Accelerating digital transformation in banking
Global consumer survey on digital banking, and analysis on the value of bank branches and online banking channels
Contents

Global consumer survey on digital banking

Digital engagement is key to optimizing the consumer experience | 2
Satisfaction with banking is relative | 4
The rate of digital adoption is encouraging, though transactional in nature | 7
The digital-emotional connection | 10
Segment characteristics are not uniform by country | 13
More real in digital and digital in real | 15
The case for accelerating digital transformation | 19
Endnotes | 20

The value of bank branches in a digital world

Bank branches are still relevant in a digital world | 22
The branch experience influences customer satisfaction more than online or mobile channels | 25
Reimagining branch transformation | 27
Endnotes | 29

The value of online banking channels

The value of online banking channels | 30
Endnotes | 32
Global consumer survey on digital banking

Digital engagement is key to optimizing the consumer experience

The banking industry is in a digital arms race. In 2018, banks globally plan to invest US$9.7 billion to enhance their digital banking capabilities in the front office alone.¹ For many retail banks, online and mobile channels have become as important—if not more important—than branches and ATMs.

Banks around the world are already realizing how investments in digital technologies could benefit customer acquisition and satisfaction. For example, Bank of America currently receives more deposits from its mobile channel than it does from its branches.² The bank’s CEO Brian Moynihan recently stated that investing in digital banking capabilities has helped improve customer satisfaction.³

For many retail banks, online and mobile channels have become as important—if not more important—than branches and ATMs.

But satisfaction is relative. As leading technology brands, such as Apple, Amazon, or Google, have become the gold standard for digital engagement, many consumers now have a stronger emotional connection with these brands than they have with their primary banks, as we will see in the subsequent sections in the report. If banks want to keep up, they have to engineer the digital experience they offer to make these emotional connections, which, ultimately, could translate into sticky interactions and more profitable customers.

The Deloitte Center for Financial Services surveyed 17,100 banking consumers across 17 countries in May 2018 to measure the current state of banks’ digital engagement. We asked respondents how frequently they use different channels and services, with an eye on digital transactions. We also captured consumers’ expectations and perceptions of digital banking capabilities, and the likelihood of using additional digital banking services in the future.

The survey results support Deloitte’s belief that restructuring organizations around different stages of customer interaction will be the next frontier for digital banking. Specifically, this will require integrating digital services across five stages— adoption, consideration, application, onboarding, and servicing—to drive holistic engagement. We believe the results clearly show that banks need to expand their focus beyond increasing and enhancing digital service offerings to transform themselves into truly effective digital organizations.

This study is the latest of a suite of thought leadership efforts by Deloitte that address digital banking, a topic of the utmost importance to the industry’s future (see sidebar, “Digital banking research from Deloitte”).

Of course, banking systems and the behaviors of consumers vary across markets in different geographies. As such, we highlight country differences along the way to offer a perspective of consumers’ relationship with their banking institutions in individual countries. A subsequent report and interactive will dive deeper into these geographic differences and their reasons.
ABOUT THE STUDY AND METHODOLOGY

The Deloitte US Center for Financial Services fielded a global digital survey in May 2018, querying 17,100 respondents in 17 countries. We set minimum quotas for age and gender for each of the 17 countries. The survey emphasized consumers’ digital engagement, including channel preferences for various banking activities and buying new products, their emotional connection to their banks, and other attitudes and perceptions about their primary banks.

To understand whether there were different segments with characteristics within our global sample, we performed cluster analyses of channel usage data for 13,912 eligible respondents. We found that one algorithm in particular yielded the most statistically significant and meaningful results. The input data for the cluster analysis was:

1. How frequently the respondents use bank channels: bank branch, ATM, contact center, online banking service, and mobile banking app.

2. Which channels they prefer to access a range of services: transactional (withdraw money, pay bills), informational (inquire bank balance, inquire about a bank product, update account details), problem resolution (dispute a transaction, report lost or stolen debit/credit card), and product application (apply for a loan).

