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Top Trends in Technology and Banking: 2024 Eye on Innovation Winners

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Top Trends in Technology and Banking: 2024 Eye on Innovation Winners

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Initiatives: Banking Industry Technology Insights; Financial Services Industry Business Insights

The Gartner Eye on Innovation Awards for Financial Services recognizes banking and investment firms worldwide for their best-in-class innovations. APIs, D&A and AI are prominent technologies in the 2024 edition, which banking and investment services CIOs can use for their own innovation efforts.

Overview

Key Findings

- APIs, data and analytics (D&A), and automation were some of the most leveraged capabilities among banks and investment firms that submitted entries for the 2024 Gartner Eye on Innovation Awards for Financial Services. Most submissions made use of multiple technologies to deliver desired IT and business outcomes.

- The main outcomes sought include innovating products and services, driving digital transformation and improving customer centricity and operational efficiency.

- Submissions from those selected as finalists for the awards incorporate APIs and AI at a much higher rate than all other submissions, demonstrating the strong potential of these technologies to drive innovation and positive business outcomes.

Recommendations

CIOs looking to apply similar innovations to their financial institution should:

- Prioritize developing foundational capabilities (such as data architecture, skills, risk management framework and governance principles) that support the integration of AI and advanced analytics in their technology deployments.

- Review platforms, marketplaces and other API-enabled ecosystems for potential partner innovations that can bring opportunities for growth, either through new points of sale or through new offerings that can enhance or add to their product set.

- Identify processes (such as onboarding, fraud detection or credit decisioning) that still have potential for further automation through advanced technologies such as intelligent document processing (IDP), advanced D&A, and AI.

- Work with business leaders and other stakeholders to review investments in and deployments of D&A, AI and automation through the lens of how those technologies will advance customer centricity and digital maturity. Examples include expanding credit access through the use of transactional data, deploying AI for increased personalization and applying automation to free up staff to focus more on added-value, customer-facing activities.

Analysis

Gartner Eye on Innovation Awards for Financial Services Banking

The Gartner Eye on Innovation Awards for Financial Services collected 322 unique innovation projects from 194 banks, investment services firms, payment providers and lending companies across the globe in 2024. By analyzing innovation patterns, including what finalists and winners do differently from others, banking and investment services CIOs can make better decisions about allocating resources to support innovation and maximize business outcomes.

APIs Are the Leading Enablers of Innovation in 2024

The top three technology themes represented in Eye on Innovation submissions among banks and investment services firms in 2024 are APIs, D&A and automation (see Figure 1). The prevalence of APIs, represented in 52% of all submissions, is a major break from the previous year. In 2023, APIs were the ninth most prevalent technology, representing only 15% of submissions. This year's figure is in line with the expectations set in the 2023 Gartner CIO Survey, where 54% of financial services CIOs indicated they would be increasing investment in APIs.

