



## KEYS TO DIGITALLY ENGAGING BANKING CONSUMERS

By Jeremy Lehman

### ABOUT THE AUTHOR(S)

**Jeremy Lehman** is the Advanced Analytics Practice Leader at Unisys where he is responsible for advising financial services and life sciences clients forming new organizational capabilities applying machine learning. Prior to Unisys, Jeremy has worked as an executive at Experian, Barclays Capital and Citi. He has his MBA and BBA from the University of Miami.



**BankersHub Passport All-Access Membership**  
400+ Webinars and Playbacks  
12 Months Access starting at purchase

### Also at BankersHub

- July 11 – [Vendor Selection and Due Diligence](#)
- July 11 – [Third Parties - Who's the Customer?](#)
- July 12 – [Payments Fraud \(3-Part Series\)](#)
- July 12 – [Loan Structuring \(2-Part Series\)](#)
- July 14 – [IRA Advanced Issues \(3-Part Series\)](#)
- July 17 – [Reg E Dispute Training](#)
- July 18 – [Garnishments and Subpoenas](#)
- July 19 – [Real Estate Appraisals and Regs](#)
- July 19 – [Small Business Banking Revisited](#)
- July 20 – [Compliance in Commercial Lending](#)
- July 20 – [BSA Risk Assessment](#)
- July 21 – [Corp/Personal Taxes for Lenders](#)
- July 24 – [Guide for Improving Cust Satisfaction](#)

Leaders in digital engagement share common attributes. First, they make it easy for consumers to accomplish their goals with simple design and experiences. Second, their offerings are seamlessly integrated both internally and with external products that form part of a consumer journey. Third, digital leaders use data to understand consumers' goals and actively help achieve their intent.

Examples demonstrate how digital leaders bring simplicity, integration, and data-driven understanding. Uber and Lyft provide streamlined apps that predict destinations, offer transparency at each step, and then pay with little effort. Google automatically unifies web and consumer information, such as recognizing airline reservations in email and then setting reminders in calendars. Apple products readily connect so that devices, content, and services seamlessly integrate. Netflix and Amazon effectively predict products people may want.

It is in this vein that banks need to rethink the ways in which they engage with their customers. Traditionally, banking centered on branches designed to project trustworthiness. The arrival of the web and smart phones led to multichannel banking, where consumers could access transactions within many channels. Banks often cobbled together a variety of vendor tools specific to each channel, resulting in inconsistent and complex experiences. Many, or even most, banks and building societies remain at this level of maturity.

### ABOUT BankersHub

**BankersHub** was founded in 2012 by [Michael Beird](#) and [Erin Handel](#), 2 Financial Services professionals dedicated to educating and informing banks, credit unions, solution providers and consultants in the U.S. and worldwide. BankersHub delivers best practices, research insights, opinions, economic trends and consumer views through online web education, virtual events and conferences, live streaming activities, custom training and content development.



**FEES**

**Bank Fees and Service Charges**  
*From the Customer's Viewpoint 2012 - 2016*

Source: J.D. Power Retail Banking Study  
July 7, 2017 (12:00 – 1:15 pm ET)

**Speaker**  
Michael Beird  
Former Practice Director, J D Power  
Co-Founder, BankersHub



**Insights and recommendations from 80,000+ annual consumer surveys!**  
**What you MUST know to retain your customers and keep them satisfied.**



**The CARD Act 8 Years Later**  
**The CFPB on Trends, Research and Insights on Credit Cards and changes in the industry**

**Online Seminar**  
July 13, 2017  
12:00 – 1:30 pm ET



**Speaker**  
Wei Zhang  
Credit Card Program Manager –  
Office of Card Markets  
Consumer Financial Protection Bureau

Hear directly from the  
CFPB Credit Card Program Manager  
Get YOUR questions answered  
Understand what customers are saying

Multichannel offerings are often designed solely for workflows within one channel. This earlier generation of technology often lacks simple design. Consumers experience multiple logins, many clicks, differing look and feel across services, complex voicemail (VRU) menus, and gaps in functionality within some channels such as bill payment available on the web but not a mobile app.

Banks also need to consider how their platforms fit into consumers' broader financial experiences. Retirement and pension services, insurance, brokerage accounts, household budgets, and taxes are typically managed outside of bank channels even though each are integral to a consumer's financial picture. This disconnect is exacerbated for small business owners and professional services providers, where cash management and tax strategy require a combined personal and business perspective.