The results revealed clear differences regarding digital attitudes and behaviors among consumers. Across the globe, consumers fell into one of three distinct segments: traditionalists, online embracers, or digital adventurers. Please read more about the segment characteristics in “The digital-emotional connection” section later in the report.

The survey data reported are unweighted, and we caution that the interpretations maybe limited to the samples we included in the study.
Satisfaction with banking is relative

The Deloitte Center for Financial Services’ global survey of banking consumers confirmed a finding that we have observed in other Deloitte studies: Consumers’ overall satisfaction with their primary banks is generally high. Nearly two-thirds of consumers in our global sample are either completely satisfied or very satisfied with their primary bank. Satisfaction varies country by country, however (figure 1).

Within the Asia Pacific region, for example, consumers in India and Indonesia are more satisfied with their banks than are those in Singapore, Australia, or Japan. In Europe, consumers in Norway and the Netherlands are more satisfied with their banks than are those in Germany, France, or Spain. Comparing satisfaction levels across the Atlantic, consumers in the United States and Canada are generally more satisfied with their banks than their European counterparts are.

These patterns are mirrored when determining whether consumers would advocate for their banks. Nearly two-thirds of consumers in our survey said they would recommend their primary bank to friends and family (figure 1). A higher proportion of consumers in India and Indonesia are likely to recommend their banks than are those in Japan, Singapore, or the United States.

But these questions measure emotional engagement with broad strokes; they do not paint a full picture of customer satisfaction. As banks embrace varied strategies to differentiate themselves, they need to pay close attention to how they make their customers feel so they can build sticky relationships. According to a Harvard Business Review article, emotionally connected consumers are 35 percent more valuable than highly satisfied consumers. In our study, the top 25 percent of respondents who ranked their bank the highest using six positive descriptors also have a higher number of products with their primary bank.

Importantly, though, our survey also showed that banks lag behind other brands in building these emotional connections. Best-in-class digital service providers, including Apple, Google, Amazon, Samsung, and Microsoft, topped the list. Figure 2 shows the percentages of how consumers ranked their banks on these six descriptors compared to these top brands. In short, these results show that consumers feel these favorite brands outperform their banks in providing quality, convenience, and value via an exceptional digitally driven consumer experience.

In our study, the top 25 percent of respondents who ranked their bank the highest using six positive descriptors also have a higher number of products with their primary bank.
FIGURE 1

Although satisfaction and advocacy rates are high, they are not uniform across countries

Percentage of respondents who indicated they were "extremely/very satisfied" and "very likely/likely to recommend" (respectively)

<table>
<thead>
<tr>
<th>Country</th>
<th>Satisfaction</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>80%</td>
<td>81%</td>
</tr>
<tr>
<td>United States</td>
<td>76%</td>
<td>69%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>74%</td>
<td>80%</td>
</tr>
<tr>
<td>Mexico</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>Norway</td>
<td>71%</td>
<td>57%</td>
</tr>
<tr>
<td>Canada</td>
<td>68%</td>
<td>61%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>67%</td>
<td>61%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>66%</td>
<td>59%</td>
</tr>
<tr>
<td>Australia</td>
<td>63%</td>
<td>52%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>61%</td>
<td>67%</td>
</tr>
<tr>
<td>Spain</td>
<td>57%</td>
<td>56%</td>
</tr>
<tr>
<td>China</td>
<td>55%</td>
<td>68%</td>
</tr>
<tr>
<td>Singapore</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>Brazil</td>
<td>54%</td>
<td>65%</td>
</tr>
<tr>
<td>Germany</td>
<td>54%</td>
<td>57%</td>
</tr>
<tr>
<td>France</td>
<td>42%</td>
<td>48%</td>
</tr>
<tr>
<td>Japan</td>
<td>41%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
FIGURE 2
Making an emotional connection: How banks compare to favorite brands
Percentage of respondents who agreed or strongly agreed