Figure 1: Top Technology Themes Among 2024 Submissions

APIs Are Most Represented Among Eye on Innovation Submissions and Finalists
Top technologies among 2024 Eye on Innovation in banking submissions
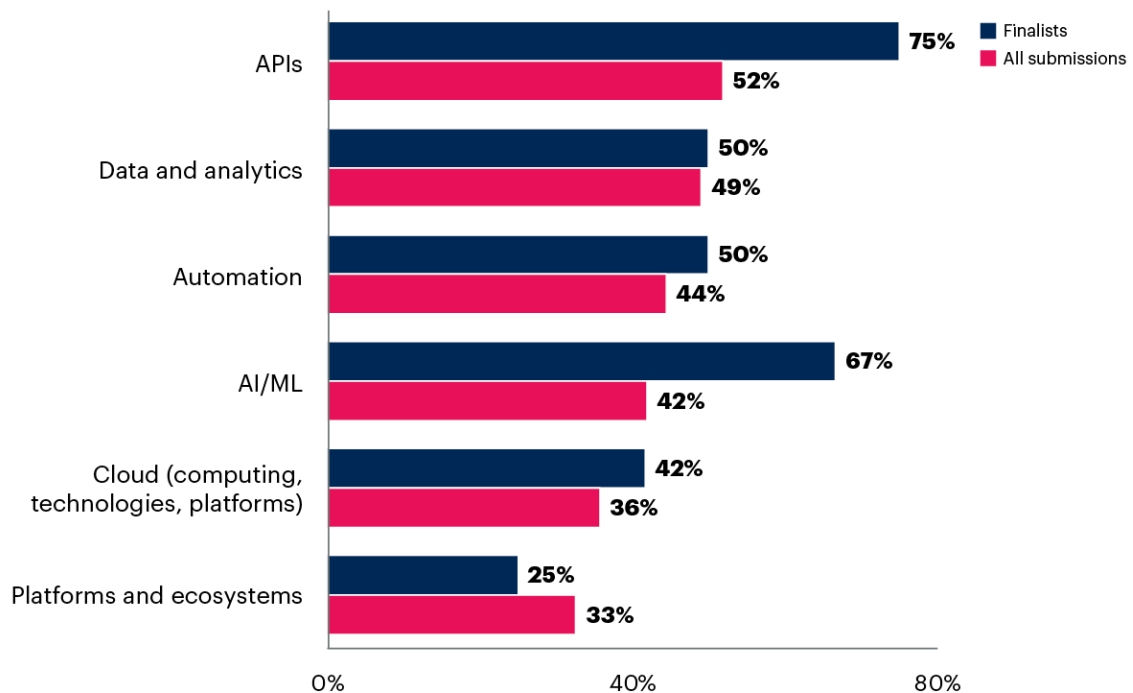
n = 322 submissions in banking, investment services, lending and payments, 12 finalist submissions

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
AI/ML = artificial intelligence/machine learning
Note: AI/ML is used to designate the diverse AI technologies and techniques employed by submissions.
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This year's submissions also show a focus on integrating multiple technologies to deliver innovation, as no single technology can be deployed effectively in isolation. The growing importance and ubiquity of APIs reflect an understanding of the power inherent in connecting data, systems and technologies. Such approaches enhance not just financial institutions' access to data, but also their value propositions, capabilities and market opportunities.

Besides APIs, other technologies showing jumps in their rate of inclusion in submissions from 2023 to 2024 include:

- **D&A,** from 26% of all submissions in 2023 to 49% in 2024

- **Autmation,** from 18% of submissions in 2023 to 44% in 2024

- **Generative AI,** from 10% of submissions in 2023 to 21% in 2024

The increase in GenAI, in particular, is not surprising, given the rapid development of that technology and the hype around it. However, it is interesting to see the expansion of submissions centered on D&A and automation. Both have been around for a while, but advances in underlying technologies, including AI and API-enabled integrations, may have helped give both a boost.

APIs and AI Distinguish Award Finalists From Other Submissions

While 52% of all submissions incorporate APIs, a much larger percentage of finalists — 75% — make use of them, underscoring their importance in driving notable innovation outcomes. AI and machine learning (ML) [1] also show a large gap between finalists and overall submissions (67% versus 42%). AI technologies have seen a major uptick in deployment since 2023, when they were represented in only 27% of all submissions. Other technology capabilities with greater representation among finalists are automation and the cloud, suggesting the power that both have in driving efficiency and scale.

Innovations tied to platforms and ecosystems are somewhat underrepresented among finalists in comparison with all submissions. This seems somewhat surprising given the ubiquity of microservices, APIs, partner ecosystems, marketplaces and composable solutions. The underrepresentation of platforms and ecosystems does not mean they are lagging when it comes to their role in innovation. It's the advances in APIs and AI, though, that are enhancing the capabilities and impact of platforms and ecosystems as they continue to reshape banking.

