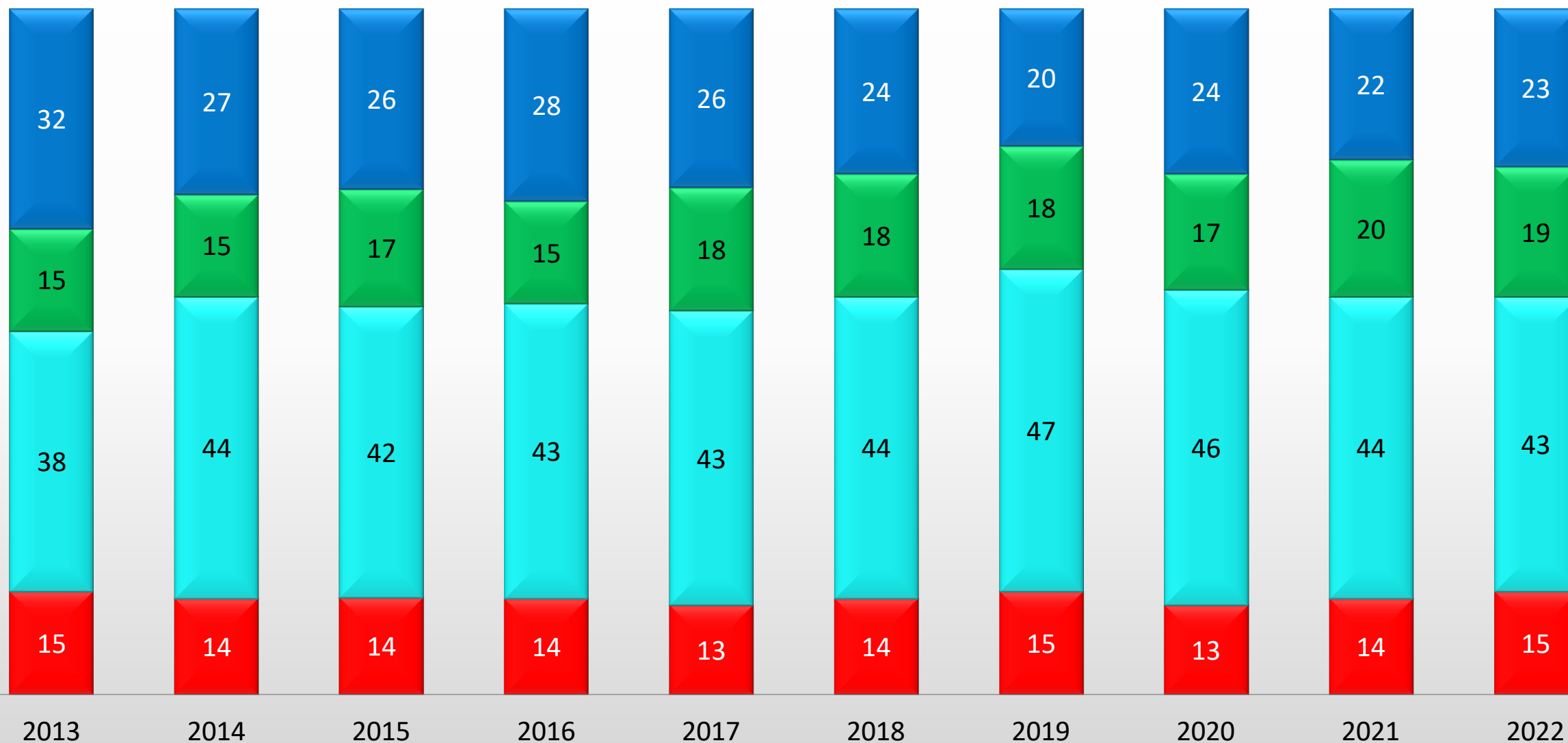
Excluding their main bank, other banks that have proactively contacted the business in the past 6 months (%) 2017 to 2022

