



Banking Redefined Post-COVID-19 - Customers (Part 1 of 2)

business customers customer experience pandemic

Summary: In this 2-part series, we discuss customer and financial institution shifts due to COVID-19 and which ones will last. Today, we look at the customer.

Fossils show sharks existed 450mm years ago which is 2x as long ago as dinosaurs. Just as those were likely uncertain times, we are experiencing our own. Luckily, it feels like we may soon see the light at the end of the tunnel.

In preparation for that, in a 2-part series, we address the shifts customers and financial institutions (FIs) have made due to this crisis and which ones are likely to continue even after the crisis. Today, we start with customer behaviors that are likely to remain.

Using two-way video. At the end of last year, just 17% of bank customers had used video chat for financial interactions. But, limited access to branches, with a need to still have a "human" connection, has induced many customers to utilize two-way video banking, both online and via mobile. Since the lockdown, some [financial institutions are seeing surges from 40-50%](#) in video chat services, according to Forrester. Not only that, but 89% of customers who have "video chatted" with their FI found it valuable or very valuable, according to Phoenix Synergistics. We will likely see this continue.

Making more digital and contactless payments. Cash may be king, but research has pointed to US currency (and physical credit cards) having more than 3k types of bacteria. In light of the coronavirus, even the World Health Organization has recommended the use of contactless or digital payments. Not only that, but customers have become more familiar with P2P (like Venmo and Zelle) and digital wallets during the shelter-in-place restrictions. So, we may continue to see more digital and contactless payment adoption post-COVID-19.

Wanting more evolved branches. We know the branch has not died, but its purpose has progressively altered in recent years. Then, the coronavirus came, which hastened this progression, as digital channel usage soared. Still, people have a [51% higher level of trust for financial institutions with branches](#), according to the 2019 World Branch Report. The expectation is that the branch will develop into even more of a meeting place for businesses or individuals -- and branch designs with staff roles should be adjusted to reflect that. At the same time, digital channel usage will likely continue to remain higher than before the crisis.

Expecting more customization. While community FIs have always been good at personalized service, this crisis has pushed customization to another level. COVID-19 has accelerated customers' desires for products and services that speak to them. During the lockdown, Netflix, Amazon, and news channels continued to shape expectations of tailored content. The winning solutions are rapidly gaining traction by getting to know their users, and giving them exactly what they want when they want it. Customers will expect this level of customization from their financial providers too.

We know this is a lot to consider as you start opening up for business more fully again. But, it may be more a matter of fine-tuning than revamping. [Continue reading part 2](#) tomorrow on the shifts of FI.

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