Finalists Focus Most on Customer Centricity as a Goal of Innovation

Eye on Innovation submissions seek a wide range of outcomes. It cannot be said that one outcome in particular stands out among all entries, especially since participants were able to select multiple potential outcomes. Not surprisingly (given that innovation was the point of submissions), innovating products and services constitutes a desired outcome for a large percentage (54%) (see Figure 2).

Driving digital transformation and maturity was also cited as a goal by 54% of participants. On the face of it, this might seem surprising to some, as financial institutions have been digitally transforming and maturing for a long time. Advances in technologies like AI and APIs are undoubtedly helping drive those outcomes forward. What is possible in digital transformation and maturity today was not as easy just a few years ago.
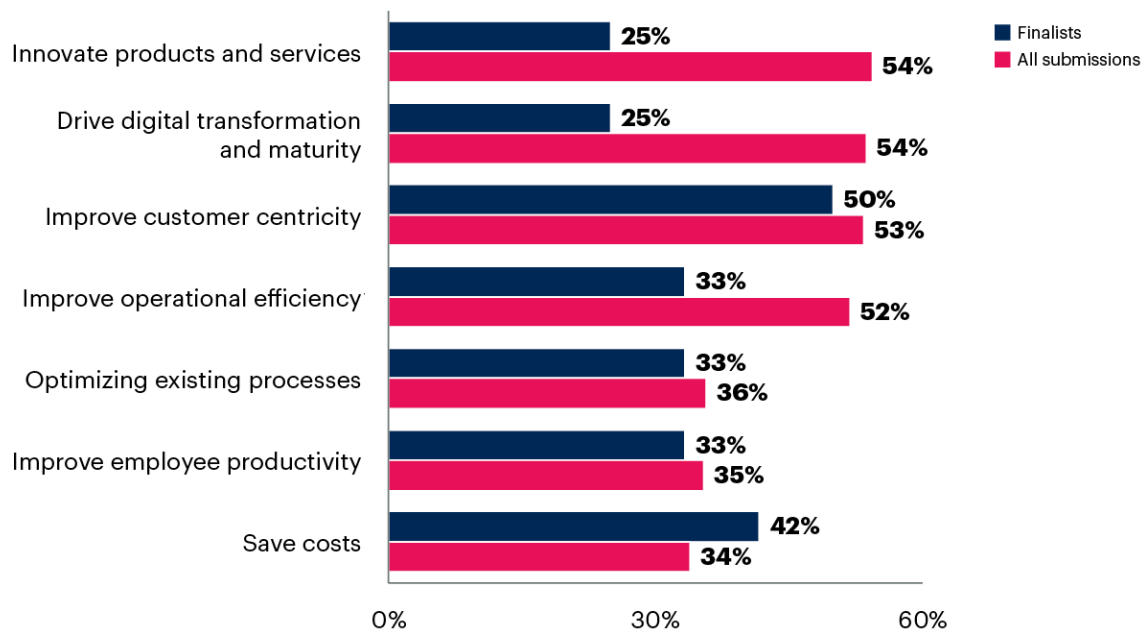
Improving customer centricity, cited as a desired outcome by 53%, also spurred the innovations submitted, as did improving operational efficiency, named in 52% of submissions. It is worth noting that, among finalists, customer centricity dominates as a desired outcome (50%), likely in large part because of its impact on revenue.

Saving costs is the only goal more represented among finalists than among all submissions (42% versus 34%), perhaps reflecting the relatively straightforward calculations of ROI from initiatives aimed at cost savings.