■ FNB
 ■ Nedbank
 ■ Absa
 ■ Standard
 ■ Investec
 ■ Capitec
 ■ RMB
 ■ Citibank



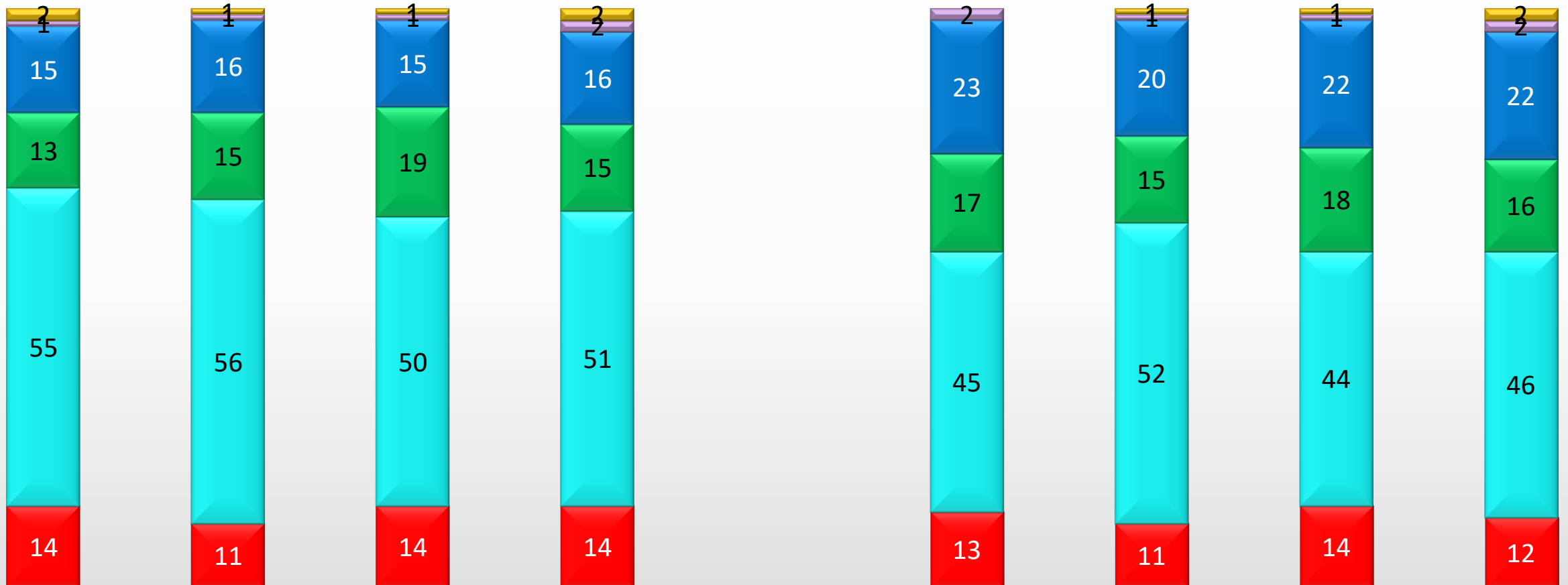
2022: Overall sample, 21% (149) were contacted in the past 6 months
 2021: Overall sample, 22% (158) were contacted in the previous 6 months
 2020 was 21% contacted so consistent competitive levels from 2020 to 2022

Nominations for market leader for electronic/digital banking services (%)



Best bank for business banking apps and digital business banking 2019 to 2022 (%)

