



Digital CX: the New Growth Engine in Retail Banking

How can Retail Banking meet consumer expectations in the new digital reality?



The number is striking: 38% of users consider customer experience (CX) to be the most important criterion when choosing their bank. A joke says that millennials would rather go to a dentist than a banking branch. There are no statistics to support this, of course, but here's the reality-check: younger generations – especially GenZers – have been exposed to gadgets, apps and social networks from their earliest days. They make up a tech-savvy, mobile-first generation.

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A PwC survey¹ of almost 10,000 representative consumers in Europe revealed that GenZers used online channels to:

On the other hand, they are emerging as a powerful generation of future consumers all over the world. Older and younger GenZers combined already represent approximately 40% of the USA's consumer purchasing power, writes The Financial Brand², quoting industry research. By 2025, the group will make up a quarter of the Asia-Pacific (APAC) region's population — the same as millennials (born 1980–1995), McKinsey³ projects.



On top of that, the pandemic accelerated banks' need to go digital. Forrester Research data quoted by International Banker⁴ in November 2020 showed that "52% of Italian and 42% of French adults using online banking had completed their transactions on a mobile website or app in the previous month". But going digital must be done right. Especially the onboarding experience, which is the customer's very first interaction with the bank.

GenZers use online channels to:

- ✓ transfer money
- ✓ pay invoices
- ✓ apply for credit cards

Where the sweet spot of the digital onboarding experience can be found



Customers want their bank at their fingertips

When does onboarding start? When does it end? “It might be 90 seconds for a mobile app, or 90 weeks for a large enterprise software tool. For most business-to-business software companies, 90 days seems to be a good timeframe”, writes Donna Weber – a Customer Onboarding expert – in an article by KickStart Alliance5.

In retail banking – due to newcomers that grabbed market share with their appealing digital offerings – the onboarding experience is likely to last shorter and shorter. Tech-savvy customers now want their bank at

their fingertips. A McKinsey study quoted by KickStart Alliance5 found that poor onboarding, engagement and customer service make up 52% of the reasons why customers leave in the first 90 days.

The main challenge for banks? It is the complexity of developing an onboarding process (58%), according to research done by the Digital Banking Report quoted by The Financial Brand6.

How can banks keep up with this challenge? What should they do to wow the all-important customer?

52%

Of the reasons why customers leave in the first 90 days

58%

Complexity of developing an onboarding process

We've done the research and compiled a list of key actionable insights:

1 Fewer visits to the branch

Ideally, commodity banking services and products should be available 100% digital. According to Eurostat, more than half of Europeans – the continent with the second largest GDP in the world – had already shifted to digital banking before last year's lockdown. A McKinsey survey⁷ of 200,000 Europeans during May 2020 revealed that digital adoption jumped from 81% to 95%. This new reality pushed traditional banks to accelerate digital transformation. Our customer OTP Bank, for example, with a strong presence in the CEE region,

embraced a major transformation program, as described in an article by B2e Media⁸. One major transformation pillar was to move “from traditional bricks and mortar banking to a more digitalized customer journey”.

“It was time to take care about our customers and improve their experience starting with their very first step: onboarding into OTP”, explains Constantin Mares, Executive Director of OTP Bank Romania.

We've done the research and compiled a list of key actionable insights:

2 Start with a personalized, near-instant onboarding experience

FintechOS' capabilities turned out to be well-suited for OTP Bank's business needs, “supporting the deployment of an automated, end-to-end digital onboarding customer journey very fast”, Constantin Mares said.

FintechOS' new solution delivers and automatically manages the entire customer facing and back office workflows that banks need for a smooth onboarding experience. At the heart of this process is a personalized, near-instant onboarding

experience. For example, N26, the fully digital German challenger bank, enables customers to manage their financial lives directly from their smartphone from day one. It invites customers to “open your account in minutes, right from your smartphone.”

But how is a fully digital, personalized onboarding experience done right? [This solution powered by FintechOS](#) describes a 4-step journey as it should be.