Figure 2: Eye on Innovation Submissions Sought a Wide Range of Outcomes

Eye on Innovation Submissions Sought a Wide Range of Outcomes
Top six outcomes represented in banking submissions and finalists

Legend: ■ Finalists ■ All submissions

Outcome	Finalists	All submissions
Innovate products and services	25%	54%
Drive digital transformation and maturity	25%	54%
Improve customer centricity	50%	53%
Improve operational efficiency	33%	52%
Optimizing existing processes	33%	36%
Improve employee productivity	33%	35%
Save costs	42%	34%

n = 322 submissions in banking, investment services, lending and payments, 12 finalist submissions

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
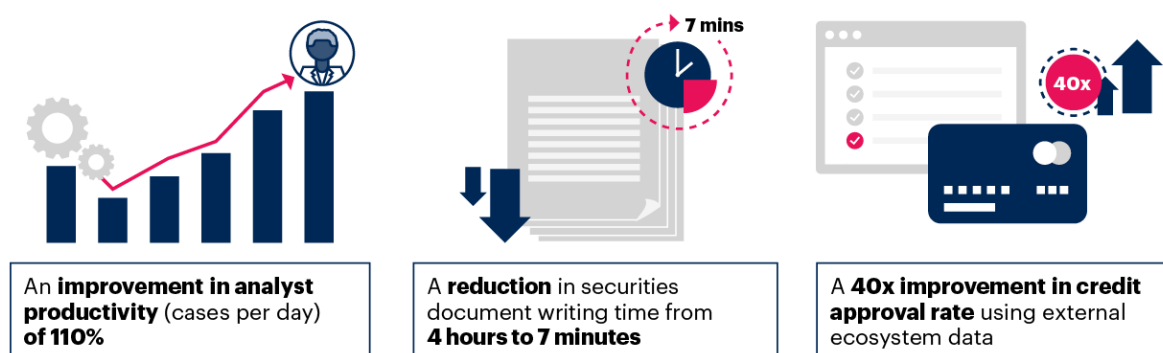820500_C

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Among all submissions, the dominance of broad goals (like innovating products and services, driving digital transformation, and improving operational efficiency and customer centricity) over more narrow ones (like optimizing processes or improving staff productivity) might reflect the nature of innovation itself. By definition, innovation efforts have to be somewhat open-ended, precisely because they represent new directions that cannot be mapped until they actually begin to coalesce and have an impact. In this sense, articulated desired outcomes can tend to be broad.

Finalists, it should be noted, did show that they had achieved their desired outcomes. For instance, the focus of innovations on employee productivity, operational efficiency and customer centricity was reflected in actual reported results (see Figure 3). Finalists could point to significant staff productivity improvements, as well as an improvement in credit approval rates through external ecosystem data. Back-end improvements, such as reductions in document writing time, work to the benefit of staff, who can perform work faster and with fewer errors, thus shortening processing time for clients. These results point to greater efficiencies and a better client experience.

Figure 3: Eye on Innovation Finalists Achieved Major Improvements Across a Variety of Metrics

Eye on Innovation Finalists Achieved Major Improvements Across a Variety of Metrics
Selected results achieved by 2024 finalists

An **improvement in analyst productivity** (cases per day) **of 110%**

A **reduction** in securities document writing time from **4 hours to 7 minutes**

A **40x improvement in credit approval rate** using external ecosystem data

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
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The Winners: 2024 Eye on Innovation Awards for Financial Services (Banking and Investment Services)

The Americas

Common themes among finalists in the region:

- **Improving access to financial services**: Many innovations use transactional data, as well as data from partners, to expand credit to groups traditionally unable to access it. These innovations allow financial services firms to streamline customers' ability to file applications and access their services.
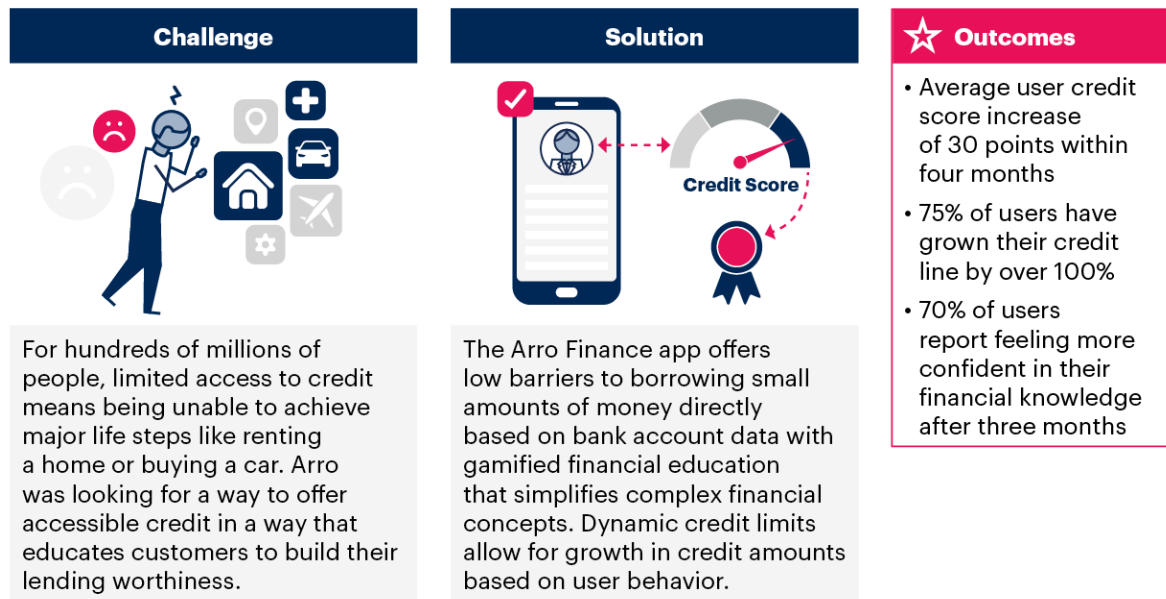
- **Embedding in ecosystems**: Innovations are geared to working with a wide range of partners to exchange data, embed products in third-party services and otherwise improve customer experience without asking the customer to do more.

The winner in the Americas was Arro Finance with its lending app (see Figure 4).

Figure 4: Americas Winner — Arro Finance

Americas Winner: Arro Finance
Arro Finance lending app

Challenge	Solution	☆ Outcomes
For hundreds of millions of people, limited access to credit means being unable to achieve major life steps like renting a home or buying a car. Arro was looking for a way to offer accessible credit in a way that educates customers to build their lending worthiness.	The Arro Finance app offers low barriers to borrowing small amounts of money directly based on bank account data with gamified financial education that simplifies complex financial concepts. Dynamic credit limits allow for growth in credit amounts based on user behavior.	• Average user credit score increase of 30 points within four months • 75% of users have grown their credit line by over 100% • 70% of users report feeling more confident in their financial knowledge after three months

