
MOBILE-FIRST BANKING

Aligning Consumer Preferences with Digital and Human Channels to Provide a Superior Mobile-First Banking Experience



"The growth of mobile has significant implications for banks. As mobile phones get equipped with more and better functionality, it will transform the traditional interaction model with the consumer."

-PWC¹

Mobile banking is a pervasive trend that was made only more so by the sudden outbreak of the COVID-19 epidemic. In the wake of the pandemic, financial institutions around the world were left scrambling to increase the scope of their digital offerings to better serve their customers' unique and dynamic banking needs.

Afterall, if customers are unable to go to the bank, the bank must come to them. And for most banks, the easiest way to make banking more accessible is by providing a mobile-first banking experience. When it comes to providing mobile-first banking, customers expect an experience that resembles their favorite tech apps like Netflix or Uber.

Yet the banking customer's journey is vastly different from other industries, forming a complex web of digital and in-person interactions. For banks to provide a superior mobile-first banking experience, they must carefully align changing consumer preferences and behaviors with the appropriate digital and human channels. To achieve these objectives, many financial institutions are turning to unified communications (UC) solutions to provide a secure end-to-end mobile experience using features such as SMS, video chat, and co-browsing.

¹ PWC. "The New Digital Tipping Point." <https://www.pwc.com/gx/en/banking-capital-markets/publications/assets/pdf/pwc-new-digital-tipping-point.pdf>

THE RISE... AND ACCELERATION OF MOBILE BANKING

Approximately half of the world's population, some **3.8 billion people**, are smartphone users.² Americans spend an average of **5.4 hours a day** on their phones,³ managing everything from their social lives to their careers. And they are increasingly using their mobile devices to bank. While the mobile banking trend was apparent before the unprecedented outbreak of COVID-19, the rate of mobile adoption has been greatly accelerated.



According to the ABA Banking Journal,⁴ more than **one-third of American** households reported that mobile was their primary method of accessing their bank account in 2019, a 18.4% increase from 2017. Following the onset of the pandemic, however, **"Nearly all banks (97 percent)** say the pandemic has further accelerated mobile adoption among their customers. This aligns with the results of a new survey conducted by Morning Consult on behalf of ABA, which found that mobile and online banking adoption increased 3 percentage points each after the pandemic (to 39 percent and 32 percent respectively)."

² Statista. "Number of Smartphone Users Worldwide from 2016 to 2021." <https://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/>

³ Brown, Eileen. "Americans Spend Far More Time On Their Smartphones Than They Think." 28 April 2019, <https://www.zdnet.com/article/americans-spend-far-more-time-on-their-smartphones-than-they-think/#:~:text=The%20average%20American%20spends%205.4,every%20day%20on%20their%20phones.>

⁴ Mondres, Tyler. "ABA Data Bank: Mobile Banking Adoption Accelerates." 30 Oct. 2020, <https://bankingjournal.aba.com/2020/10/aba-data-bank-mobile-banking-adoption-accelerates/>

PROVIDING A MOBILE-FIRST EXPERIENCE

As mobile continues to gain more ground as the preferred digital channel, it is more important than ever for financial institutions to provide mobile-first banking experiences. Banking customers' expectations are largely influenced by their digital experiences with the Amazons and Facebooks of the world. They expect the same flexibility and conveniences when using mobile banking apps.

Yet designing a mobile-first experience in the banking is far more nuanced than it is in other industries. In banking, mobile-first rarely means mobile-only. Rather, banking customers rely on a complex mix of digital and in-person channels. As McKinsey noted in a recent report,⁵ banking



"customers are increasingly channel agnostic, jumping between channels to solve problems and get answers. They are also embracing digital channels embraced by human interaction."

Therefore, banks must find innovative ways to provide mobile and digital convenience with opportunities to transition to human interaction at all customer touchpoints.

STANDING OUT IN THE CROWD

Banking has grown increasingly competitive as the industry continues to adapt to digital disruption from nontraditional providers and tech companies. One way that banks can differentiate their brand is by adopting a mobile-first banking approach. Offering user-friendly communication features such as SMS messaging, video chat, and co-browsing is an efficient and cost-effective way to create a personalized and memorable banking experience.

