



Video On The Forefront

by [Steve Brown](#)

When Apple says "there's an app for that," they're not kidding. One of the tech giant's newest additions is an app that iPhone users can use to sign up to be organ donors with just a few clicks. As part of Apple's release of its iOS 10 operating system the company's Health app will include the ability for users to register with the National Donate Life Registry to become organ, eye or tissue donors. According to Donate Life America, which manages the donor registry, someone waiting for an organ transplant dies every hour because of the shortage of donors in the country. A single donor has the ability to save up to eight lives. By partnering with Apple, Donate Life America is hoping to increase awareness about the need for donors, encourage more people to sign up, and make things easier for doctors and family members.

Apple's decision to make it easier for its users to connect to the organ donor registry made us think about the power of technology to help community banks maintain and improve connections with customers - specifically video banking. According to research from global banking association Efma and video conferencing company Vidyo, video banking will be used 10% of banks in 2016, with that number rising to 50% by the end of 2017 and to 80% by the end of 2018.

One of the biggest reasons community banks should consider utilizing video banking services is the simple fact that people have more demands on their time than ever before, often making it difficult to visit a bank branch during traditional banking hours.

By offering video conferencing services to customers, banks can significantly expand the hours that customers can access bank professionals - all without the expense of keeping branches open longer.

In addition, given connectivity costs for such services have fallen significantly since video conferencing first came on to the scene, cost is no longer a barrier for banks interested in providing these services to customers.

Some of the things banks have begun using video banking for are face-to-face advisory sessions with personal bank managers or financial advisors, video-based mortgage consultations and, in some cases, just plain vanilla customer service.

While customers have been quick to embrace the convenience of video conferencing, there are definite preferences among banks for the types of video viewed as most valuable. Here, the research found that roughly 70% of banks think video banking services available through cell phones, tablets or desktop computers, are significantly more important than providing video banking through ATMs or within branches. Similarly, 93% of respondents said they believe video banking will have a positive impact on customers' overall satisfaction.

In the summer of 2014 India-based IndusInd Bank was an early adopter and began offering video services to its customers through mobile devices and desktop computers. This allowed customers to connect with a branch manager, relationship officer or branch executive. The video services, which

are also available to customers of the bank who are not residents of India and who are located in other countries, have become so popular that the bank now has an average of 1,000 video calls per day and has seen repeat usage by roughly 65% of customers who have used the services.

Similarly, in the UK, Barclays introduced video services in late 2014 that provides 24/7 access to representatives at the bank through cell phones, tablets or desktop computers. Though the service was originally available to just a limited number of customers it has proven so popular that the bank is in the process of rolling it out for all customers.

Given the success of such services abroad, it is only a matter of time before there is widespread adoption among US banks. So, if your bank hasn't yet begun investigating such services, perhaps now is a good time to start.

BANK NEWS

Automation

McKinsey research finds about 45% of the things people do at work can now be automated using existing technology.

Rate Projection

A JPMorgan economist projects the odds of a September rate hike by the Fed are quite low and the next move will occur in December (as long as inflation continues to firm up).

China Banks

Reuters reports deteriorating Chinese bank capital levels will likely force the government to inject \$100B into the industry.

Fined

The CFPB has fined Wells Fargo \$3.6mm to settle allegations it collected improper fees related to private student loan servicing practices. In particular, the CFPB said Wells must allocate partial loan payments to satisfy as many loans as possible and help borrowers reduce delinquencies and late fees.

Young Banks Operating

The latest FDIC supervisory insights report finds that of the more than 1,000 new banks formed between 2000 and 2008, 634 institutions were still operating as of September 2015, holding \$214B in total loans and leases.

Digital Disruption

Research by Deloitte and MIT on digital disruption finds 87% of managers and executives say their industries will be disrupted but only 44% say their company is adequately preparing.

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