Omnichannel banking, when executed effectively, brings the same simplicity, integration, and proactive assistance provided by leading digitally native businesses. Omnichannel banking provides consistent experiences so that a consumer journey that starts in any channel can coherently progress across other channels. Consumers should experience a friction-free path where the bank understands what the consumer wants to do regardless of which channel the consumer uses.

Security is critical: several studies show consumers cite security as a nearly equal priority with functionality. Banking leaders are moving beyond two-factor authentication, which can impede a friction-free experience, to biometric authentication such as analyzing how consumers hold devices in their hands. Within a bank, a key emerging technique is micro-segmentation, which uses cryptography to create secure virtual networks where a user or application can only see permissioned applications and data.

An integrated banking experience requires similarly integrated data. Banking transactions are ultimately performed by core systems that incorporate decades of business logic and where changes mean operational and potentially regulatory risk. Transactional data needs to be aggregated into consistent views of consumers, households, and segments. Most banks have achieved this step.

Effectively engaging consumers requires going further: tracking a broad range of consumer behaviors outside of transactions, such as responses to marketing campaigns; and incorporating demographic information, such as presence of children or estimated disposable income, from third party data providers.

Bringing together a broad view of consumer behaviors and attributes enables the third key to providing banking experiences competitive with digital leaders: recognizing intent and proactively helping customers achieve their goals. This can require taking a broad view of consumers' actions. For example, is a withdrawal from a retirement savings account just a transaction? Or does it indicate that the consumer is funding a child's college education, or purchasing a home?

Banks can grow revenues through cross sell while winning loyalty by actively helping consumers achieve their intended journeys. Three components are needed:

1. Integrated data unifying internal and external data about consumers, households, and segments.
2. Predictive models that recognize patterns in behaviors and attributes indicating consumer intent.
3. Workflows triggered by intent including actions both within the bank's channels, such as notifications in mobile apps or notes in teller systems, and external digital marketing such as web display ads and email campaigns.

Consumers are starting to expect banks to go beyond just providing transactions. Surveys consistently show consumers want banks to help them save money, provide alerts, and offer tools to understand spending.

This trend will continue well beyond these basic steps with banks increasingly tailoring products specifically to households, offering advice, and connecting via APIs to activities of everyday life.

The frontier in banking consumer engagement is proactively helping consumers and households optimize cash flow and balance sheets. Banks will increasingly compete not solely on providing products or customizing experiences, but on additional value they bring to help people, families, and businesses achieve their financial goals. For example, banks can identify when households have difficulty making payments and then match appropriate offers such as providing their cars to ride sharing services, or tailoring terms on a reverse mortgage. We can also expect wealth management and tax services to increasingly merge with retail banking.

Branches will remain relevant-even important. However, their roles are changing. Banking channel studies show consumers continue to rely on person-to-person communication to open accounts, while small business owners go to branches for treasury and cash management services. Branches are shifting from providing transactions to higher value advisory services.

Branches should be viewed as part of the omnichannel experience. Digital native leaders like Apple, or even vertical brands with strong digital engagement, like Burberry or Nike, often evoke positive emotions. This can differ from the experience of standing in line waiting for a teller. Branch design and experience should also include accomplishing tasks more easily than through alternatives or competitors, connecting with other services needed for a given task, and anticipate how to actively help a branch visitor accomplish goals.

Consumer expectations are increasingly defined by experiences with digitally native businesses such as ride sharing and content streaming. These businesses win engagement because they make it easy for people to achieve a task, and integrate seamlessly internally and externally with services that together form consumer journeys. For banks to succeed in today's digitally-driven environment, they must similarly engage consumers in this way.

© 2017 BankersHub® and Bstuff LLC all rights reserved

Visit us at [www.BankersHub.com](http://www.BankersHub.com)

## Coming Soon to a Computer Near You!

Click on the Topic to Learn More and Register



### Universal Branch Employee Certification For Banks and Credit Unions

On-Demand Training on Policies and Regulations  
for your Frontline Staff

New for 2017!



**BankersHub**  
Getting from Here to There

Quantity Discounts  
Available

18 Online Courses in Reg CC, Reg E, Garnishments,  
Lending, ACH, BSA, Fraud and more