⁵ McKinsey & Company. "Customer Preferences Spur Retail Banking Channel Evolution." 6 March 2020, <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/customer-preferences-spur-retail-banking-channel-evolution>

TEXT IS THE NEW TALK

Every second several hundred thousand text messages are being sent by mobile users located around the world. In the U.S. alone, there were some **2.1 billion text messages** sent in 2019.⁶ For the first time in our history, "texting is now king across all age groups, even among Baby Boomers. In fact, Baby Boomers are seven times more likely to text than they are to talk in-person and are twice as likely to send a text instead of call."⁷

The use of text as the predominant form of human communication is not limited to our personal lives. Texting has become a crucial mode of communication for businesses to interact with their customers. A recent study⁸ found that **58% of consumers** say that texting is the fastest way to reach them, while experts estimate that **3.5 trillion SMS business messages** will be sent in 2023.⁹



Financial institutions are increasingly using SMS for a broad range of customer communications, including:

- Notifying customers of account transactions.
- Generating fraud alerts.
- Sending payment reminders.
- Using passwords for two-factor authentication.

In addition to providing superior customer service, banks are using SMS to improve efficiency and reduce costs. Bank employees are tasked with sending countless transactional messages to customers on a daily basis. For instance, to reduce fraud banks commonly notify customers of suspicious transactions. With an SMS solution, a bank can contact the customer directly to verify a transaction.

A unified communications platform provides banks with a robust and secure cloud-based solution to manage all SMS communications with their customers.

⁶ Statista. "Total Number of Text Messages Sent in the United States From 2005 to 2019." <https://www.statista.com/statistics/185879/number-of-text-messages-in-the-united-states-since-2005/>

⁷ Asurion. "Americans Check Their Phones 96 Times a Day." 21 Nov. 2019, <https://www.asurion.com/about/press-releases/americans-check-their-phones-96-times-a-day/>

⁸ Zipwhip. "State of Texting 2021." <https://www.zipwhip.com/state-of-texting/>

⁹ Businesswire. "A2P Business Messages to Reach 3.5 Trillion by 2023, As RCS & OTT Technologies Gain Traction." 6 March 2019, <https://www.businesswire.com/news/home/20190306005032/en/A2P-Business-Messages-to-Reach-3.5-Trillion-by-2023-As-RCS-OTT-Technologies-Gain-Traction>



PROVIDING A BRANCH-LEVEL EXPERIENCE WITH VIDEO CHAT

Even with the widespread use of digital banking channels, consumers still value face-to-face interactions primarily to complete service transactions and seek assistance with out of the ordinary issues. In fact, nearly **8 out of 10 financial customers**¹⁰ prefer to communicate face-to-face with their bank to solve more complex issues. Customers have traditionally relied on branches to meet their in-person banking needs.

The pandemic, however, has fundamentally shifted consumer banking behaviors. With stay-at-home orders and restrictive social distancing measures in place, banks were forced to accelerate their digital transformation initiatives to better serve their customers.

To be sure, innovative customer service features such as video chat and co-browsing were utilized before the pandemic. One study¹¹ conducted in 2018 found that banks that employ video calling with customers experience significant benefits including:

- Positioning the bank as an innovator (65% of banks cite this benefit).
- Increasing customer satisfaction (56%).
- Providing faster customer service (56%).

Banks that used these user-friendly communication features before the pandemic found themselves ahead of the curve and better able to serve their customers following the outbreak of the crisis. Those financial institutions that lacked these capabilities found themselves at a significant competitive disadvantage.

¹⁰ Accenture. "The Banking Human Experience." 12 July 2019, <https://www.accenture.com/nl-en/insights/digital/banking-human-experience>

¹¹ The Financial Brand. "The State of Video Banking: Trends, Stats & Facts." 30 May 2018, <https://thefinancialbrand.com/72684/video-banking-interactive-chat-trends/>

"Prior to COVID-19, only 15% of consumers had spoken to a bank advisor via video call, but nearly half (46%) said they would be willing to do so when branches reopen, and 35% said they would prefer video calls to face-to-face meetings."¹²



And while COVID-19 will one day be a distant memory, much of the changes in consumer banking needs and behaviors will remain. In other words, many customers that have been exposed to more efficient ways of banking such as video chat features have found that they prefer these channels to traditional in-person banking.