■ Absa
 ■ FNB
 ■ Nedbank
 ■ Standard
 ■ Investec
 ■ Capitec

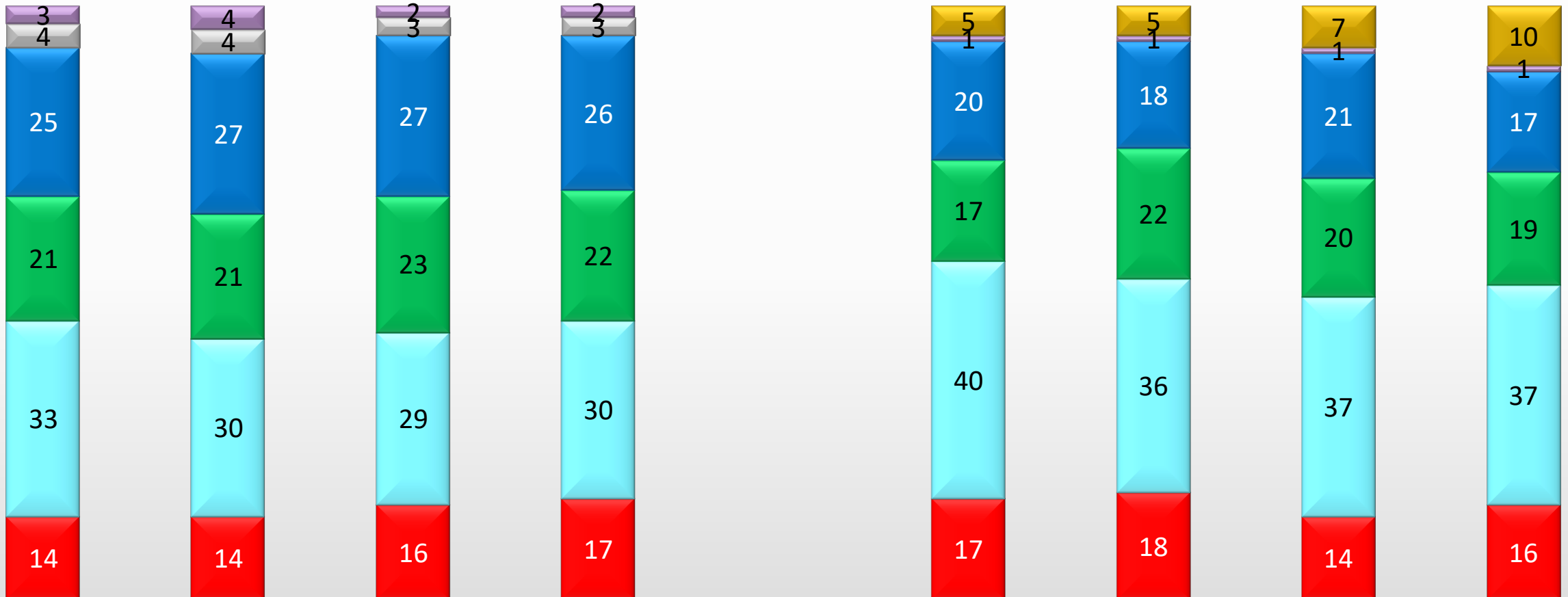


← **Best bank for business banking apps** →

← **Best bank for digital business banking** →

Setting the Scene: Nominate as the best bank for... (%) 2019 to 2022

■ Absa
 ■ FNB
 ■ Nedbank
 ■ Standard
 ■ RMB
 ■ Investec
 ■ Capitec

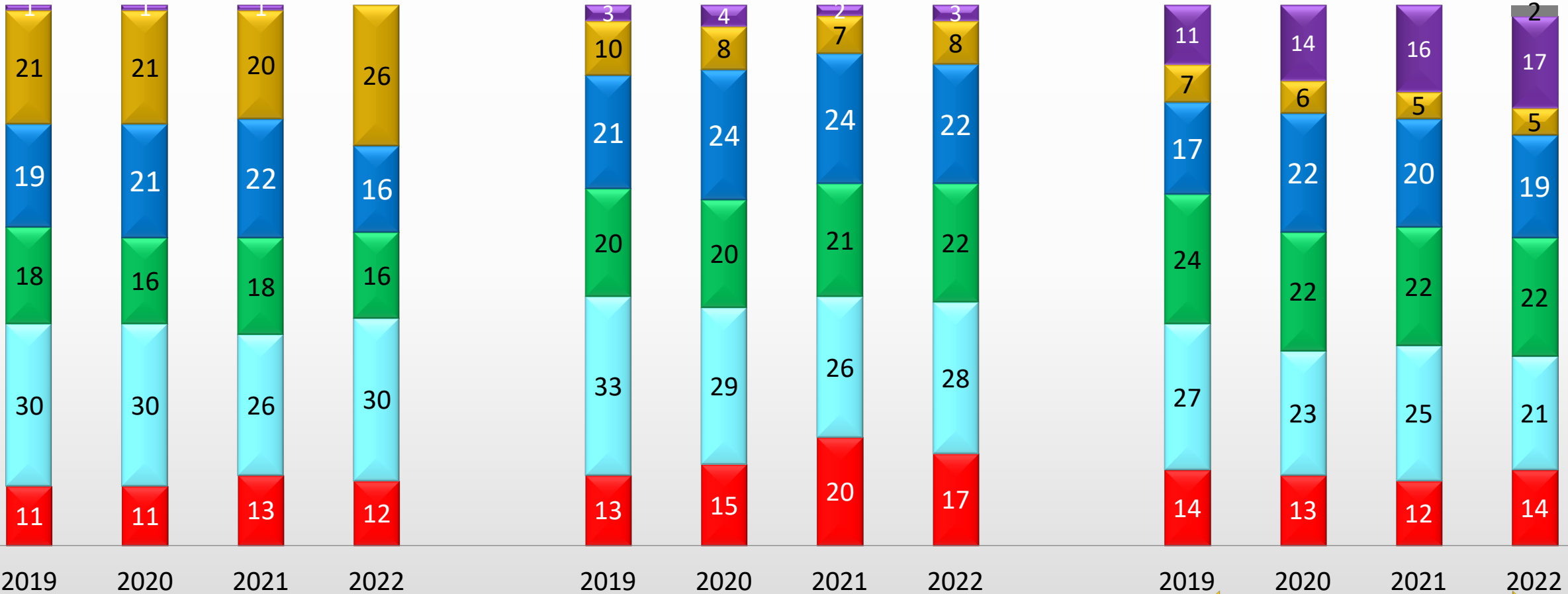


←
→
Best bank for corporates

