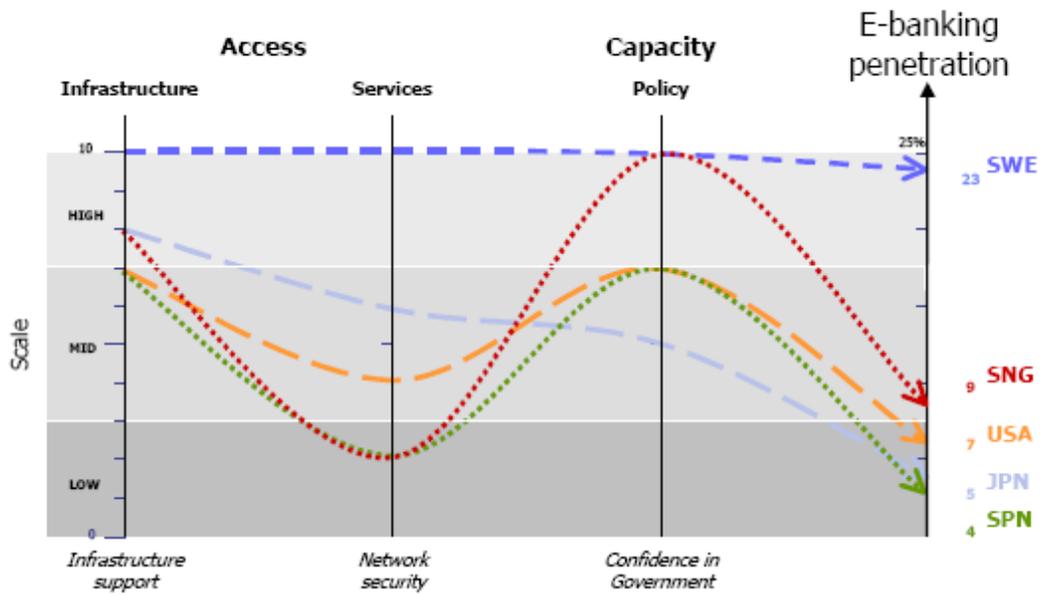
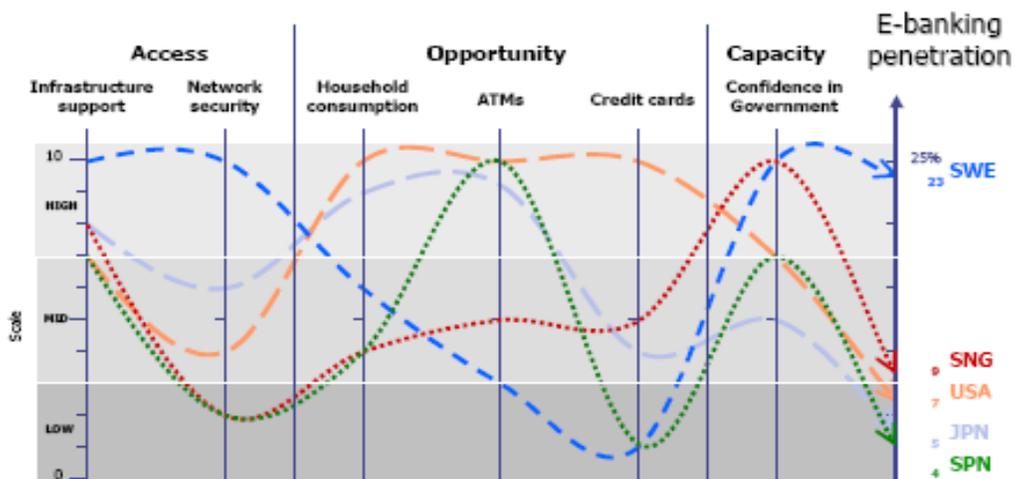


Pathways to e-Banking



Pathways to e-Banking (2)



America

The Americas

	2005 rank in region	2004 rank in region	Country	Overall ranking (of 65)	e-readiness score (of 10)
North America					
	1	1	United States	2	8.73
	2	2	Canada	12	8.03
Latin America					
	1	1	Chile	31	5.97
	2	4	Mexico	36	5.21
	3	2	Brazil	38	5.07
	4	3	Argentina	39	5.05
	5	6	Venezuela	45	4.53
	6	5	Colombia	48	4.18
	7	7	Peru	50	4.07
	8	8	Ecuador	55	3.83
Caribbean					
	1	n/a	Jamaica	41	4.82