According to one recent report,¹² "Prior to COVID-19, **only 15%** of consumers had spoken to a bank advisor via video call, but **nearly half (46%)** said they would be willing to do so when branches reopen, and **35%** **said they would prefer video calls** to face-to-face meetings."

Video chat and co-browsing features will play important roles in the effort to cost-effectively bridge the gap between digital and in-person interactions. And in some ways, video chat can be more personal and effective than receiving in-person assistance. Using features such as screen sharing and co-browsing, customers can share their screens with representatives to receive more personalized support in real-time.

¹² Accenture. "Rapid Shift to Digital Banking During COVID-19 Accelerating Erosion in Consumer Trust, Accenture Report Finds." 7 Dec. 2020, <https://newsroom.accenture.com/news/rapid-shift-to-digital-banking-during-covid-19-accelerating-erosion-in-consumer-trust-accenture-report-finds.htm>

Consider, for example, a married couple applying for a mortgage. In the awareness stage of their customer journey, the couple spends some time searching for lenders and different mortgage products on their mobile devices. They stumble upon one lender's website that provides a prompt from a chatbot to speak to a mortgage specialist. Intrigued by the efficiency of a text communication they initiate a chat session.



The chatbot assigns the inquiry to an advisor. Once the chat session is underway, the advisor offers the couple an opportunity for a secure video chat to better answer their questions. They accept and a seamless transition is made to a video call. Once on the call, the advisor uses co-browsing to walk them through the online mortgage application process. A secure encrypted file transfer feature allows the couple to share sensitive documents throughout the origination process.

Through one seamless customer journey, the couple has gone from the awareness stage to the action stage – submitting a mortgage application. The bank succeeded where others failed because it aligned customer preferences for a mobile-first digital experience with the right communication channels at the right time.

As financial institutions answer the call for providing superior mobile-first experiences, they must find ways to align dynamic customer preferences and behaviors with the appropriate digital and human channels. A unified communications solution can help banks stand out from the competition by cost-effectively and efficiently designing a secure end-to-end mobile-first experience with innovative features such as SMS, video chat, and co-browsing.

ABOUT REVATION SYSTEMS

At Revation Systems, we have a passion for making the complex simple and embracing risk to deliver great results. We have a security-first mindset and a purpose-built approach to everything we do from our policies and processes to our infrastructure and architecture. Security is at the core of our DNA; both at the organizational level and for the architecture of our technology. Security is not a check box for us, but rather an approach that starts from the ground up and influences every product we bring to market. We take the hard road every time to ensure our customer's data -- in the two most tightly regulated markets -- remains protected.

Our secure solutions have been validated with our HITRUST Certification. For financial providers, HITRUST certification means that the organization in question (including its products) has already undergone rigorous scrutiny and is a verified-secure partner whose technology and organization could leverage for its digital transformation without fear, hesitation, or time spent on an additional internal review.


We believe in the power of human relationships and that innovation in communication will connect people to help achieve financial security and live healthier lives. Revation Systems serves hundreds of healthcare and finance consumers in the U.S. with its all-in-one full contact center in the cloud with the ability to drive experience across digital and physical channels. LinkLive is unified communications software hosted in the cloud that offers a broad range of capabilities including rich digital messaging, a seamless ability to engage humans across physical and digital channels, and leading voice and video communications.

We offer the advanced, sophisticated capabilities are expected in a contact center like skills-based routing, session recording, workforce management, agent scheduling, and quality monitoring tools. We also offer a broad range of digital capabilities from chat, secure mail, and co-browsing to the ability for digital users to engage the physical channels and humans at a healthcare or banking organization. Since its founding in 2003, Revation has been dedicated to the belief that the quality of communications can be increased, while the costs and hassles can be decreased, using virtual communications with a cloud-based platform.

**Have Questions?
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