←
→
Best bank for small to medium businesses

Further nominations on how the banks are perceived (%) 2019 to 2022

■ Absa
 ■ FNB
 ■ Nedbank
 ■ Standard
 ■ Capitec
 ■ Investec
 ■ RMB



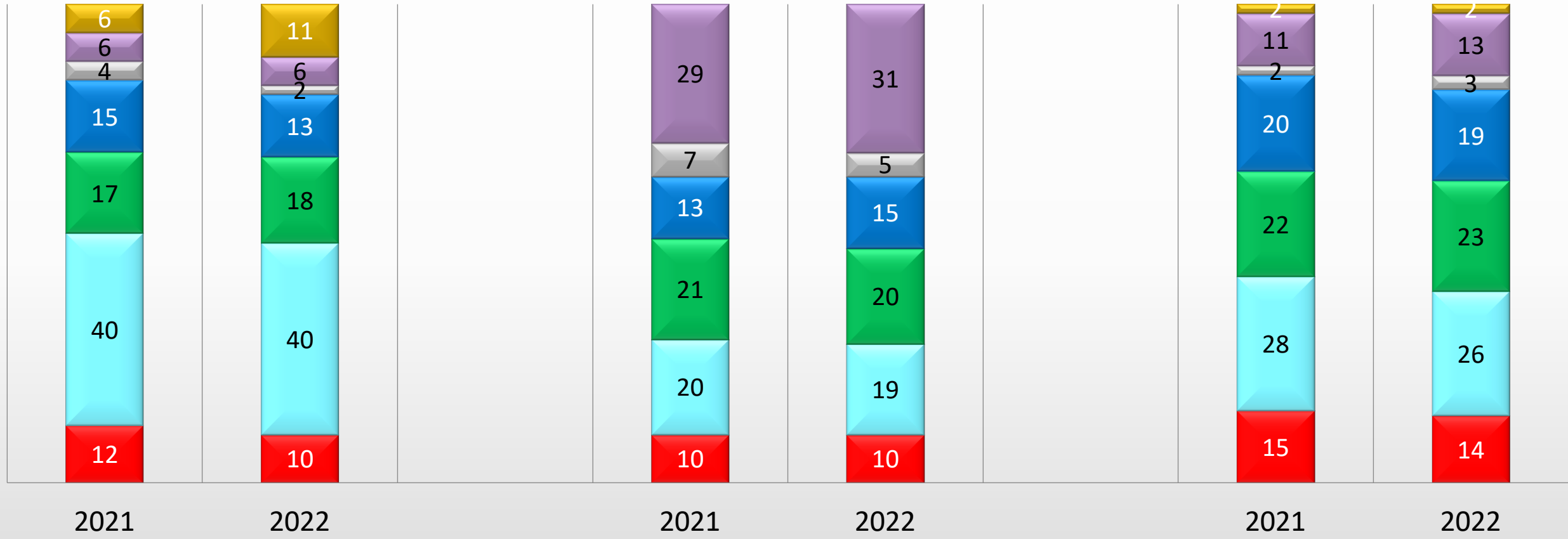
Competitive banking fees and charges

Better rates on finance

Better interest rates on deposits and investments

Further nominations on how the banks are perceived (%) 2021 & 2022