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
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EMEA
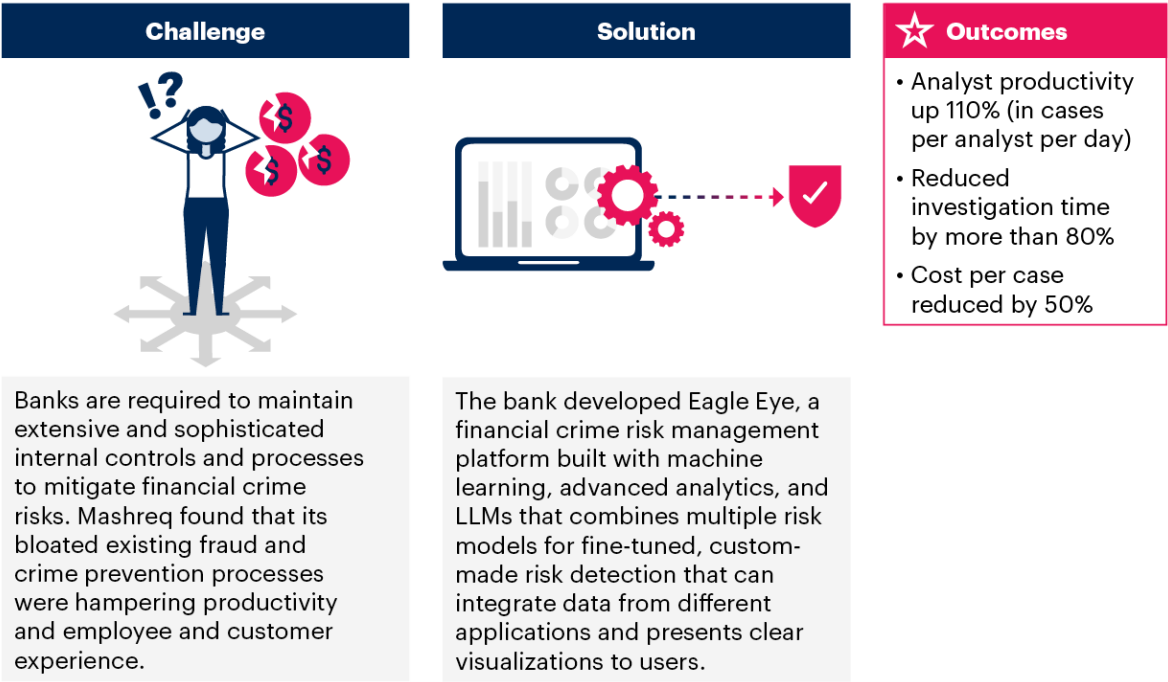
Common themes among finalists in the region:

- **ML-powered decision intelligence**: Several finalists deploy ML to vastly improve their decision-making abilities, including for identifying and acting on financial crime, measuring litigation risk in their claims portfolio and anticipating corporate banking client needs.

- **Client personalization**: Many innovations rely on technologies like generative AI, virtual digital assistants and APIs to offer highly personalized digital service to clients.

The winner in EMEA was Mashreq with its Eagle Eye financial crime risk management platform (see Figure 5).

EMEA Winner: Mashreq
Eagle Eye financial crime risk management platform

Challenge	Solution	★ Outcomes
Banks are required to maintain extensive and sophisticated internal controls and processes to mitigate financial crime risks. Mashreq found that its bloated existing fraud and crime prevention processes were hampering productivity and employee and customer experience.	The bank developed Eagle Eye, a financial crime risk management platform built with machine learning, advanced analytics, and LLMs that combines multiple risk models for fine-tuned, custom-made risk detection that can integrate data from different applications and presents clear visualizations to users.	• Analyst productivity up 110% (in cases per analyst per day) • Reduced investigation time by more than 80% • Cost per case reduced by 50%

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
LLM = large language model
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APAC

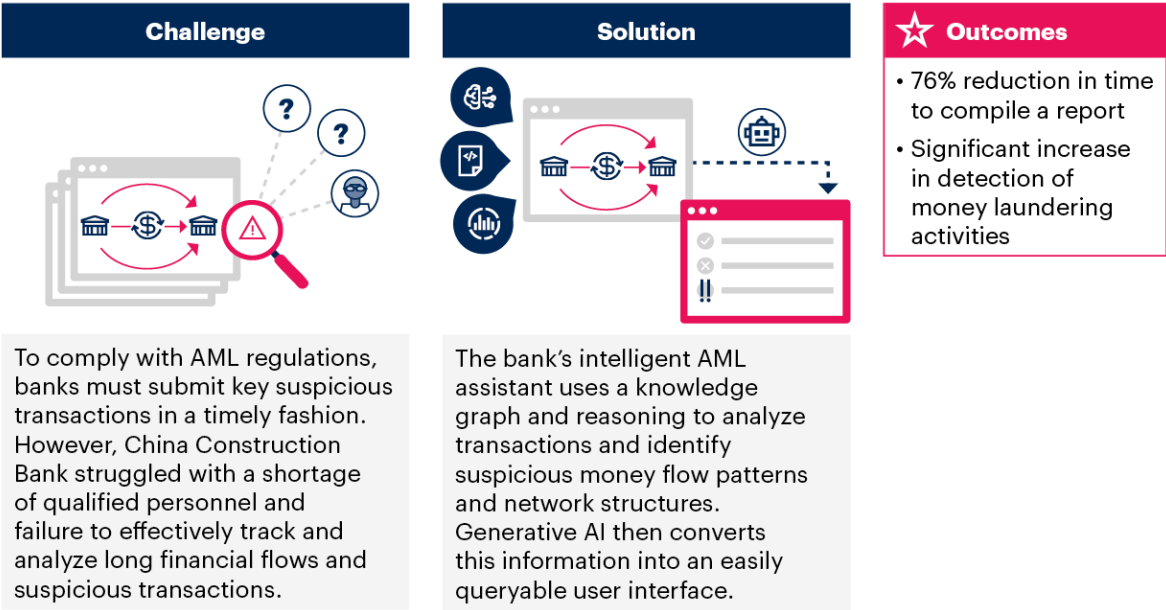Common themes among finalists in the region:

- **Operational efficiency:** Using a wide range of technologies, APAC finalists share a commitment to improving operational efficiency, with innovations including AI-powered document processing, a centralized marketing content hub, repetitive task automation and Internet of Things (IoT)-based logistics surveillance for supply chain finance.

- **Employee productivity:** APAC finalists use a variety of technologies like generative AI, automation, and IoT to greatly reduce the load of many tasks on employees and free them up from menial and repetitive tasks to focus on more value-added activities.

The winner in APAC was China Construction Bank with its large language model (LLM)- and knowledge-graph-based anti-money-laundering (AML) intelligent assistant (see Figure 6).

Figure 6: APAC Winner — China Construction Bank

APAC Winner: China Construction Bank
AML intelligent assistant based on LLM

Challenge

To comply with AML regulations, banks must submit key suspicious transactions in a timely fashion. However, China Construction Bank struggled with a shortage of qualified personnel and failure to effectively track and analyze long financial flows and suspicious transactions.

Solution

The bank's intelligent AML assistant uses a knowledge graph and reasoning to analyze transactions and identify suspicious money flow patterns and network structures. Generative AI then converts this information into an easily queryable user interface.

Outcomes

- 76% reduction in time to compile a report
- Significant increase in detection of money laundering activities

Source: 2024 Gartner Eye on Innovation Awards for Financial Services
ALM = anti-money-laundering; LLM = large language model
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For financial services leaders interested in learning more about the 2024 award winners and finalists or to participate in the 2025 awards, see the main awards page: Gartner Eye on Innovation Awards for Financial Services.

Evidence

2023 Gartner CIO and Technology Executive Survey. This survey was conducted to help CIOs and technology executives overcome digital execution gaps by empowering and enabling an ecosystem of internal and external digital technology producers. It was conducted online from 2 May through 25 June 2022 among Gartner Executive Programs members and other CIOs. Qualified respondents are each the most senior IT leader (e.g., CIO) for their overall organization or some part of their organization (for example, a business unit or region). The total sample is 2,203 respondents, with representation from all geographies and industry sectors (public and private). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

2024 Gartner Eye on Innovation Awards for Financial Services. The main objective was to understand innovative uses of technology to drive best-in-class initiatives at financial services organizations. Submissions were accepted online from 1 February through 31 May 2024. In total, we received 422 submissions from respondents who worked in financial services organizations. Respondents were sorted by region: EMEA (n = 144), Americas (n = 143) and APAC (n = 135).

[1] Submitters were provided with a list of technology categories and asked to identify those most closely associated with their innovations. One of these categories was listed as AI/ML, which was meant to be fluid enough to accommodate a range of related AI technologies and techniques. Strictly speaking, Gartner considers ML to be a subset of AI. However, to be consistent with the wording of the survey completed by submitters, AI/ML is used to designate the diverse AI technologies and techniques they employed.

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