

REALITY OF DIGITAL BANKING VS HUMAN INTERACTION

Should the digital space of banking completely exclude the interface of human interaction? Certainly, our experiences lately might give us answers we wouldn't have expected perhaps just a few months ago.

Digital Banking is on the Rise

We can certainly appreciate the accessibility and need for mobile banking, especially living in a fast-paced society where busyness is the cultural norm. And, perhaps, the two words that come to mind are convenience and comprehensiveness.

Customer Experience



Mobile banking is convenient and easy

- ▶ Deposit checks from the comfort of your own home
- ▶ 19 out of 20 financial institutions offer auto-capture (2020 Mobile Deposit Report)
- ▶ **54%**
- ▶ 54% of mobile banking customers use their mobile banking app's check deposit capability (2020 Mobile Deposit Report).



Apply for a mortgage online, whether it's a traditional mortgage, a HELOC, or a home equity loan from home

- ▶ Upload documentation and sign disclosures electronically



Give customers immediate access to their accounts with digital onboarding



Receive answers to basic, simple questions or resolve complaints quickly

- ▶ **77%**
- ▶ **81%**
- ▶ 77% of banks and 81% of Credit Unions who rate Fintech as a "Very Important" Priority do so in order to improve the customer/member experience (What's Going on in Banking 2020, CornerStone Advisors)

Financial Institution Experience



Gain a better understanding of customers' needs through analytics



Phone or video conferencing fosters and deepens customer relationships when meeting in person isn't an option



Leverage customer data to proactively offer relevant products and services, before they even realize they need them

- ▶ Customer Relationship Management (CRM) is a top 5 technology in banking (What's Going On in Banking 2020, Cornerstone)



Keep pace with your competitors

- ▶ **96%**
- ▶ 96% of financial institutions plan to increase or maintain their 2019 spending budget in 2020 (2020 Banking Priorities Executive Report, CSI)



Increased productivity

- ▶ **75%**
- ▶ Digital mortgage lending drives 75% increase in sales productivity (KPMG Perspectives on Delivering Digital Mortgage Solutions)

Human Interaction Still Plays a Vital Role

While digital banking brings convenience and ease to customers, the need for human interaction cannot be completely written off. In fact, **44% of bankers** still plan to pursue some physical strategy to increase market growth (2020 Banking Priorities Executive Report).



Foster community involvement and engagement



Build trust and community



Defuse difficult conversations with Human empathy - it goes a long way when customers seek resolution to difficult questions and conflicts



Offer personal assistance for longer, complex transactions for customer voices to be heard and needs understood

- ▶ **44%**
- ▶ Even though technology is on the rise, 44% of bankers still have a physical strategy in place to grow market share. (2020 Banking Priorities Executive Report, CSI)



People trust people. While mobile banking is on the rise, there is still skepticism on the security and app functionality



- ▶ **74%**
- ▶ 74% of mobile banking users (18-24 years old) report having a problem with their service (2020 Mobile Deposit Benchmark Report)



- ▶ About 1 in 5 mobile app users if they would use their mobile app more if they had better assurance the check was securely deposited (2020 Mobile Deposit Benchmark Report)

Most of us would agree that human interaction cannot be completely replaced with digital resources. Perhaps experiencing a pandemic has allowed us to appreciate the need for human connection and relationships more than ever. There needs to be a balance. And, depending on the market and demographics of the areas an institution serves, the need to adapt should be at the forefront of planning for management.