<table>
<thead>
<tr>
<th></th>
<th>Favorite brand</th>
<th>Primary bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>They make it easy for me to use their products and services</td>
<td>73%</td>
<td>60%</td>
</tr>
<tr>
<td>They “wow me” with the quality of their products and services</td>
<td>70%</td>
<td>45%</td>
</tr>
<tr>
<td>They routinely look for ways to improve my experience or deliver greater value</td>
<td>67%</td>
<td>48%</td>
</tr>
<tr>
<td>They offer me the most value compared to the same types of products and services</td>
<td>66%</td>
<td>49%</td>
</tr>
<tr>
<td>They are transparent on product/service terms and fees</td>
<td>64%</td>
<td>52%</td>
</tr>
<tr>
<td>They know me and what I need</td>
<td>60%</td>
<td>48%</td>
</tr>
</tbody>
</table>

For each of these questions, the gap between favorite brands and primary banks is at least **12%**

Source: Deloitte Center for Financial Services analysis.
The rate of digital adoption is encouraging, though transactional in nature

Our survey also indicates that consumers are ready for a higher level of digital engagement from their banks. Many consumers already interact with digital banking channels quite frequently, which is a highly positive development. Although branches and ATMs are still used by slightly more banking customers, online and mobile channels are not far behind. Eighty-six percent of consumers use branches or ATMs to access their primary bank; 84 percent use online banking; and 72 percent use mobile apps to access their primary bank.

But more tellingly, digital channels are used more frequently than branches and ATMs (figure 3) across all generations, and in all countries. This clearly presents an opportunity for banks; if they can improve their digital offerings, they could increase customer engagement.

However, a country-by-country breakdown reveals some curious exceptions. Japan, in particular, stands out from the crowd with only 7 percent using online and 6 percent using mobile banking more than five times a month. This result is not completely surprising, however: A 2016 Meiji Note: Percentages may not total 100% due to rounding.

Source: Deloitte Center for Financial Services analysis.

FIGURE 3
Respondents used mobile and online channels most frequently

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Less than once a month</th>
<th>2-5 times per month</th>
<th>6-9 times per month</th>
<th>10 or more times per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank branch</td>
<td>14%</td>
<td>61%</td>
<td>21%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>ATM</td>
<td>14%</td>
<td>33%</td>
<td>38%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Contact center</td>
<td>22%</td>
<td>67%</td>
<td>8%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Online banking</td>
<td>18%</td>
<td>18%</td>
<td>29%</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Mobile banking app</td>
<td>29%</td>
<td>18%</td>
<td>21%</td>
<td>11%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Note: Percentages may not total 100% due to rounding.
Yasuda study revealed that 70 percent of internet users in Japan used cash to pay at a physical store. China and Singapore, both known for populations that are digitally savvy, also fall into this category, but not to the same extent.

Among the other countries surveyed, though, the general trend is that many more banking interactions are made online and via mobile devices than through ATMs and branches. This is a good start. The first step toward improved brand recognition is to get in front of the customer as often as possible.

While the frequency of digital channel usage is a positive sign, there is an important distinction to make here regarding quantity versus quality of interactions. Our survey showed that digital channels are mostly limited to informational and transactional services that have been available through online banking for at least 15 years, such as transferring money, updating account details, and checking account balances.

Many consumers still prefer traditional channels over digital channels for complex or advisory services, however. Of the respondents who filed a complaint with their bank, 42 percent used contact centers, 26 percent used branches, and only 30 percent used digital channels (online or mobile). The trend is also true for applying for new products, especially loans that require multiple verification and documentation steps (figure 4). Interestingly, consumers were split in their preference to use online and mobile channels versus branches when applying for payment cards (debit and credit cards) and basic transactional products (payment and savings accounts).

And although few banks allow their customers to apply for a consumer unsecured term loan or small business loan through digital means, nonbank fintechs have been allowing this for almost a decade and some banks have followed suit. Yet, for the most part, retail banks still require human intermediaries and cumbersome nondigital documents to process loan applications.