■ Absa
 ■ FNB
 ■ Nedbank
 ■ Standard
 ■ RMB
 ■ Investec
 ■ Capitec



Bank for Entrepreneurs

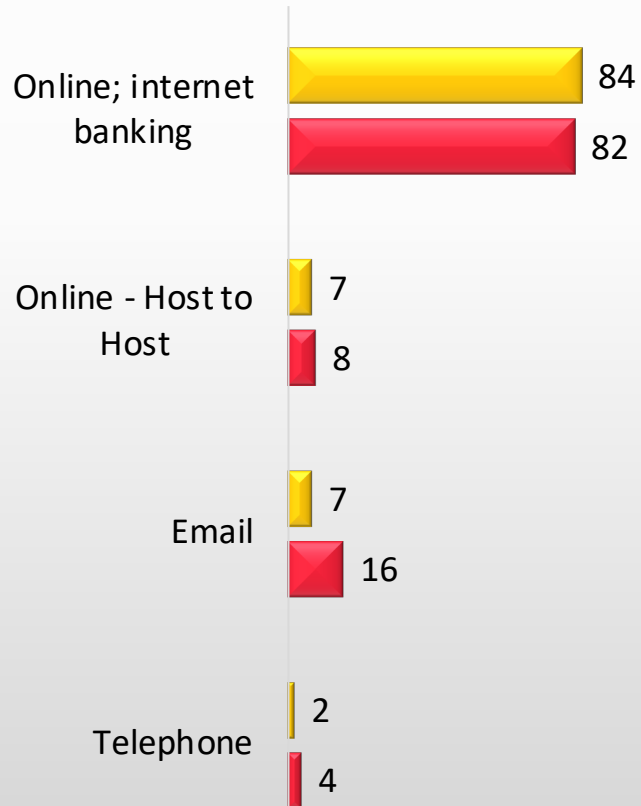
Bank for Professionals

Employs Best Staff

Channels used for forex related transacting and preferred channel. Levels of trade into Africa (%)

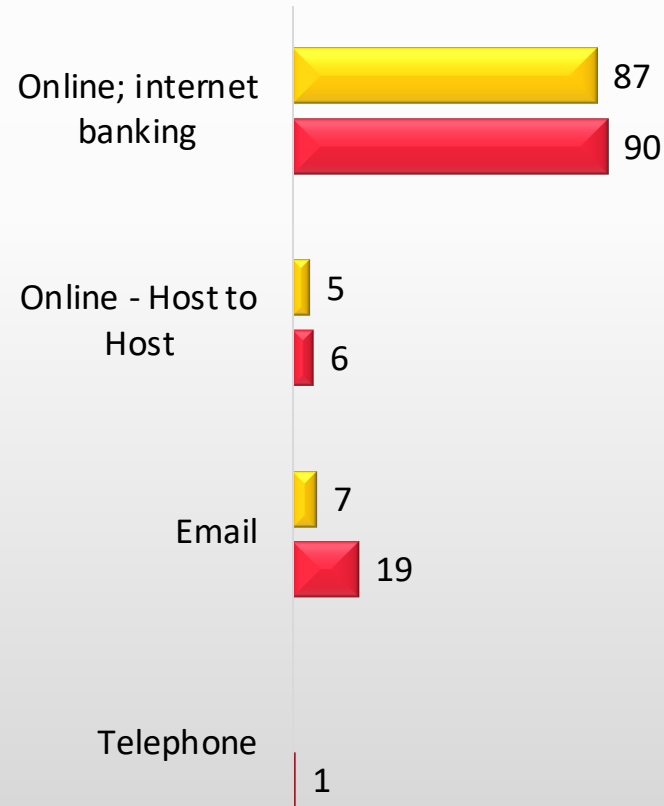
2021

- Preferred channel (one response)
- Channels used (multiple responses)



