



Orchestrating Growth: Turning Product and Pricing Innovation into Impact

A Celent report commissioned
by Zafin

Foreword by Bhavna Wadhwa

Chief Marketing Officer, Zafin

Zafin is pleased to share ***Orchestrating growth: Turning product and pricing innovation into impact***, an independent research report conducted by Celent. In every industry, digital ecosystems are redrawing the lines of competition. In banking, that shift is redefining where trust, scale, and customer relationships reside. Finance no longer happens only inside a bank's channels, it flows wherever people live, work, and transact.

This collaboration was born from a shared question:

Why do so many banks invest in innovation but still struggle to convert it into measurable impact?

The answer lies in execution – **in the ability to orchestrate value at speed and scale across products, partners, and platforms.**

Why Zafin commissioned this Celent report and why it matters now

For decades, banks stood at the center of financial life, acting as the gravitational core of trust, deposits, and customer relationships.

Today, that center has shifted. Finance now flows wherever customers live, work, and transact, across platforms, apps, and embedded journeys that are redefining what it means to be a bank. This evolution brings both disruption and opportunity.

Zafin's latest publication, ***Ecosystem banking: Redefining relevance in a platform economy***, highlights this inflection point. Banks still hold the endowments others cannot replicate: trust, scale, and regulatory resilience. But sustaining relevance now depends on how effectively those strengths are orchestrated across the ecosystems where customers already are.

Relevance is no longer guaranteed by holding the account. It must be earned through orchestration — unifying product, pricing, and governance logic into an execution backbone that lets banks move at the speed of their customers and partners.

That vision set the stage for this Celent report. We commissioned this research to provide an independent, evidence-based view on a shared question: why, despite bold innovation intent, do most banks still struggle to translate it into measurable impact? The findings are clear — the challenge is not imagination, but execution.

This report examines how banks can close the gap between innovation and execution, translating intent into measurable impact through modern architecture, partnerships, and orchestration.

The blueprint: From building blocks to execution

Celent's research identifies four foundational pillars of a modern banking enterprise:



Platform-based architecture:
decoupling product and pricing logic from the core to enable composability



Platform partnerships:
reorienting vendor management toward growth-focused collaboration



Customer centricity:
delivering real-time personalization and loyalty across segments



Embedded finance:
extending reach seamlessly into partner ecosystems and digital experiences

Together, these pillars enable banks to execute with agility, precision, and scale. Celent translates them into five strategic imperatives:

- ✓ **Assess infrastructure readiness, not just strategy**
- ✓ **Free product, pricing, and propositions from the core**
- ✓ **Deliver the next phase of customer engagement**
- ✓ **Structure for composability, not control**
- ✓ **Make orchestration a strategic competency**

These imperatives describe how banks can evolve from static manufacturing to dynamic orchestration, shifting from fragmented systems to an integrated execution layer that connects strategy to delivery.

They also align with Zafin's maturity journey. From Product Bank to Relationship Bank, to Ecosystem Bank — each stage strengthening a bank's ability to translate trust and scale into governed, outcome-driven value.

Why this matters for banking leaders

For banking leaders, the message is clear:

- Competing in ecosystems requires more than APIs or digital products
- Execution demands rewiring how value is created and delivered, decoupling from legacy systems, orchestrating propositions at scale, and embedding compliance and trust into every channel
- Banks' true advantage lies not in copying technology companies, but in leveraging trust, behavioral data, and orchestration to power high-impact financial moments

By combining Zafin's platform perspective with Celent's independent research, this paper offers both the why and the how: a roadmap for banks to build executional agility, governed growth, and long-term relevance.

We believe orchestration is now the defining capability of modern banking. The institutions that embed it at the heart of their architecture and operating model will lead the next era — shaping not only how banking adapts to the platform economy, but how it defines it.

Act now to define the future of banking

Join our Industry Advisory team for a tailored [executive workshop](#) on how orchestration can accelerate your institution's path to ecosystem-scale growth.

Celent.

Orchestrating Growth

Turning Product and Pricing Innovation into Impact

Colin Kerr

October 7, 2025

This Celent report was commissioned by Zafin. The analysis, conclusions, and opinions are Celent's alone, and Zafin had no editorial control over the report contents.

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Executive Summary

Banks are under increasing pressure to grow—but their innovation efforts often do not deliver the results they need. Despite rising investment in digital products, AI, and new experiences, many banks continue to face slow product and pricing launches, complex approval cycles, and limited personalization at scale. All the while, costs keep rising.

The challenge isn't a lack of ideas, it's execution: legacy infrastructure and operating models make delivery difficult. Most banks are still built around product-centric systems that weren't designed to support embedded delivery, real-time personalization, or orchestrated experiences across channels and ecosystems. They operate in siloed technology stacks, but also in siloed organizational structures. This creates inherent conflict in advancing business strategy and investment decisions.

To explore this, Celent asks and answers three critical questions:

1. Why are banks struggling to convert innovation into impact?

Celent's annual Dimensions survey and research insights show that banks around the world are prioritizing innovation, particularly in digital products, new customer interfaces, and AI. However, this innovation often remains at the product or channel level, focused on launching more features rather than re-architecting how financial value is created and delivered holistically to the client.

As a result, many banks struggle to turn innovation into measurable growth. Despite rising investment, retail and corporate banking leaders find it increasingly difficult to win and retain clients – a sign current investment strategy needs a foundational shift. These reports feature Celent's proprietary data about retail and corporate banking spending priorities.

[Dimensions: Retail Banking IT Pressures & Priorities 2025](#)

[Dimensions: Corporate Banking IT Pressures & Priorities 2025](#)

2. What structural changes are required to compete in digital financial ecosystems?

Beneath the surface, most banks are still operating with siloed product stacks, disconnected pricing tools, and (in the case of corporate banking) manual pricing approval chains. Much innovation is only skin-deep at the edges of the institution, not least because legacy systems and product complexity block agility, personalization, and distribution.

This fragmented foundation makes it difficult to personalize at scale, launch offers quickly or repeatedly deliver consistent pricing across channels and customer types. Leading banks free product components

from the core and orchestrate product management, personalization, offers, and pricing tools across the various lines of business and ecosystem.

This is “platform banking” – an operating model built for composability, speed, and scale across owned and partner-led ecosystems, with client experience at its core.

3. In the era of embedded finance, how can banks extend value while preserving speed, control and differentiation?

An ecosystem-ready architecture that spans the enterprise is the key to the puzzle. Product management can be enhanced as an AI-powered orchestration toolkit, with rule-based logic and AI, that composes and recomposes products, and enables bundling and re-bundling of pricing, offers, and rewards.