Further, banks’ “pull” approach versus a “push” approach to digital service could be standing in the way of creating emotionally engaging digital interactions. Today’s consumers still come to the bank’s platform to meet their needs—be it monitoring account details or understanding their spending patterns—and banks tend to react to their needs. Meanwhile, fintechs have shown a better way to digitally engage consumers through a “push” strategy that includes sending them intelligent, tailored insights based on their spending behavior or notifying them about discounts or loyalty offers at nearby retailers. Although banks have made the important step of making the login process easier by having mobile devices remember information in a secure manner, they can invoke more push strategies, such as providing customers with alerts regarding unusual movement in their accounts.
FIGURE 4

Most respondents prefer traditional channels to handle complex or advisory services

Where respondents go to buy new products

<table>
<thead>
<tr>
<th></th>
<th>Bank branch</th>
<th>Contact center</th>
<th>Online banking</th>
<th>Mobile banking app</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td>54%</td>
<td>4%</td>
<td>30%</td>
<td>12%</td>
</tr>
<tr>
<td>Savings account</td>
<td>54%</td>
<td>5%</td>
<td>30%</td>
<td>11%</td>
</tr>
<tr>
<td>Debit card</td>
<td>49%</td>
<td>6%</td>
<td>33%</td>
<td>12%</td>
</tr>
<tr>
<td>Credit card</td>
<td>44%</td>
<td>7%</td>
<td>38%</td>
<td>11%</td>
</tr>
<tr>
<td>Personal loan</td>
<td>61%</td>
<td>6%</td>
<td>25%</td>
<td>8%</td>
</tr>
<tr>
<td>Mortgage/mortgage refinance</td>
<td>69%</td>
<td>6%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Home equity loan</td>
<td>68%</td>
<td>7%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Wealth management/brokerage account</td>
<td>62%</td>
<td>6%</td>
<td>24%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
The digital-emotional connection

To dig deeper into digital engagement, and understand how it varied across customer segments, we ran a cluster analysis (see “About the study and methodology” section). The analysis of nearly 14,000 global respondents confirmed a positive relationship between digital usage and emotional engagement in three distinct consumer segments. We’ve named these groups traditionalists, online embracers, and digital adventurers.

• **Traditionalists** comprised 28 percent of the sample. They are light digital users who do most of their banking in branches and through ATMs. Nearly one-half of these respondents who check their bank balances used ATMs; a fifth used branches. Of the traditionalists who transferred money from one account to another, one-third used ATMs while another one-third used branches.

  Nearly one-quarter of traditionalists have never used online banking to access their primary bank. Their reluctance to use mobile apps is even higher—44 percent have never used mobile apps to access their primary bank. Even among users of online and mobile banking in this segment, only one-tenth have used these channels 10 or more times in a month. Traditionalists also hold fewer products, such as debit and credit cards, than the other segments.

• **Online embracers** comprise the largest segment, at 43 percent. They are more digitally engaged with their banks than traditionalists, but prefer online over the mobile app channel for types of transactions that banks have spent years perfecting online, such as balance and transaction inquiries, transferring funds, and paying bills. They have higher product holdings than traditionalists and transact with their banks more frequently, but not all the time; about 20 percent of online embracers accessed their bank online more than 10 times a month, and 25 percent accessed their mobile apps more than 10 times per month.

• **Digital adventurers** comprised 28 percent of the sample; millennials comprised the highest share of adventurers compared to the other segments. Like online embracers, this group exclusively uses mobile and online channels to inquire about their account, transfer funds, and pay bills; however, many more adventurers are comfortable, and prefer, to perform them on their mobile devices. As an example, 48 percent of digital adventurers transfer money person-to-person (P2P) online and 44 percent do so on mobile apps, while 52 percent of online embracers make P2P transfers online and 37 percent prefer to do so on mobile apps.

  Digital adventurers also own many products, but they transact much more frequently than online embracers do. Over half of users of online and mobile banking in this segment have accessed these channels 10 or more times a month. A significant proportion of digital adventurers prefer to use online and mobile channels
Most tellingly, digital adventurers demonstrate the highest levels of satisfaction and advocacy for their primary banks.