Personalised onboarding – the journey as it should be – powered by FintechOS



Research & Product Selection

How it works:

- ✓ Research can be independent before the journey start
- ✓ Or a personalised package is selected/ built and presented to the prospective customer after some initial data input
- ✓ Customers can either choose a product or compose their own

Benefits:

- ✓ Support customers in their research & decision phase to increase both trust and conversion rate: 38% of customers mention research as the most important part of the onboarding journey
- ✓ Real-time profiling, offer personalisation and upsell throughout the customer journey



Apply & input data

How it works:

- ✓ Customer can apply 100% remote and self-serve
- ✓ Video Call & Co Browsing assistance available for traditional customers
- ✓ Forms are personalised to the applicant and auto-filled through OCR

Benefits:

- ✓ Online, from anywhere, at any time
- ✓ Frictionless, 100% paperless AI assisted experience
- ✓ Assist analogue clients move to digital banking
- ✓ Capture customer data for automated targeted campaigns

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KYC & Security

How it works:

- ✓ KYC is automated, near-instant and does not break the customer journey
- ✓ Live KYC enabled with OCR, Liveness and automated checks with integrated external data sources

Benefits:

- ✓ Frictionless KYC Customer Experience
- ✓ KYC Process Automators reduce time requirements to near instant.
- ✓ Improved security and compliance with next gen KYC technologies which can reduce KYC costs by 50%



Sign & get onboarded

How it works:

- ✓ Customer can eSign the contract with the bank
- ✓ Account is fully functional in minutes
- ✓ Virtual Cards are immediately available and ready to be used
- ✓ Mobile Banking is active

Benefits:

- ✓ Instant customer gratification from onboarding in minutes. Highly satisfied customers are 2.5 times more likely to open additional accounts/ products with their existing bank
- ✓ Capture customer data for automated targeted campaigns

3 Use the no/low-code approach

We are living in a time when both technical and non-technical teams can innovate with a dual framework.

That means that CX managers, data scientists, and product managers work together to build new products and services, even if they don't know how to code.

The interface is intuitive, designed for a visual drag

'n' drop approach. This method is already common in website builders. This means anyone can integrate pre-built apps and solutions, customize existing ones or create their own. There are no barriers or limitations to architecting a digital journey. [Check out this brochure to find out more.](#)

This is what FintechOS calls "The No/Low-Code Approach". A must-have for an onboarding experience done right.

How FintechOS can help you

FintechOS is on a mission to transform how people engage with the everyday services they need. Using innovative tools and a deep understanding of the customer journey, our mission is to bring effortless, personalized experiences to everyone. We empower organizations to become truly customer-centric, helping them to adopt a data-driven approach, and consolidate critical data from multiple sources like databases or IoT devices. This connectivity accelerates processing, automation, and above all, delivery of a streamlined experience. Better still, it slashes costs. Our tech integrates customer data at every level of the customer journey - from the product catalog to the app. These capabilities free our clients to tailor products, workflows, and interactions to a segment of one.

FintechOS Lighthouse, our customer-centric platform for banking, enables the delivery of smarter, profitable products and personalized experiences. Pre-built functionality and low-code empower organizations to create value quickly. Move away from legacy systems, or keep them in place - it's all possible.

Success stories from our clients

IdeaBank

300% credit portfolio increase

IdeaBank reshaped their customer experience and reduced time to money. Open source, ready-to deploy modules empowered the bank to drive digital transformation easily across all lines of business and enable customers access to powerful, hyper-personalised journeys and products. FintechOS delivered streamlined digital onboarding, loan origination, and disbursement processes tailored for each consumer and SMB customer.

- ✓ 100% digital onboarding omni-channel solution
- ✓ 50% increase in productivity and operational efficiency
- ✓ 99% reduction in 'time to yes' for 40% of clients

TBIBank

Digital lending platform for SME and retail customers

TBI Bank created personalised individual and business banking services offered through any digital channel to its customers. Together, we delivered a digital lending platform with exceptional customer experience whilst maintaining regulatory compliance.

- ✓ 100% digital lending omnichannel solution
- ✓ Time to money for new clients decreased to 15 minutes
- ✓ Paperless process with Increased operational efficiency

We work with



Scotiabank®



References

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- 5 KickStart Alliance, Jan 2019, Orchestrated Onboarding: What It Is and Why You Need It
- 6 The Financial Brand, January 2021, Emphasis on Digital Banking Demands Changes to Onboarding Rules
- 7 McKinsey, July 2020, Europe's Digital Migration during COVID-19: Getting past the Broad Trends and Averages
- 8 B2e Media, September 2020, OTP Bank Romania's Digital Transformation & a Culture of Trust

**We'll help you roll out digital journeys
in 4-6 weeks**

Book a demo now >

fintechOS

FintechOS powers financial institutions managing and administering over a EUR 100 Billion in assets and we are constantly ranked among the most important financial technology players. We are trusted by Tier 1 Banks and top Insurance companies worldwide for our rapid go to market solutions based on innovative customer centric products.

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