



The New Paradigm for Financial

*Offering the Products and Services
Consumers Want to Use*



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As the impact of the Covid-19 pandemic continues to shape consumer attitudes and preferences, financial institutions are witnessing an acceleration of the digital migration that was well underway prior to the global health crisis. While providing digital access to accounts and banking services is part of the transformation, there is a bigger concept at play.

Traditionally, banks and credit unions have offered digital products and services to meet consumer needs. However, these offerings have not always been on par with consumer expectations.

In fact, a survey conducted by J.D. Power indicates that digital-only banking customers have the lowest levels of satisfaction.¹

Institutions



To put these findings into perspective, consider how consumers feel about companies such as Costco or Etsy, whose digital-only customer satisfaction scores hit a top-performing 80 points on the 100-point ACSI scale last year.² These leading retailers have learned how to create a seamless customer experience across channels as well as products and services, gaining customer approval in the process.

For financial institutions, the experiences provided by technology-savvy companies like these matter. The world of banking is no longer an insular en-

vironment where competition is confined to the financial institution down the street. Instead, the bank or credit union's biggest competitor is now the provider of the consumer's last best digital experience.

Financial institutions must then offer service that rivals these technology giants in terms of simplicity and consumer friendliness. Instead of enticing customers and members to use poor-fit digital creations, it's time to implement the services that consumers want to use.

One of these is a single origination experience. In creating a single digital account opening and loan origination process, credit unions can improve customer satisfaction as they transform their own website or mobile app into an online sales channel, covering every point of sale, from consumer and business deposits through lending.

Here is how it's done.

CREATING A SEAMLESS JOURNEY

According to PwC, 61% of bankers agree that a customer-centric business model is very important to financial institution profitability and success, but only 17% are prepared to achieve it.³ Increasingly, this lack of readiness is due to the complexity of the consumer request.

Customer centricity in banking is now dependent upon seamless journeys across the customer's or member's financial landscape. If consumers can't find consistency in service availability across all channels that the financial institution offers, consumer satisfaction drops dramatically.

Most importantly, expectations for a fluid interplay begin as the consumer first researches banking products. For example, lender websites remain top stops on the consumer journey as homebuyers

seek to compare mortgage rates. Financial institutions that can then allow the consumer to move seamlessly into a digital loan application process will naturally pick up more market share.

It's a similar situation when consumers open deposit accounts: 72% of individuals responding to a survey conducted by BAI would open a checking account with an online bank.⁴ Convenience is the primary factor as consumers seek 24/7 access and faster origination cycles.⁵

Given these expectations, the pressure is on to create a digital account opening process and mortgage origination platform that consumers will want to use. In the creation of such an offering, a few critical considerations come into play:

■ **Consistency:** Consumers are looking for a consistent interface from start to finish. The online portal should look and feel as if it belongs to the credit union to encourage trust and should provide consistent end-to-end functionality.

■ **Omnichannel:** While a fluid application process is essential to the digital channel, it must also carry across to any other channel the customer wants to use. This requires financial institutions to address the back end, providing credit union personnel with an unlimited view into customer and member interactions across all channels.

■ **Simple:** In the past, consumers have sought out branch services to open accounts, seeking guidance through the process. As 70% of consumers now move to online or mobile account openings and loan applications,⁶ they're expecting similar simplicity with an intuitive flow and easy prompts to guide them from start to finish.



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■ **Real Time:** One of the biggest reasons for opening an account online is the immediacy of the transaction. A single front-end application therefore needs the benefit of real-time decisioning to support instant account opening and lending decisions.

■ **Digital End-to-End:** Above all, the origination process needs to be digitally sustainable from start to finish—from entering application details to signing documents electronically, funding the account and receiving disclosures.

(To learn more about creating a consistent user experience, download Finastra's white paper, "Seamless deposit and loan account opening built on design thinking."⁷)

Consumer preferences revealed in the Digital Banking Report consumer survey indicated that experience does matter when it comes to account origination.

Consumers who were dissatisfied with their financial institution's account opening process were not willing to recommend their bank or credit union to friends and family. According to the report, 75% of consumers who expressed this attitude were in the lucrative under-50 demographic.⁸

UNITING THE CUSTOMER EXPERIENCE

Meeting consumer expectations for seamless origination begins by harmonizing both deposits and lending for business and consumers.

Finastra's Fusion Originate, for example, allows consumers to connect both their personal and business worlds behind a single interface, seamlessly supporting the digital account opening process with one consolidated and compliant platform.

Seamless originations can encourage customer acquisition and retention. Using the single UX for origination also



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supports multiple account openings in a single session. Allowing customers and members to open a checking and saving account simultaneously for both business and personal speeds the deposit origination cycle. This helps financial institutions gain greater share of wallet.

Seamless originations also can move the loan origination process online. Utilizing the same front-end application employed for deposit accounts ensures a faster and more seamless process, by using the information already contained on the platform to prepopulate form fields.

A faster origination UX reduces instances of application abandonment, ensuring that financial institutions have the chance to compete for consumer business based on rates and customer-centric capabilities.

Most importantly, financial institutions can offer the same seamless user experience across both deposit and loan originations. Employing self-

guided prompts and an intuitive interface speeds customers and members through the application while real-time decisioning works to satisfy customer demands for immediacy.

With seamless origination products like Finastra's Fusion Originate,⁹ financial institutions can turn the account opening process into a revenue-generating opportunity, expanding share of market by attracting more consumers and securing a greater share of future business through improved customer satisfaction rankings.

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Footnotes

¹ "Mass Switch by Consumers to Digital Channels Creates Bigger Challenge 'Satisfaction,' According to J.D. Power." CU Today. CUtoday.info, May 13, 2020. Web.

² Dan Berthiaume. "ACSI: Amazon Customer Service Rating Falls During COVID-19, but It's Not Alone." Chain Store Age, Oct. 20, 2020. Web.

³ "Retail Banking 2020: The Future of the Retail Banking Industry." PwC. Retrieved from <https://www.pwc.com/gx/en/industries/financial-services/banking-capital-markets/banking-2020.html>.

⁴ "BAI Banking Outlook Special Report: Direct Banks." BAI, 2020. Retrieved from https://www.bai.org/docs/default-source/libraries/lob-research-downloads/_res-bbo-specialreport_direct_banks.pdf?

⁵ "BAI Banking Outlook Special Report: Direct Banks." BAI, 2020. Retrieved from https://www.bai.org/docs/default-source/libraries/lob-research-downloads/_res-bbo-specialreport_direct_banks.pdf?

⁶ "BAI Banking Outlook: Grow Through Investment in Customer Digital Experience." BAI. BAI infographic, 2020. Web.

⁷ https://www.finastra.com/viewpoints/market-insights/seamless-deposit-loan-account-opening-built-on-design-thinking?utm_source=ACUMA&utm_medium=pipelinemagazine&utm_campaign=Fusion%20Originate%20white%20paper

⁸ Val Srinivas, et al. "First Impressions Count: Improving the Account Opening Process for Millennials and Digital Banking Customers." Deloitte, Sep. 6, 2017. Web.

⁹ <https://www.finastra.com/solutions/lending/fusion-originate>