Most compellingly, digital adventurers demonstrate the highest levels of satisfaction and advocacy for (are most likely to recommend) their primary banks. And they also generally express a deeper emotional engagement with their primary banks compared to online embracers and traditionalists (figure 5), at least in absolute terms.

**FIGURE 5**

**How emotional engagement varies by consumer segment**

Percentage of respondents who agreed or strongly agreed

<table>
<thead>
<tr>
<th>Emotional connection</th>
<th>Traditionalists</th>
<th>Online embracers</th>
<th>Digital adventurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>My primary bank &quot;wows me&quot; with the quality of their products and services</td>
<td>42%</td>
<td>43%</td>
<td>49%</td>
</tr>
<tr>
<td>My primary bank makes it easy for me to use their products and services</td>
<td>51%</td>
<td>61%</td>
<td>67%</td>
</tr>
<tr>
<td>My primary bank offers me the most value compared to the same types of products</td>
<td>44%</td>
<td>48%</td>
<td>53%</td>
</tr>
<tr>
<td>My primary bank knows me and what I need</td>
<td>44%</td>
<td>47%</td>
<td>52%</td>
</tr>
<tr>
<td>My primary bank is transparent on product/service terms and fees</td>
<td>46%</td>
<td>52%</td>
<td>56%</td>
</tr>
<tr>
<td>My primary bank is routinely looking for ways to improve my experience or deliver greater value</td>
<td>44%</td>
<td>46%</td>
<td>53%</td>
</tr>
</tbody>
</table>

| Satisfaction (extremely/very satisfied) | 56% | 63% | 67% |
| Recommendation (very likely/likely to recommend) | 53% | 63% | 68% |

Source: Deloitte Center for Financial Services analysis.
When looking at digital adventurers’ emotional engagement with their banks compared to their favorite brands, an interesting twist emerges. Although digital adventurers are the most emotionally engaged banking consumers in absolute terms, the gap between engagement with their favorite brands and primary bank is higher for four of the six parameters (figure 6). Banks have some road to travel, if their most satisfied, seemingly more engaged consumers are not as “wowed” by banking services as they are with their favorite brands. This is where we ask ourselves, “Are banking consumer relationships truly sticky? If these favorite brands become financial services providers, then what?”

FIGURE 6
The gaps between emotional connection to favorite brands and primary banks
Percentage of respondents who believe the statements describe their top brands and banks completely/very well

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Traditionalists</th>
<th>Online embracers</th>
<th>Digital adventurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>They “wow me” with the quality of their products and services</td>
<td>21%</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>They make it easy for me to use their products and services</td>
<td>15%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>They offer me the most value compared to the same types of products and services</td>
<td>18%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>They know me and what I need</td>
<td>12%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>They are transparent on product/service terms and fees</td>
<td>12%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>They routinely look for ways to improve my experience or deliver greater value</td>
<td>16%</td>
<td>20%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
Segment characteristics are not uniform by country

We also analyzed how the segments we described above are distributed across the 17 countries included in our study (figure 7).

Predictably, when looking at clustering by country, 75 percent of respondents in Japan, a digital banking laggard, are traditionalists. Next in line are France, the United States, and Indonesia, with 41 percent, 38 percent, and 35 percent of their samples, respectively, falling into the traditionalist category. The decades-old and resilient branch infrastructure could potentially explain high composition of traditionalists in developed economies. However, the case of a developing country like Indonesia featuring a higher composition of traditionalists compared to the global average merits additional analysis.

The Netherlands boasted the highest composition of online embracers (63 percent), followed by China (58 percent), Switzerland (56 percent), Singapore (53 percent), and Norway (53 percent). High internet connectivity in most of these countries potentially explains their reliance on digital. For instance, the Netherlands ranked among the top four countries in the 2017 Digital Economy and Society Index (DESI), which measures digital performance and competitiveness in Europe.16

Of the 17 countries studied, Brazil has the highest representation of digital adventurers compared to the global average. Meanwhile, the United Kingdom and India, comprising 46 percent and 42 percent of digital adventurers in their samples, respectively, mirror the global story more closely with higher satisfaction and high digital use. We will explore the country differences and drivers of respondents’ digital behavior in subsequent publications and an interactive feature.