Such an orchestration layer enables banks to scale personalization, accelerate time-to-market, and deliver offers consistently across both internal channels and external ecosystem partners.

In each section of this report, Celent outlines the challenges, architectural implications, and the strategic opportunities for banks to orchestrate growth through modular infrastructure, composable products, and ecosystem-enabled delivery.

The report concludes with five strategic imperatives for action:

1. Decouple and externalize product logic from the core
2. Modularize the stack for reuse
3. Design propositions for ecosystem delivery
4. Elevate orchestration as a core capability
5. Align teams around speed and scale

The Innovation Paradox

Despite high priority product innovations and enhancements, growth challenges persist. Banks around the world acknowledge that it is increasingly difficult to win and retain clients year over year.

Why are banks struggling to convert innovation into impact?

Bank IT spending continues accelerating globally. Celent's latest Dimensions survey data shows that bank IT spending worldwide rose an average of 5.7% in 2025 and is expected to increase to approximately 6% in 2026.

54% of banks report that "it is more challenging to win and retain customers than 12 months ago."

Source: Celent Dimensions Survey, 2025

But even with these investments, most banks say it is more challenging to win and retain clients than it was a year ago. Larger banks feel the pressure the most, with 60% of Tier 1 banks reporting this burden even though their deposits are growing faster than at smaller banks.

What is happening? While 30% of banks worldwide identify product and proposition innovation as their top strategic focus, the innovation slice of the pie is relatively small. Celent sees only approximately 15% of technology spend allocated to growth initiatives. The rest is allocated to keeping the lights on and addressing compliance mandates and operational efficiency.

This is the core paradox: innovation is a declared achievement, but execution is constrained. To break this pattern, banks must connect ambition to execution to not just fund innovation – but structurally enable it.

“

Product/proposition innovation or enhancement is the most highly ranked driver of banking technology investment, worldwide. However, only 15% of technology spend is on growth initiatives.

- Colin Kerr, Head of Banking and Payments
Celent

Nowhere is this disconnect more visible than in the product and pricing delivery lifecycle. Banks may have the ambition to innovate, but the systems, processes, and organizational complexity surrounding product execution continue to slow progress and dilute impact. In many ways it seems to be getting harder, not easier.

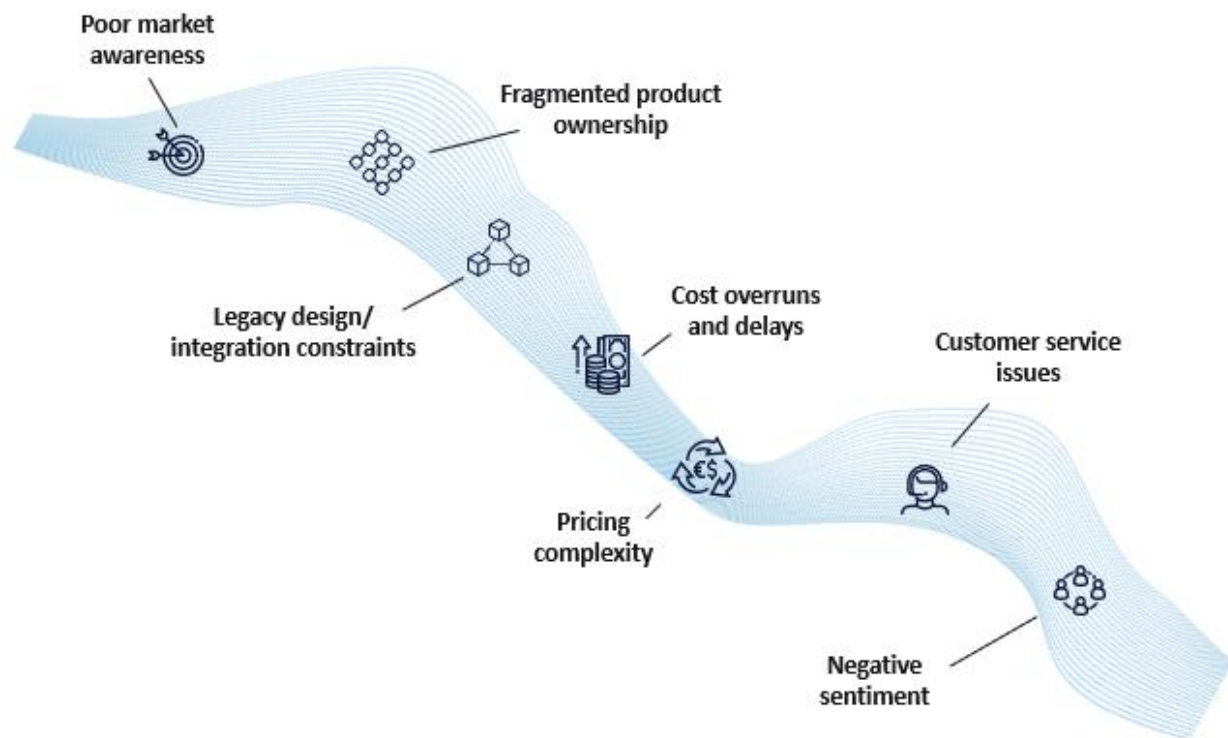
The “output trap”

This disconnect creates what Celent calls the “output trap.”

Transformational product management is fraught with challenges and risks to customer satisfaction. New development tools mean product features can now be built faster than before, but the overall product and pricing lifecycle has become more complicated.

Products remain highly verticalized and fragmented across business operations, leading to a series of compounding challenges that result in delayed launches, limited adoption, and client apathy. The following figure illustrates the downward flow of compounding challenges.

Figure 1: Challenges in Product Design and Development



Source: Celent

Typical challenges include:

- A myopic view of product features rather than holistic solutions or client-focused outcomes
- Legacy constraints that limit flexibility in design
- Complex integration and testing across products and into legacy systems
- New potential points of failure in operations or servicing
- Complexity and rigidity in pricing models and platforms

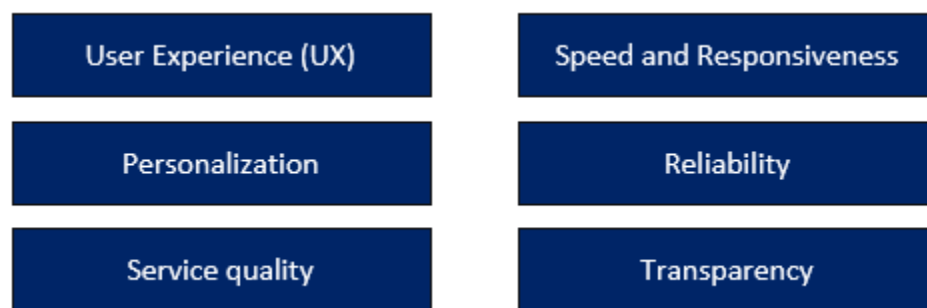
- Ensuring alignment with constantly changing compliance requirements (magnified with multi-region offerings)
- Complex stakeholder education, alignment, and approvals

The result is a compounding cycle of product and pricing lifecycle complexity – from ideation and backlog management, to slower launch approvals. It is a journey that can only move at the speed of its slowest part. It costs too much, takes too long, and delivers too little, eventually creating customer indifference and negative sentiment.

