

Where are Middle Eastern banks on their digital transformation journey?



The inside story from 90 senior Middle Eastern banking leaders

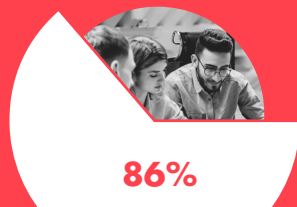
How are banks in the Middle East progressing with their digital transformation? To find out, we surveyed 90 senior MEA banking leaders to discover their insights, their challenges and how they're prioritizing their transformation strategies. **Here's a snapshot of what we found.**

KEY STATS AT A GLANCE



31%

Have a fully agile operating model in place



86%

Say they have a clear digital transformation strategy.



57%

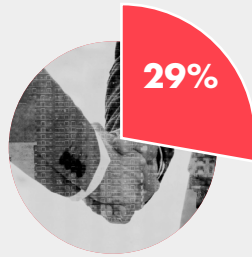
Have made significant progress implementing their transformation strategy.



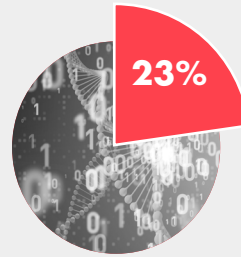
76%

Claim key decisions in their organization are being driven by customer-centricity.

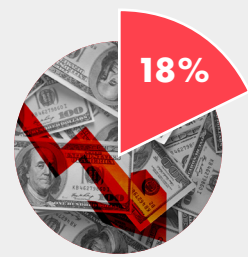
The top priorities for digital business transformation in Middle Eastern banks are:



Growing revenue with new products and/or service offerings



Improving the customer experience



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



Growing revenue from existing products



Reducing costs through improved efficiency



Enabling greater agility



New customer acquisition

The three main barriers to digital transformation are:

COVID-19

48%

said the pandemic was their biggest transformation barrier, with 71% believing the increasing demand for digital channels during the pandemic will continue over the next 12 months.

THE FAILURE OF PAST DIGITAL INVESTMENTS

34%

said their biggest transformation barrier is the failure of past digital investments, though 52% admitted the need for change, citing increased customer demand.

REGULATORY CHALLENGES

30%

describe challenges with regulations as their top digital business transformation barrier.

Customer experience priorities for Middle East banks

Data, product and marketing listed as the key focus for transforming the customer experience.



44%

said their main customer experience priority is being able to combine customer data across different systems to obtain a richer understanding of their customers.



42%

are prioritizing being able to offer new services and products to help advance their customer experience transformation.



38%

said advanced marketing and branding was a priority. Interestingly, no other region listed this as a key focus.

What about operational transformation?

We asked our 90 banking leaders about their operational transformation priorities. Here's what they said.

MODERN CLOUD

42% 

declare modern cloud-based systems to be their top priority for operational transformation — similar to the pattern seen in Australia.

DEVELOPING NEW TALENT

42% 

said investing in developing new talent is an operational priority, compared to just 24% focusing on existing talent.

DATA AND ANALYTICS

38% 

rate gaining insights from data and analytics to better understand their customers as their main focus.

How do banks in the Middle East think they rank against the competition?



66%

of banks think they're ahead on all fronts.



21%

think they lag their competitors in key development area

How are Middle East banks approaching ESG?



DIGITAL TRANSFORMATION

78%



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



STRATEGY

70%



think their ESG strategy is giving them a competitive advantage.



ESG CREDENTIALS

44%



are feeling significant pressure to improve their ESG credentials.

Ahead on diversity

Middle Eastern banks are way ahead of the global average when it comes to driving diversity, equity and inclusion, with 49% of those asked saying their organization has made DEI commitments — compared to just 35% globally.



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