The decades-old and resilient branch infrastructure could potentially explain high composition of traditionalists in developed economies.
FIGURE 7
Country-by-country comparison of customer segments

<table>
<thead>
<tr>
<th>Country</th>
<th>Traditionalists</th>
<th>Online embracers</th>
<th>Digital adventurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>18%</td>
<td>32%</td>
<td>51%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13%</td>
<td>40%</td>
<td>46%</td>
</tr>
<tr>
<td>India</td>
<td>20%</td>
<td>38%</td>
<td>42%</td>
</tr>
<tr>
<td>Australia</td>
<td>17%</td>
<td>45%</td>
<td>38%</td>
</tr>
<tr>
<td>Mexico</td>
<td>24%</td>
<td>41%</td>
<td>35%</td>
</tr>
<tr>
<td>Norway</td>
<td>12%</td>
<td>53%</td>
<td>35%</td>
</tr>
<tr>
<td>Spain</td>
<td>31%</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>Singapore</td>
<td>21%</td>
<td>53%</td>
<td>26%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>11%</td>
<td>63%</td>
<td>26%</td>
</tr>
<tr>
<td>Canada</td>
<td>28%</td>
<td>47%</td>
<td>25%</td>
</tr>
<tr>
<td>France</td>
<td>41%</td>
<td>35%</td>
<td>25%</td>
</tr>
<tr>
<td>United States</td>
<td>38%</td>
<td>39%</td>
<td>23%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>21%</td>
<td>56%</td>
<td>23%</td>
</tr>
<tr>
<td>Germany</td>
<td>32%</td>
<td>47%</td>
<td>22%</td>
</tr>
<tr>
<td>China</td>
<td>21%</td>
<td>58%</td>
<td>21%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>35%</td>
<td>47%</td>
<td>18%</td>
</tr>
<tr>
<td>Japan</td>
<td>75%</td>
<td>17%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: Percentages may not total 100% due to rounding.
Source: Deloitte Center for Financial Services analysis.
More real in digital and digital in real

Digital channels can provide an effective gateway to emotionally connect an organization to its consumers. Technology companies that are consumers’ favorite brands not only have best-in-class digital capabilities; they also do a superior job integrating digital and physical environments and integrating both strategically to foster an emotional connection. Amazon’s digital prowess allows customers to discover, research, and buy products in minutes, while enabling its physical supply chain to deliver the goods most efficiently. Merging the physical with the virtual/digital is key to superior customer experience: putting the “real in digital and digital in real.”

According to our survey, consumers are more likely to increase use of digital channels (both online and mobile) if banks increase security, provide more real-time problem resolution, and allow for more regular banking transactions to be handled digitally (figure 8). On the other side, adding digital self-service screens at brick-and-mortar locations, or being able to connect with a bank representative virtually will increase consumers’ likelihood to use branches (figure 9). Putting the real in digital and the digital in real is clearly a route that banks must take in their digital transformation efforts. Following are some suggestions:

Bolster security measures for all consumers. With all three segments, stronger digital security will likely increase the likelihood that customers will use digital channels in the future. Security concerns are especially acute for traditionalists; in fact, this is why some traditionalists have never used online or mobile banking to access their primary banks.

Bolstering security using tools such as biometrics is paramount. These are already being widely used. For example, ANZ bank customers can make payments of more than US$1,000 via mobile app using Voice ID technology and no additional authentication. Banks should advertise such security features more prominently and differentiate messaging for different segments.