One consequence is an increase in “vener innovation” – i.e., the implementation of superficial features rather than true product development. Worse, manual add-ons to semi-digital products create servicing challenges. This isn’t just a strategy problem, it’s a structural execution gap.

Meanwhile, customer expectations continue to rise. Whatever way they bank, customers across retail, corporate, and institutional segments expect seamless, relevant financial experiences, and those experiences go beyond the user experience. Figure 2 illustrates six pillars of customer experience.

Figure 2: Key Pillars of Customer Experience



Source: Celent

User experience is not the same as customer experience, but it is an important pillar. A compelling user experience can be a competitive differentiator, but only if it is integrated to fast and reliable execution and service. Whether for retail or corporate banking clients, the best user experience cannot compensate for weak links in overall service execution. Reliable end-to-end delivery of propositions and pricing matters.

These expectations are now table stakes, and they are increasingly difficult for banks to meet, even across their own products and platforms. However, with the rise of fintech ecosystem banking, where third-party partners deliver more of the banking experience via APIs, banks must also deliver outstanding customer experience across channels they don’t own.

This is only possible if core product, pricing, and enablement capabilities can be externalized and orchestrated across a bank’s own platforms – and across ecosystem partners they don’t fully control.



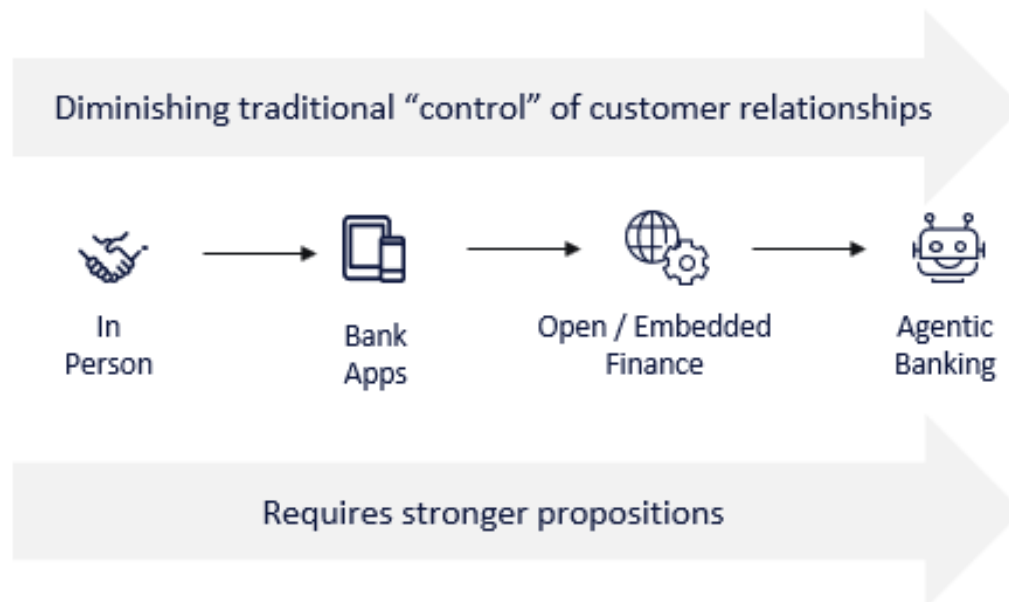
As banking experiences are distributed away from traditional bank-owned branded channels, banks must find new ways to deliver compelling propositions and end-to-end customer experiences.

- Zil Bareisis, Director Banking and Payments
Celent

As the primary point of engagement moves from in-person, to app-based, to fintech-integrated, and ultimately to agentic, banks are becoming increasingly invisible in traditional user experiences.

Figure 3 illustrates how meaningful customer engagement and relevance becomes increasingly difficult to achieve as the industry shifts to more open ecosystem models.

Figure 3: Customer Personalization is Increasingly Challenging



Source: Celent

Why back-end orchestration matters

Open banking, and the proliferation of APIs and fintech platforms, increasingly allows customers to “do banking” directly from their preferred apps or (in the case of corporates) enterprise and fintech systems. These embedded touchpoints bypass branded channels and shift the center of gravity away from the bank’s front-end.

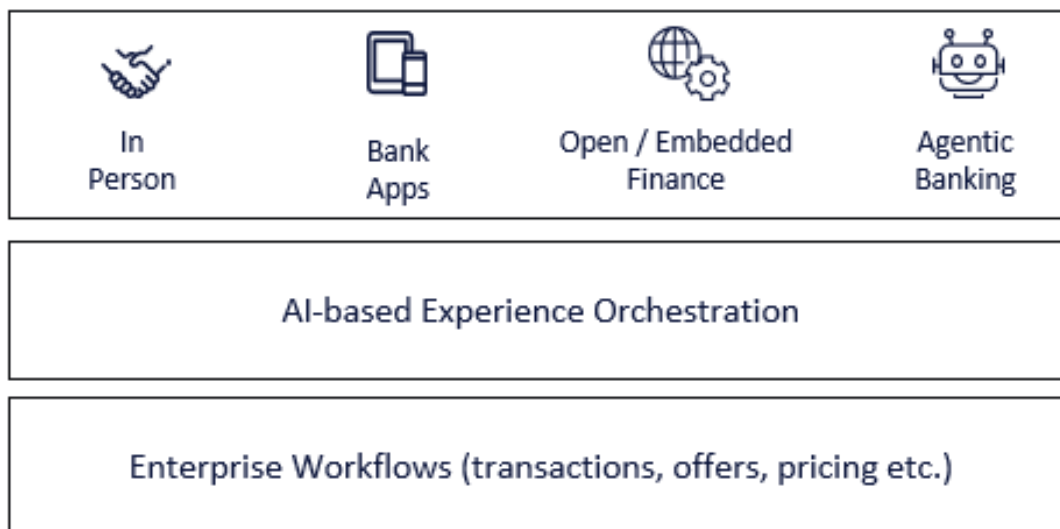
Banks may see this shift as a threat, but it is also a critical opportunity to engage clients contextually and monetize relationships in new ways, at the point of need.