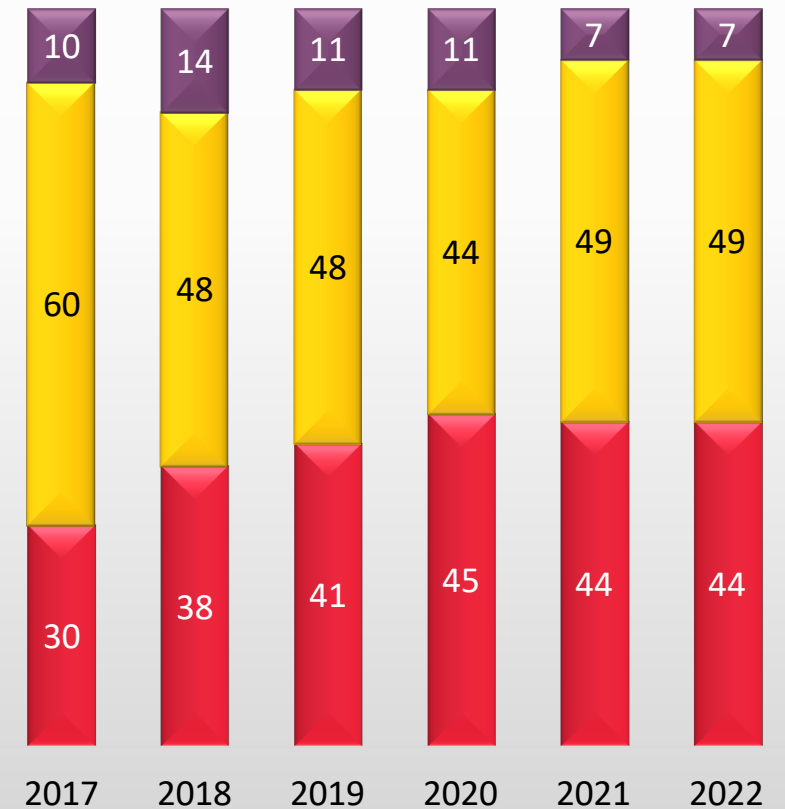
2022

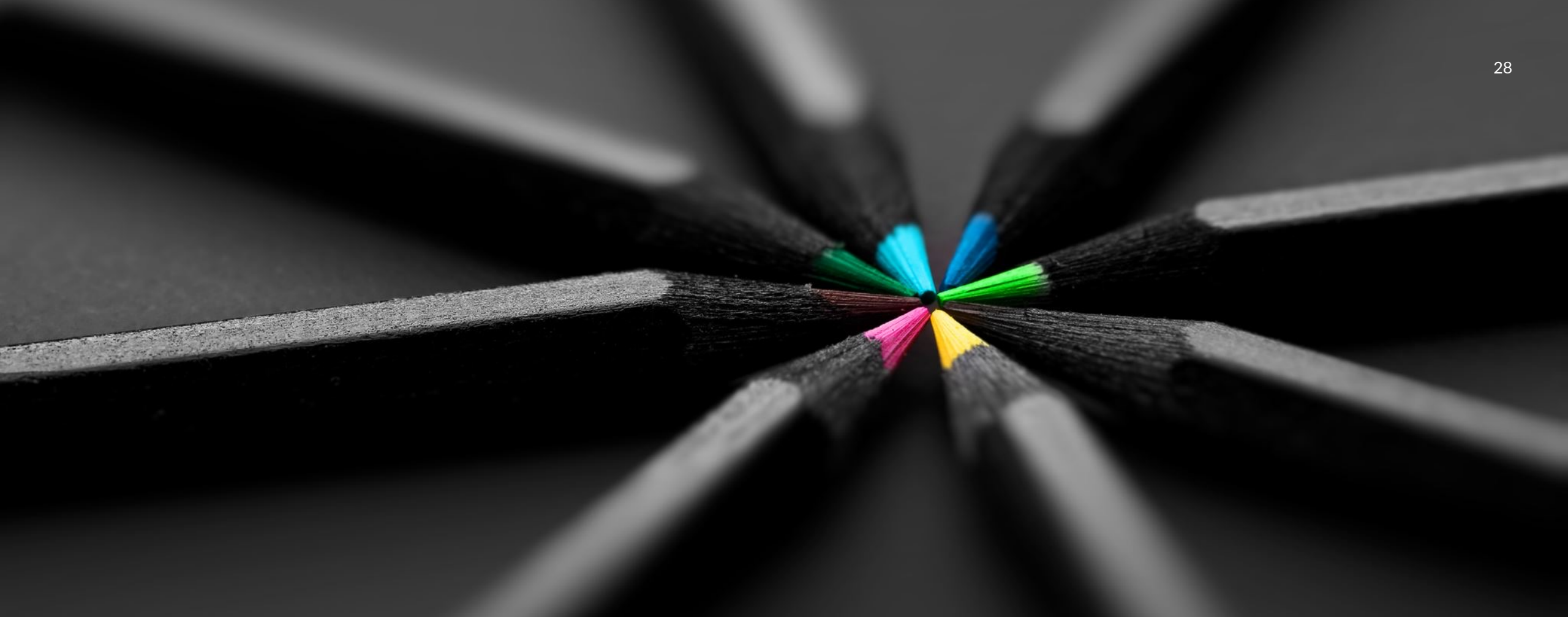
- Preferred channel (one response)
- Channels used (multiple responses)



Levels of trade into Africa over the next 2 years? (%)

- Static
- Increase
- Increase significantly





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