Emphasize the convenience of digital with traditionalists. A big reason many traditionalists do not use digital channels is that they simply do not see their merit. Therefore, raising awareness around the convenience of banking on-the-go (mobile) or banking from anywhere (online) is pivotal. Consider boomers and seniors who may be hesitant to use digital channels. In 2016, Capital One bank in the United States partnered with Older Adults Technology Services (OATS), a nonprofit, and Grovo, a digital learning platform, to develop a training program, “Ready, Set, and Bank.” The program consists of short online videos and live classes to educate seniors on the basics of online banking, such as setting account alerts.

As banks add more digital features in branches (digital in real), branch professionals should step up a campaign to demonstrate to these consumers how
easy it is to use a digital screen or a tablet for simple transactions, including paying bills, transferring money, or even applying for a debit card. (More than 50 percent of traditionalists reported not owning one!) Once traditionalists become more comfortable with using branch-based digital tools, representatives should then familiarize them with mobile banking. Helping them download the bank's mobile app should be easy to do, considering 92 percent of traditionalists already own a smartphone.

Once traditionalists become more comfortable with using branch-based digital tools, representatives should then familiarize them with mobile banking.

Expand mobile apps’ capabilities to simplify its user interface to engage online embracers. Last year, we predicted that mobile devices would replace branches as the central channel around which other channels revolve.²⁰

FIGURE 8
Consumers are likely to bank more on a mobile app if the following features are offered
Percentage of respondents who replied “likely” or “very likely” to use mobile apps more

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stronger data security</td>
<td>52%</td>
</tr>
<tr>
<td>Ability to do more of my regular banking transactions on the mobile app</td>
<td>44%</td>
</tr>
<tr>
<td>More real-time problem resolution</td>
<td>44%</td>
</tr>
<tr>
<td>Making the login/authentication process easier</td>
<td>41%</td>
</tr>
<tr>
<td>Additional features such as budgeting, tax preparation, etc.</td>
<td>36%</td>
</tr>
<tr>
<td>Allowing me to submit e-signatures and complete applications entirely on the mobile app</td>
<td>39%</td>
</tr>
<tr>
<td>Prepopulating transaction forms with my information</td>
<td>36%</td>
</tr>
<tr>
<td>Offering access to a banking advisor through the mobile app</td>
<td>38%</td>
</tr>
<tr>
<td>Better integration with apps, devices, and other websites</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
Now, online embracers are much more comfortable with online banking than they are using mobile banking apps. Banks should seek to encourage this segment’s engagement on mobile apps.

Among other reasons, a factor limiting embracers’ mobile banking usage could be the app’s limited functionalities compared to online banking portals. To increase online embracers’ willingness to use mobile banking, banks should focus on making mobile apps more intuitive and more comprehensive. Here, a good example is the iPhone®. For more than a decade, each iPhone® iteration has achieved massive market share by providing an intuitive and elegant user experience, coupled with comprehensive functionalities. In addition, while some banks may fear cannibalization, cross-promoting mobile apps on online portals could help create a richer, more versatile consumer experience.

Transform mobile as an experiential channel for digital adventurers. Digital adventurers are already avid users of banks’ digital channels. They expect more from their primary banks, which can be seen in the gap in emotional connection between their favorite brands and primary bank. With this segment, banks should use mobile as a differentiator to build sticky experiences. Though digital adventurers choose mobile apps as much as online websites for bank interactions, they primarily use mobile for transactional services, such as paying bills or checking balances, and basic product applications.

Here, banks could position chatbots as the go-to help tool or letting consumers directly connect to a bank representative in the mobile app. These are good starting points, as this segment expects more real-time problem resolution in digital banking channels. In fact, enthusiasm among adventurers

FIGURE 9
Consumers are likely to bank more at a branch if the following features are offered
Percentage of respondents who replied “likely” or “very likely” to use a bank branch more

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended service hours through virtual remote services with a representative</td>
<td>36%</td>
</tr>
<tr>
<td>Digital screen self-service, with option to reach a representative</td>
<td>34%</td>
</tr>
<tr>
<td>Ability to schedule a personal appointment for a virtual video meeting with a representative</td>
<td>31%</td>
</tr>
<tr>
<td>Branch that resembles a café where you can plug in, hang out, and work</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
could be dampened by apps that lack customer service avenues.²²