A compelling customer experience is driven by back-end orchestration, not just at the front-end. Much of what makes an experience feel seamless, relevant, and trustworthy (such as insights and offers) must be powered by back-end orchestration—delivered to clients in the moment, across whichever channel they choose.

Accordingly, new personalization, pricing, and proposition capabilities can't live solely in the digital channel. They must be externalized and orchestrated across APIs, platforms, and moments of interaction, ensuring consistency across channels the bank owns and those it does not control.

This can be achieved if these pillars of customer experience are delivered from a centralized “proposition hub” that is independent of any single digital channel, as illustrated in Figure 4.

Figure 4: AI-based “Proposition Hub”



Source: Celent

AI plays a significant role here. By understanding client demographics, transactions, and even sentiment from call logs and unstructured interactions, a bank can build behavioral profiles.

The key to enabling this is gleaning data and insights from across the existing product and core applications. AI can then create and orchestrate the most appropriate propositions, offers, and pricing; regardless of how the client interacts with the bank, delivered at the right time and through the right channel.



Banks that can't innovate at a deeper level, below the channel experience, will be disintermediated by more intelligent banking platforms, or by AI agents.

- Daniel Mayo, Principal Analyst
Celent

The cost of constrained execution

The cost of constrained execution is no longer theoretical. While banks continue to invest in innovation across channels and proclaim their ecosystem ambitions, fintechs and neobanks are pulling ahead – not because they have better ideas, but because they can execute faster, with greater precision and less friction.

In a world where customer expectations are shaped by speed and contextual relevance, execution is strategy.

A digital innovation race

64% of banks report that “the threat from fintechs is greater than 12 months ago.”

Source: Celent Dimensions Survey, 2025

Banks are in a digital race – not just with each other but with fintechs and neobanks. They spend more each year on digital products and experiences, yet the pressure to compete continues to grow.

In response, digital experiences are seen as the front lines in the battle for customer growth in both retail and corporate banking groups. Celent research finds that 41% of banks report increasing budgets in digital platforms by more than 5% compared to 2024, and 18% plan to increase spending by more than 10%.

But is the investment paying off? Most banks still struggle to match the speed and flexibility of fintechs and neobanks. Why? Because these challengers are built for composability. Their innovation/operations cost equation is essentially the opposite of traditional banks.

Figure 5 shows the percentage of banks that view investment in digital platforms and experiences as a top priority.

Figure 5: Retail and Corporate Banking Product Priorities



Base: All retail and corporate banking respondents [n=472]

Questions: Which of the following product or service areas are your leading investment priorities in the next 18 months?

Source: Celent Dimensions Survey 2025

For legacy banks, scaling the results of proofs of concept (PoC) in innovation labs is challenging. Even if the digital experience can be rapidly developed, banks are hampered by legacy back-end systems and processes.

And so, the end-to-end experience can only be as good as the weakest link. This “back-end fragility” adds operational risk and servicing issues. It hampers scaling innovation, technology, and operations to meet the needs of customers in the ecosystem economy.

Innovation can’t scale if the underlying architecture and operating model can’t support it. More innovation investment won't move the needle unless systemic back-end legacy technology issues are addressed.

Ecosystem strategy is under pressure

Banks say they are ready for ecosystem banking, but their infrastructure tells a different story, as shown in Figure 6.

Figure 6: Confidence in Ecosystem Strategy of Retail and Corporate Banks



Base: All retail and corporate banking respondents [n=472]

Questions:

Please indicate your agreement with the following statement: “My institution has a clear strategy to engage in the open ecosystem.”

Please indicate your agreement with the following statement: “What do you see as the biggest barriers to taking advantage of the opportunities in open finance?”

Source: Celent Dimensions Survey, 2025

This rising confidence is encouraging, but it may not reflect the true state of ecosystem readiness. Celent believes this is a long game to be played.

When asked about barriers to ecosystem engagement, relatively few banks identified that legacy systems were a barrier, the lowest ranked option. At first glance, this may seem promising, but it likely

reflects a narrow view of readiness; one that equates API connectivity with executional capability. However, access (via APIs) does not equal orchestration of banking services across the ecosystem.

As with digital banking, successful innovation in the ecosystem cannot be skin deep. Delivering an ecosystem strategy requires stronger operational capabilities, not just new APIs.

Banks need the ability to personalize, configure, and deliver consistently across journeys they don't control. Legacy platforms, fragmented product architectures, and manual pricing and approvals continue to block the shift from ambition to execution.

Without foundational infrastructure, ecosystem strategies stall before they scale. Banks must also invest in the underlying infrastructure that allows them to deliver personalized, dynamic propositions at scale. In the face of fintech and neobank disruption, banks must adapt and enable product and proposition innovation consistently across an ecosystem of banks, fintech partners, and other third-party providers.

As noted before, this innovation requires change from deep in the back office, particularly in product, pricing, and compliance orchestration.

Banks struggle to realize innovation ambitions

Celent's research shows that although new product propositions are the top driver of investment, growth initiatives (i.e., new/enhanced products and innovations), lack the operational foundation required to succeed.

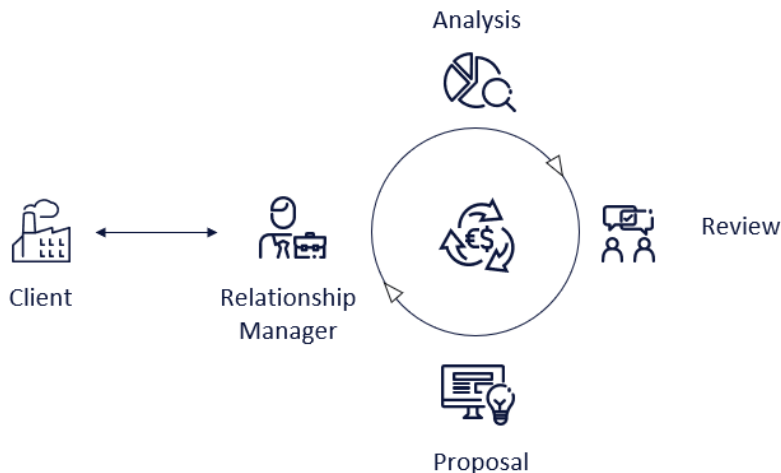
Product proposition and innovation aren't just digital IT projects; they are growth strategies that must include offers, rewards, and dynamic pricing.

In commercial banking, that might mean configurable pricing based on segment, volumes, and balances. In retail, it may be hyper-personalization of products, offers, and experiences.