Source: Economist Intelligence Unit, 2005

Europe

Western Europe

Western Europe

	2005 rank in region	2004 rank in region	Country	Overall ranking (of 65)	e-readiness score (of 10)
	1	1	Denmark	1	8.74
	2	3	Sweden	3	8.64
	3	7	Switzerland	4	8.62
	4	2	UK	5	8.54
	5	5	Finland	6	8.32
	6	6	Netherlands	8	8.28
	7	4	Norway	9	8.27
	8	8	Germany	12	8.03
	9	9	Austria	14	8.01
	10	10	Ireland	15	7.98
	11	11	Belgium	17	7.71
	12	12	France	19	7.61
	13	13	Spain	23	7.08
	14	14	Italy	24	6.95
	15	15	Portugal	25	6.90
	16	16	Greece	28	6.19

Source: Economist Intelligence Unit, 2005

Central and Eastern Europe

Central and eastern Europe

2005 rank in region	2004 rank in region	Country	Overall ranking (of 65)	e-readiness score (of 10)
1	1	Estonia	26	6.32
2	4	Slovenia	27	6.22
3	2	Czech Republic	29	6.09
4	3	Hungary	30	6.07
5	6	Poland	32	5.53
6	8	Slovakia	34	5.51
7	5	Latvia	37	5.11
8	7	Lithuania	40	5.04
9	9	Bulgaria	42	4.68
10	10	Romania	47	4.19
11	12	Russia	52	3.98
12	11	Ukraine	57	3.51
13	13	Kazakhstan	62	2.97
14	14	Azerbaijan	65	2.72

Source: Economist Intelligence Unit, 2005

e- Banking winners and losers in the near future

Mobile payments (m-payments, payment concluded using mobile phone), as part of m-banking, were first introduced in Estonia in summer 2000, when larger banks and mobile network providers launched m-parking services. M-parking makes it possible to pay for car parking in the biggest Estonian towns via a mobile phone. The next step was taken the year later, when **Hansa bank and the Union Bank** introduced m-payments in a bar called Wall Street in Tallinn. According to the Card Centre for Banks, 570 service providers had joined this payment technology system by end-August 2003. M-payment is actually a substitute for cash and bank card payments. According to estimates, m-payments will replace 20% of bank card payments and 50% of cash payments in the next two-three years. M-payments will change the current cash circulation practice in many ways:

- **ATM usage decreases**, as people use less cash.
- If the amount of cash in circulation decreases, the **efficiency of banking sector will increase**, as:
 - **Customer-related banking transaction costs decrease** (less cash fees to pay),
 - **Shop keeper and service provider costs decrease** (no need for encashment services and cash accounting),
 - **Bank costs decrease** (cash storage, checking and processing costs decrease).
- **Other m-banking services**, such as WAP, **have certain technical constrictions** that prevent their wide spreading:

- **Mobile phone interface is not very user-friendly** (the screen is small, it is difficult to handle long texts);
- **It is difficult to input data through a mobile phone**, as mobile phones and the buttons are becoming increasingly smaller;
- **Data transfer is constricted due to slow speed and the cost of connections** (even GPRS systems allow connection with a speed comparable to modem data transfer speed);
- **Security constrictions** (scripting is less secure than Internet bank script, possible SIM card (smart card containing user data) copying).

Challenges for e-Banking application vendors

Vendors without a component-based solution will face a challenging growth outlook, particularly those that offer solutions that only offer internet-specific solutions that are unable to be integrated effectively into the other channels. As such, it is critical that vendor applications offer a high degree of componentization to enable cost-effective re-use across multiple channel systems.

Enabling cross-channel process orchestration as well as basic data integration across channels is emerging as a major vendor selection criterion. This will become even more critical as banks seek to migrate towards service-oriented architectures.

Proven implementation capability and reference sites are core to establishing credibility. Although Banks has become more receptive to vendor solutions, an ongoing challenge for e-Banking application providers is establishing strong reference sites in leading European banks.

Typical online banking usability problems

In its widest sense, online banking consists of three main parts: the 'brochureware' marketing pages, the online application, and the transactional banking area. All can provide poor customer experiences:

- inconsistent navigation and page layouts
- on-site search engines that don't find, even when it is available
- bank-oriented jargon that is not explained
- poor feedback using interactive tools and forms
- inability to save an application and complete it later
- too many steps in transactions and no visibility of progress
- unhelpful error messages
- pages that are inaccessible to customers who are blind or disabled