

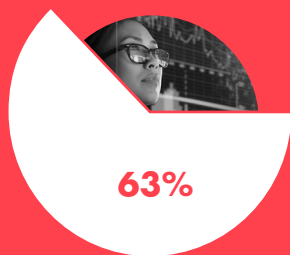
# Digital transformation: Where are Australian banks on their transformation journey?



The inside story from 70  
Australian banking leaders

To get the inside scoop on the state of digital transformation in Aussie banking, we surveyed 70 senior banking leaders for their insights. We asked them how their transformations are going, what their main challenges are and how they're prioritizing their transformation strategies. **Here's a snapshot of what we found.**

## KEY STATS AT A GLANCE



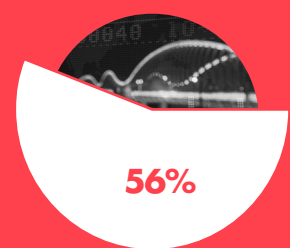
Have a clearly articulated digital transformation strategy.



Have yet to make significant progress implementing this strategy.

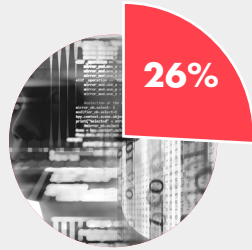


Claim their organization has embraced a fully agile operating model.

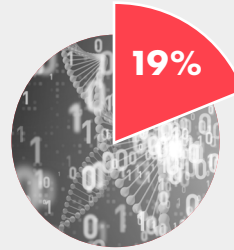


Say customer-centricity is driving key decisions in their organization.

The top priorities for digital business transformation in Australian banks are:



Improving the customer experience



Growing revenue with new products and/or service offerings



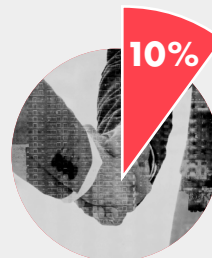
Reducing costs through improved efficiency



Growing revenue from existing products



Enabling greater agility



New customer acquisition



Challenging the threat posed by new market entrants (e.g. Google, Apple, Amazon)

The three main barriers to digital transformation are:

### REGULATORY CHALLENGES



said changes in regulation were their biggest barrier to digital transformation.

### LACK OF OPERATIONAL AGILITY



think that a lack of operational agility is a problem for them, with just one in four claiming to have a fully agile operating system.

### LEGACY TECH



believe their legacy IT systems are holding them back, with two thirds planning to modernize their old systems rather than replace them.

## Customer experiences priorities in Australian banking

We asked our 70 Aussie banking leaders how they're planning to transform their CX.



**39%**

combining customer data across systems to build a richer understanding of their customers and their relationship with them.



**37%**

are putting omnichannel services at their top of their list to advance their CX transformation by having products seamlessly available across all channels.



**36%**

are putting creating new services and products at the center of their CX strategy.

## What's driving digital transformation?

### CHALLENGERS AND FINTECHS

**57%** 

said increased competition from digital-first challengers and fintechs.

### CUSTOMER EXPECTATIONS

**47%** 

said changing customer expectations.

### INCREASED COMPETITION

**44%** 

said increased competition from direct competitors.

## Three priorities for operational transformation

We asked our 70 bankers about their operational transformation priorities.



**58%** think they're ahead of their competitors

in creating personalized customer experiences.



**33%** think they're behind the competition

when it comes to optimizing the customer experience.

## What about ESG?

When asked about their approach to environmental, social, and governance (ESG) issues, two thirds of banks said they had evaluated their risk and believe their ESG investment gives them a competitive advantage.

### DIGITAL TRANSFORMATION



say ESG is a key driver of their digital transformation plans.

### ESG CREDENTIALS



said they're feeling significant pressure to improve their ESG credentials.

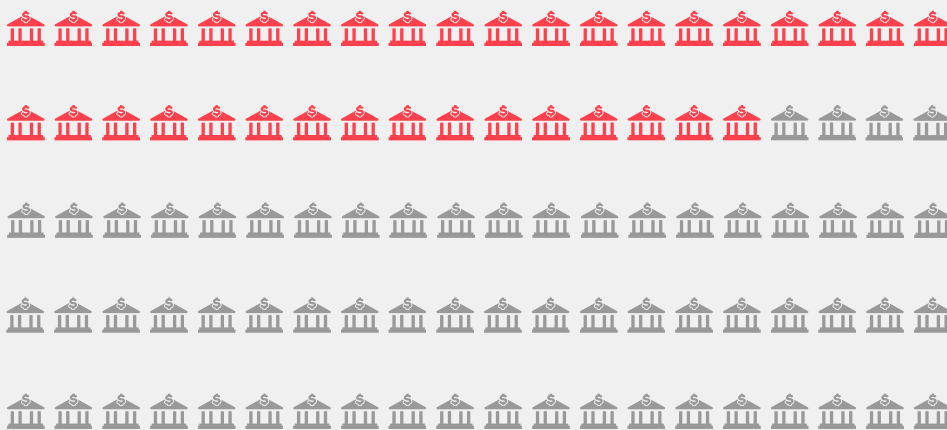
### ESG PERFORMANCE



said they don't have the data, capabilities or processes in place to assess their ESG performance.

## Ahead of the curve on diversity

Australian banks are holding their own in driving diversity, equity and inclusion, with 36% of those asked saying their organization has made DEI commitments – slightly above the global average of 35%.



### ADAM FLESCH

Senior Director, Strategy and Consulting, APAC  
[adam.flesch@publicissapient.com](mailto:adam.flesch@publicissapient.com)

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