Many banks struggle to offer this type of flexibility because the product lifecycle is complex and inflexible. Years of customization and entanglement have left core systems bloated with non-core functions. The more lines of business, the more complex this web becomes. Over decades, this system complexity increasingly hinders deeper, more transformative innovation, including dynamic pricing.

Ecosystem banking exacerbates this. Figure 7 illustrates the complex merry-go-round of traditional pricing analysis and negotiations.

Figure 7: Legacy Commercial Pricing Process



Source: Celent

In the corporate and commercial segment, pricing negotiations and approvals are usually manual, without digital tools for transparency or integrated approval workflows. Many banks still rely on legacy pricing platforms that lack the ability to simulate new pricing structures.

Example of pricing complexity

Corporate banking is comprised of a series of vertical product areas, often with unique applications aligned to each product, sitting above the core. This is especially true of payments products and services. It is common for US banks to have well over 100 different commercial product bill points for automated clearing house (ACH) payments alone. Almost every activity has a bill point. Extrapolate this across all products and services, and the result is overwhelming complexity. Corporate clients now use AI to analyze and compare their account analysis statements simply to make sense of billing.

From Product Silos to Platform Agility

Banks can't meet the demands of embedded, personalized delivery with legacy structures. The current state of most banking architecture – siloed product stacks, duplicated logic, hard-coded approvals, is fundamentally misaligned with the agility required in today's ecosystem-driven environment.

What structural changes are required to compete in digital financial ecosystems?

All traditional banks have at least considered modernizing or replacing their core. These conversations first started because of inflexible legacy technology, some of the oldest systems in business.

While core modernization remains essential, it is hard, high-risk work that often takes years to complete. However, even if a bank defers this journey, there remains an opportunity to reset and build for the future. Banks can still deliver more dynamic propositions and manage products more effectively.

The goal is to free product components from the core and orchestrate management of product, personalization, offers, and pricing tools across the various lines of business and external partners.

This is “platform banking” – an operating model that is built for composability, speed, and scale, extending seamlessly across owned and partner-led ecosystems, with customer outcomes at its core.

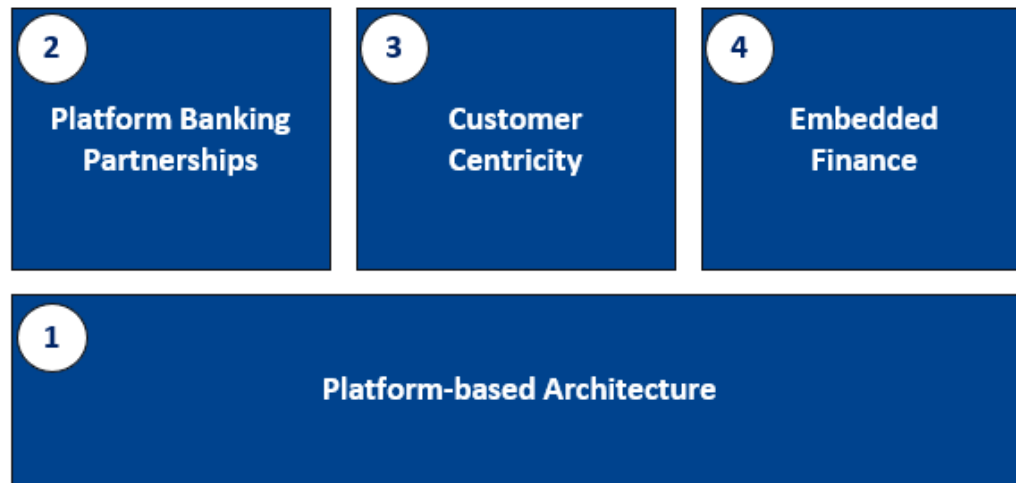
Whether a bank's current strategy is for ecosystem banking or not, they must presume ecosystem capabilities will be a requirement. In today's API-connected industry, no bank can be an island anymore.

Open ecosystem business models will come and go, and regulatory drivers will change the game in one way or another; hence banks' architecture must evolve to remain relevant.

Building blocks of a modern foundation

Modernizing the product lifecycle is key to enable speed, personalization, and ecosystem orchestration. To deliver agility at scale, banks need a strong architecture foundation that supports orchestration, personalization and partner-driven delivery.

Celent sees four foundational building blocks for a modern banking architecture designed to meet both the future needs of direct to customer demands and ecosystem reach.

Figure 8: Building Blocks for Product Agility


Source: Celent

Banks must be built on a responsive product and technology architecture to meet the shifting requirements and seize new business opportunities. Celent addresses these building blocks in sequence.

Block 1: Platform-based architecture

A platform-based architecture is a modular infrastructure that decouples business logic from the core, exposing capabilities through governed APIs and reusable services.

Importantly, it is **core-agnostic** and operates alongside existing core(s) to support and enable the core modernization roadmap.

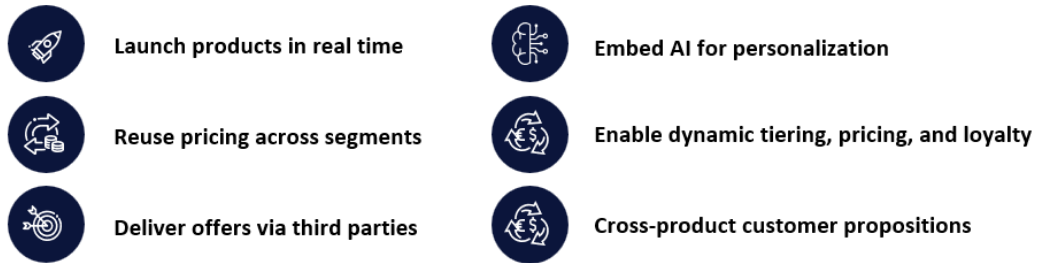
When a bank's products and services are constructed from API-based microservices that can be composed and orchestrated into many combinations of solutions, this is sometimes referred to as a "composable architecture."

A composable architecture allows product and pricing capabilities to be reused by publishing to platforms, other internal applications, and externally to third parties across the ecosystem (clients, service partners, and other banks).

Critically, it also allows for the ability to create dynamic propositions, pricing, and offers across the bank and into the ecosystem – not just in front-end channels.

A composable rather than monolithic architecture with decoupled product, pricing, agreements, and billing services that can be integrated as needed across the bank and to ecosystem partners. Characteristics of a platform-based product architecture include the characteristics shown in the following figure.

