

Digital Transformation Being Pushed at Faster Rate by Financial Services Firms, New Broadridge Survey Finds

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Increase in implementation and interest in AI, the Cloud and blockchain

NEW YORK, Jan. 18, 2022 /PRNewswire/ -- Financial services firms who invested in next-gen technologies and continued their digital transformation push in 2021 are already experiencing the positive effects of these investments, according to a new global survey of 750 financial service firms, released today by global fintech leader **Broadridge Financial Solutions** (NYSE: BR).

Broadridge's Next-Gen Technology Survey scored firms on progress in three key areas of digital transformation: experiences, workflows and analytics. It also evaluated progress in developing the strategic and organizational components of transformation, as well as use of next-gen technologies such as AI, blockchain and the Cloud to categorize firms as Beginners, Implementers, Advancers or Leaders in the Broadridge Digital Transformation Maturity Framework.

Broadridge's Next-Gen Technology Adoption Survey found that leaders at financial services firms that were further along in their digital investments were 1.5x more likely to report increased revenues as a result of their digital transformation than those in the earlier stages.

"This year's survey confirms that leading firms are more driven than ever to implement the key pillars of a digital-first future. As a result, digital transformation leaders are seeing accelerated growth," said Tim Gokey, Chief Executive Officer of Broadridge. "Digital leaders are succeeding with a clear vision and roadmap that prioritizes digitized communications, experiences, and workflows leveraging strong data and analytics."

Main Drivers for Digital Transformation: Customer Experiences and Communications

In 2021, financial services organizations continued to invest in digital channels to stay in touch with clients, with the majority of respondents citing the need to enhance the customer experience as a key driver for their digital transformations.

Digital communications became more vital during the pandemic, with firms looking to offer a more seamless, personalized and interactive experience across channels to keep up with changing customer expectations.

As a result, three-quarters of firms are prioritizing digitized customer experiences now. In terms of the top three priorities for digital transformation in the next two years, customer interaction was the highest priority (77%), with operations (69%) and sales and marketing (68%) following closely behind.

Though around 75% of all firms surveyed are in the mid-to-advanced stages of digitizing and transforming their client experiences, approximately 25% still have work to do to keep up with industry leaders.

Prioritizing AI, Blockchain and Cloud Implementation

In terms of next-gen technologies that underpin digital transformation, artificial intelligence (AI) experienced the biggest jump in implementation levels at financial services firms. It increased from one-quarter (25%) of firms at mid-to-advanced levels of implementation in Broadridge's 2020 survey, to nearly two-thirds (61%) in this year's survey. The study also found that firms plan on continuing to fast-track their AI journeys – more than three-quarters of firms expect to be in mid-to-advanced stages of implementation over the next two years.

Additionally, the study found a steady increase in interest in the Cloud and blockchain among financial services firms. The survey showed that while 78% of firms have already made considerable progress in their use of the Cloud over the past year, the number of firms reaching mid or advanced levels of implementation increased to 80% in 2021 and is expected to jump to 91% over the next two years.

When it comes to digital ledger technology, a similar trend emerges. Over the past year, the percentage of firms at the mid-to-advanced stages of implementation more than doubled from 15% to 37%, and the use of blockchain will only widen, with more than two-thirds (69%) of firms planning to reach the later stages of implementation in two years.

Though the study showed an increase in implementation and interest in AI, the Cloud and blockchain, challenges remain. The top three obstacles firms face in implementing these emerging technologies and accelerating digital transformation include: the rapid pace of technological change, the lack of a roadmap for innovation and the struggle to modernize IT infrastructure.

Leaders See Progress in Data and Analytics

Firms categorized as Leaders in the maturity framework are making good progress in their use of data and analytics. 95% are at a mid-to-advanced level of implementation; however, only 11% of beginners in the maturity framework were at mid-to-advanced levels of implementation, suggesting a need to focus additional efforts on this critical capability.

The study also revealed that two-thirds of firms have already begun setting up a centralized data platform with access to data across divisions, enabling them to serve customers more holistically and make better strategic decisions.

The full Broadridge Next-Gen Technology Adoption survey can be found [here](#).

Methodology

This Broadridge survey was conducted by ThoughtLab Group to understand how financial services companies are digitally transforming and adopting AI, blockchain, and the Cloud technologies. The study scores firms on people factors, strategic mindset and adoption of next-gen technologies to categorize firms as Beginners, Implementers, Advancers or Leaders in the Broadridge Digital Transformation Maturity Framework. C-Suite executives and their direct reports from 750 financial institutions globally were surveyed, with fielding completed Nov 2021. The total assets or AUM of companies in the sample ranged from \$1 billion to over \$500 billion. For further details on survey methodology, please contact a Broadridge media representative.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance, and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 13,000 associates in 21 countries. For more information about us, please visit broadridge.com.

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