Figure 9: Capabilities of a Platform-based Product Architecture



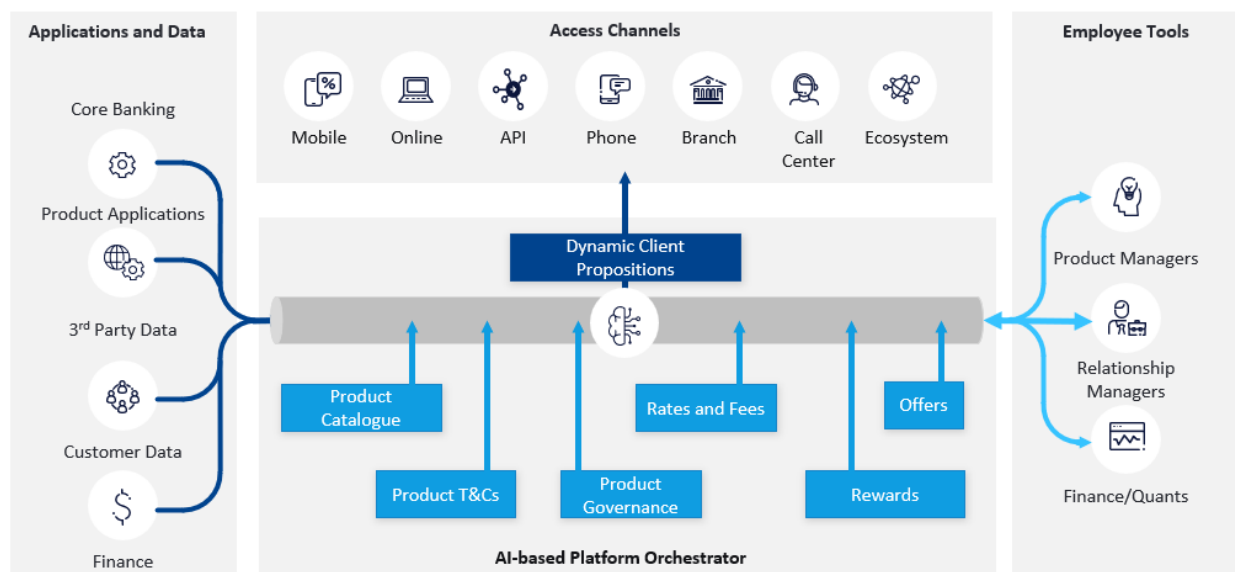
Source: Celent

A key drag on innovation is the complexity of legacy systems and integration points. When product management and pricing functions are elevated from the core in a modern platform architecture, banks can transform product innovation and execution even with a legacy core.

The roadmap to core system modernization or replacement is long, but the complexity of product and pricing management should not hinder that. By elevating product and pricing configurations from the core, banks can get to market faster, scale personalization, and monetize across the entire platform—encompassing channels, ecosystem partners, and agents.

With a platform-based architecture, product logic can be decoupled from the core to enable orchestration, personalization, and scale across the ecosystem, as shown in Figure 10.

Figure 10: Product Orchestration



Source: Celent

Block 2: Platform banking partnerships

A goal of ecosystem banking is to provide additional scale and broader reach through new products, services, and partnerships. Simply put, to make the “opportunity pie” and its slices bigger for those who participate.

However, that growth requires a mindset shift from managing vendors to building partnerships.

Fintechs naturally approach partnerships with a growth mindset because typically they cannot build the breadth and depth of services needed in a short space of time.

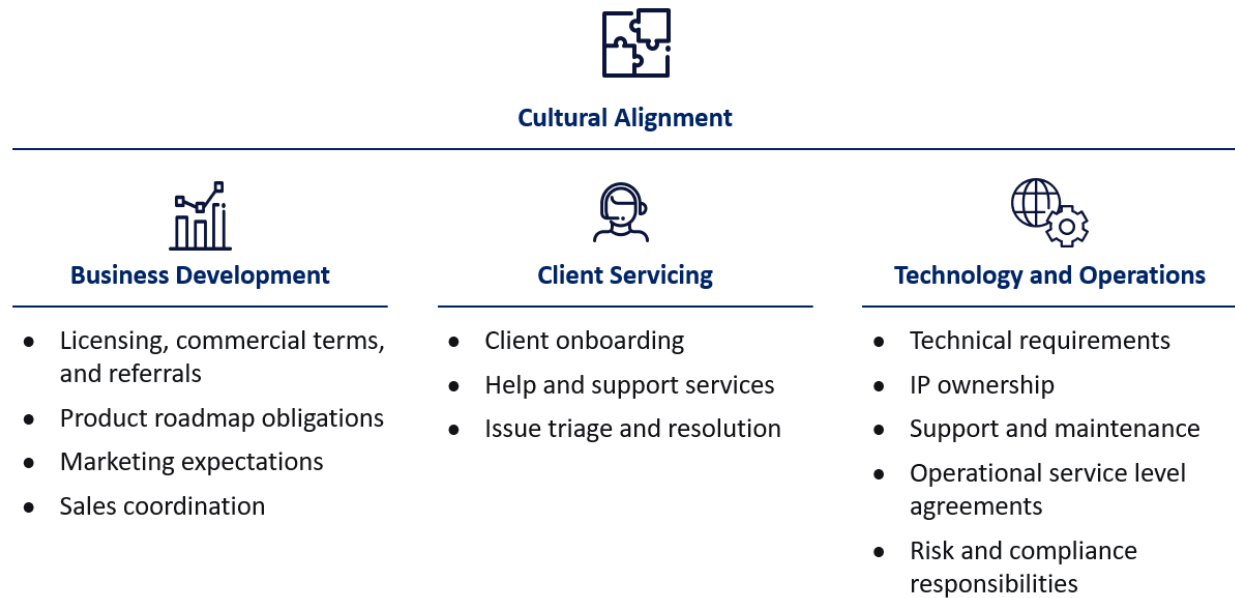
They exist in part because they see the opportunity for growth through alliances and partnerships. These are relationships for mutual benefit. This can be clearly seen in the expansive partnership strategies and programs of Big Tech firms – but not in banking.

Even a few years into open banking, most bank “partnerships” are often still structured like vendor management agreements. For the vast majority of banks, partnerships are new territory.

Bank products and services are traditionally measured in the P&L and are primarily valued through interest income or fees based on transaction activity. Ecosystem partnerships shift the model from direct revenue attribution to shared, indirect monetization, in which each partner may generate and recognize revenue differently.

Partners must ensure that the solutions create monetizable value for clients, or the partnership solution will not scale or succeed. Potential partners must ask some tough questions of each other (and themselves) about culture, commercial requirements, technology, operations, and risk. Successful ecosystem banks identify strategic partners that can scale with them, delivering new propositions across multiple journeys. To achieve this, bank product managers must also act as partner managers, connecting and orchestrating propositions across providers.

Figure 11 shows an illustration of key partnership considerations.

Figure 11: Considerations of a Bank-Fintech Partnership

Source: Celent

Block 3: Customer centricity

True customer centricity in banking moves beyond surface-level personalization to deliver dynamic, context-aware experiences that reflect the full breadth of a client’s relationship with the institution.

Celent defines “engagement banking” as a method of financial services delivery that operationalizes proactive, personalized, omnichannel, customer-first engagement. At its core is real-time personalization, rooted in behavioral data, contextual understanding, and relationship depth.

Leading banks are embracing dynamic tiering models that adjust benefits and service levels based on real-time relationship value, supported by behavior-based pricing, and evolving loyalty programs that reward customers for ongoing engagement. Key to this transformation are unified customer profiles and centralized offer logic, which enable real-time personalization triggers and contextual offers at moments that matter. However, delivering this consistently requires more than marketing automation. It demands unified customer intelligence, centralized logic, and a modular infrastructure that works across journeys and segments.

While most banks have some form of loyalty or personalization capability, few connect these to real-time behavior or relationship value thereby leaving many “personalized” experiences underwhelming. Closing this gap, with the responsible use of data and AI, is central to building differentiated customer relationships and strengthening long-term loyalty.

Some characteristics of a modern customer proposition are shown in Figure 12.

Figure 12: Advanced Capabilities for Pricing and Offers

Source: Celent

Block 4: Embedded Finance

Embedded finance is the seamless integration of financial services into non-financial platforms, allowing users to access banking capabilities within the context of their everyday activities.

In retail banking, this means offering services like payments, lending, or insurance directly within e-commerce apps, social platforms or marketplaces. For example, consumers can get instant credit at checkout or manage a digital wallet from within a retailer’s app, all without ever visiting a traditional bank’s channels.

In corporate banking, embedded finance extends to B2B ecosystems, enabling businesses to access treasury, lending, and payment services directly within ERP systems, procurement platforms, or supply chain networks.

A logistics platform might offer real-time invoice financing to its vendors, powered by a bank, with no separate login required. This integration improves efficiency, reduces friction, and creates new revenue models for both the banks and their partners.

For banks, embedded finance shifts distribution away from branches and owned channels to partner ecosystems and reframes the role of the bank as an enabler of embedded value. It requires modern APIs, strong risk and compliance frameworks, and a willingness to operate as a platform partner.

Embedded finance redefines customer relationships, placing banking at the point of need, while creating new client growth and revenue opportunities. This is not just a feature extension, it’s a new operating model – enabling banks to participate in the customer journey, with personalized, orchestrated experiences delivered wherever they happen.

Figure 13 provides a retail and corporate example of embedded finance/propositions.

Figure 13: Embedded Finance and Proposition Examples


[Bank of America and Starbucks Launch Loyalty Partnership](#), Starbucks, accessed July 2025

[U.S. Bank's first embedded payment solutions as part of Microsoft collaboration](#), U.S Bank, accessed July 2025

Source: Celent

To move from product silos to platform agility, banks must embrace architecture as a strategy. This shift is not just about creating modular components. It is about unlocking speed, enabling personalization, and scaling relevance across both direct and partner-led channels.

Each of the four building blocks explored: platform-based architecture, partnerships, customer centricity, and embedded finance, contributes to this transformation.

Together, they help banks evolve from static manufacturing to dynamic orchestration. The next step is turning internal readiness into external impact by enabling coordinated, personalized value at scale across an expanding ecosystem.

Ecosystem Orchestration

The transformation to ecosystem banking (whether open banking or embedded banking business models) is well underway. Banks are increasingly operating in a B2B2C and B2B2X model, delivering platform banking services through a chain of third parties, digital partners, and embedded interfaces.

In the era of embedded finance, how can banks extend value while preserving speed, control, and differentiation?

As consumer and commercial customers increasingly engage their banks through third party providers, banks must invest in two major areas to offer competitive solutions and enable ecosystem banking at scale:

- Delivering products via API-enabled platforms and partner interfaces
- Building and delivering compelling propositions (price, personalization, and offers) tailored to these ecosystem channels

While many banks have invested in API connectivity, most still lack the orchestration capabilities to support dynamic delivery at scale. Legacy pricing engines, rigid segmentation models, and static offer logic make it difficult to respond in real time or respond differentially across channels.

Scaling pricing, personalization, and propositions

Digital banks, fintechs, and forward-thinking banking leaders are already operating on a lighter, faster technology footprint for highly dynamic product and pricing capabilities. They take advantage of the ecosystem by distributing services across their own platforms/channels, and third-party platforms (and in the case of commercial, also into corporate business workflows).

Banks looking to keep pace must evolve beyond isolated pilots. They must connect product management, pricing, rewards, and tiering across both owned and embedded channels.

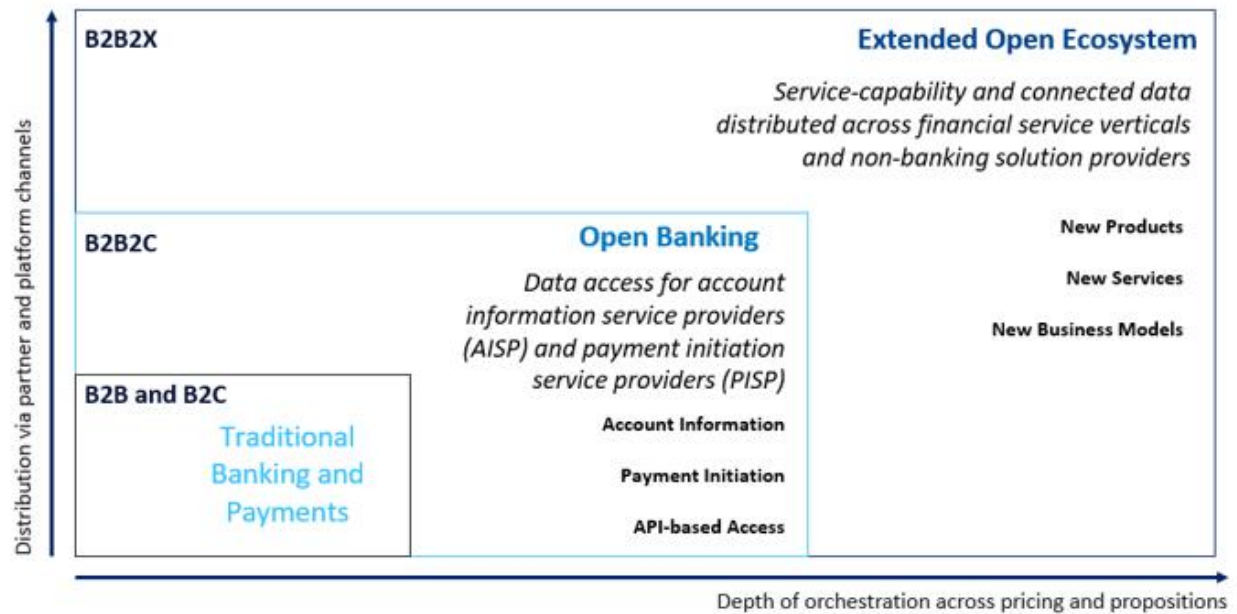
To support this, orchestration needs to operate across three levels:

- Data – unify behavioral and transactional insights across platforms
- Logic – externalize pricing, bundling, and personalization rules to ecosystem partners
- Delivery – activate offers dynamically in any context, through any channel, and via any partner

Without this orchestration layer, personalization remains channel-specific, distribution remains slow, and growth remains incremental.

Figure 14 is a representative framework of the open ecosystem.

Figure 14: Ecosystem Banking Characteristics and Capabilities



Source: Celent

Assessing ecosystem banking readiness

Historically, banks have positioned themselves along a spectrum; from low-cost providers, with an emphasis on “no-frills” product efficiency and operations to relationship-led, “fee for value” banks, where solutions were more personalized and relationships more human.

However today, most banks sit uncomfortably in the middle. They are burdened with expensive, inflexible infrastructure that makes it difficult to scale personalized value across digital and ecosystem journeys.

To succeed in an ecosystem model, banks must leverage technology to deliver a more compelling orchestrated experience across branded and ecosystem platforms and channels. This includes product functionality, servicing, pricing, and rewards.

The personalized engagement must be increasingly digital, but with the human touch being intelligently integrated when needed. As Bank of America describes it: “high tech and high touch.”¹

Figure 15 shows the characteristics and capabilities of retail and corporate ecosystem banking.

¹ BofA’s Consumer Investments Surpasses \$500 Billion as Clients Choose High-Tech, High Touch Approach to Managing Finances, Bank of America Newsroom, accessed June 2025

Figure 15: Ecosystem Banking Characteristics and Capabilities

	Product Focused	Relationship Enhanced	Ecosystem Ready
Retail Banking	Mainstream, product-driven approach, focused on operational efficiency, limited personalization or flexibility in pricing, offers or servicing.	Deep view of client relationships and banking activity. Personalization and tiering of products, offers, and rewards. Strives to improve engagement experience to drive loyalty and retention across branded channels.	Cohesive ecosystem strategy for consuming and sharing data. Understands clients will use Fintech and non-bank platforms and delivers compelling propositions across platforms and the ecosystem.
Corporate Banking	Typically organized around traditional product silos. Basic API integration for reporting/payments. Static pricing models with infrequent changes, low level of adaptability to meet client needs or changing market conditions.	Expands product and digital experiences across bank's branded products and channels. Some level of integrated servicing and analytics. Dynamic pricing, rate, and product configurations. High tech and high touch.	Actionable 360-degree view of client relationship across all lines of business—and extended into ecosystem activity. API-based integration into 3 rd party workflows and marketplace services. Leverages rich analytics and pricing tools/models to build dynamic, relationship-based and tiered pricing at scale. Enables ecosystem-wide monetization

Source: Celent

Strategic Recommendations

The challenge for banks is not lack of ambition, but a lack of executional readiness.

The way ahead: Five steps to next-generation engagement banking

To move from declared strategy to delivered outcomes, banks must modernize the way they build, deliver and manage value – across channels, partners, and customer moments. The following five imperatives can help banks make that shift.

1. Assess platform and infrastructure readiness, not just strategy

Technology investments are seen as increasingly strategic. Most banks are investing heavily in technology to support modernization and efficiency initiatives across the enterprise and vertically in priority products.

But vision alone is not enough. Banks that fail to address infrastructure gaps will increasingly struggle with technical debt, limiting their ability to deliver innovation at the pace and precision required in an increasingly sophisticated banking ecosystem.

2. Free product, pricing, and client propositions from the core

Achieving greater speed and agility is both a business and a technology imperative. Banks must decouple and avoid being hamstrung by legacy product and pricing infrastructure that inhibits financial agility and meaningful customer-centric propositions.

Banks should elevate pricing and customer propositions above core platforms, static data warehouses, and pricing models to enable modular reuse, govern distribution, and enable faster execution across the bank and partner ecosystems.

3. Deliver the next phase of customer engagement

Banking is entering another step change in the customer engagement model. AI-enabled personalized pricing and product offerings are becoming more commonplace.

Congruently, the growing maturity of ecosystem models is reshaping how banks deliver value.

Banks that can incorporate this into their investment roadmaps will position themselves well for the future.

4. Structure for composability, not control

Delivering a next generation engagement model requires an increasingly fluid approach to the way products are manufactured and serviced across the ecosystem.

Banks must move away from a rigid, siloed architecture and enable teams to compose, adapt, and personalize offers across channels and customer contexts.

The opportunity for banks to organize and orchestrate product management around customer outcomes, rather than within rigid product silos, has never been greater.

5. Make orchestration a strategic competency

Most banks treat orchestration as a process automation efficiency play.

In reality, it is a strategic capability: the ability to coordinate product, pricing, and personalization logic across systems, journeys, and partners.

Embedding orchestration into the architecture, not layering it on top, will be critical to delivering scalable, ecosystem-ready growth.

Conclusion

Banks have no shortage of bold ideas or innovation intent. But to turn those ambitions into outcomes, they need to rewire how value is created and delivered.

AI is raising the stakes but also clarifying the path forward. Banks don't need to lead in foundational model development. Instead, the leaders of the next era will excel at adopting the right capabilities from their ecosystem of partners, coordinating them across channels, platforms, systems, and customer needs.

Orchestration demands:

- Decoupling product logic from the core
- Modularizing for reuse and speed
- Personalizing for real-time behavioral intelligence
- Delivering through owned and embedded channels
- Partnering for scale across an open financial ecosystem

This is not just a technical transformation, but a strategic redefinition.

Celent recommends that banks don't try to emulate technology companies. Banks are not in the business of building technology products; they deliver financial services.

Instead they should double down on their real advantage: deep customer trust, behavioral data, and the ability to shape high-impact financial moments powered by the right orchestration layer.

Those that do will build stronger client relevance and deeper engagement, rather than a broad but shallow reach – and the depth of relationships that create long-lasting growth.

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