Consider the launch of digital-only banks. JPMorgan Chase rolled out a mobile-only bank, Finn, which targets millennials.²³

Marketed as an independent brand, Finn lets consumers make deposits, transfer payments using the Zelle payment system, and activate a Finn debit card using the app. It provides multiple features to help consumers manage their money in a simple and convenient way. For example, its “Pocket Your Pennies” feature transfers any change left from consumers’ checking account purchases to their savings accounts.²⁴ Further, the rule-based “Autosave” feature gives a new dimension to banks’ traditional recurring deposit service. A consumer hoping to fund a weekend trip with friends can create a rule to save US$5 for every US$30 spent until the savings reach US$1,000.

Moreover, banks can encourage digital adventurers to step up their use of digital channels by simply providing smarter account opening features. Options such as prepopulating forms on websites and apps, making authentication easier, and allowing e-signatures or fingerprint scanning will likely simplify and enrich consumers’ product buying experiences.

**Banks can encourage digital adventurers to step up their use of digital channels by simply providing smarter account opening features.**

Lastly, **break the channel silos.** Branch, ATMs, online, mobile, and call centers all need to be connected, along with third-party digital assistants such as Google Home and Amazon Alexa. Consumers’ fascination for omnichannel experiences is real. Seventy percent of consumers in our study consider a consistent experience across channels to be **extremely important or very important** in selecting their primary bank. Therefore, banks must have a seamless flow of data across all channels. Having a 360-degree view of consumer interactions across channels, products, and systems will pay off by building stickier emotional engagement.
The case for accelerating digital transformation

OF COURSE, THESE are broad recommendations and as such, they will not uniformly fit the different consumer banking systems, experiences, and cultures of every country.

However, despite these differences and nuances across geographies, we noticed a common, key theme: There needs to be an evolution in how consumers interact with their banks, and customers are expecting that progression to begin now. Picture these scenarios: Consumers hanging out at or working from café-resembling bank branches, interacting with their bank’s mobile apps as integrally and joyfully as they do with social media apps, or reporting lost/stolen card using the bank’s app instead of dialing the call center. These are not mere possibilities of distant future; they are the kinds of experiences many customers already expect—and have come to know—from the brands they most trust.

As the progression unfolds, human interactions will likely remain important, especially for milestone decisions in consumers’ financial journeys. However, digital will be at the heart of personalizing consumers’ day-to-day interactions to enhance their emotional connection to bank brands. And in many countries, mobile will likely become the epicenter of banks’ digital transformation strategies.

Further, branches, ATMs, online banking portals, and mobile apps will likely take different avatars in the coming years, infusing more real life in digital and more digital in real life. And as this happens, perhaps some channels could become more prominent than others. For instance, if mobile apps evolve as the go-to help tool for consumers, this could minimize the need for call centers.

Perhaps the key takeaway we gleaned from the survey is that customer satisfaction is relative. In the end, to capture the hearts, minds, and wallets of customers, banks will need to accelerate their digital transformation and reconfigure each channel to serve every need customers have. Only this level of transformation is likely to strengthen banks’ emotional ties with consumers and earn them a top spot in the list of consumers’ favorite brands.
Endnotes

3. Ibid.
4. The sample was cleaned to take rogue responses out of consideration. For our cluster analysis, we studied 13,912 respondents (with cleaned data) for their channel usage behavior and how it relates to emotional engagement.
14. For our cluster analysis, we included data for 13,912 respondents on channel usage behavior.
15. A small portion of respondents indicated that their favorite brand is a bank.
24. Frank Chaparro, “JPMorgan Chase launched an online bank for millennials called Finn, and I prefer it to the real thing,” *Business Insider*, July 8, 2018.
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The value of bank branches in a digital world

Bank branches are still valuable to customers, even those who mostly use digital channels. Learn how banks can transform branches to enhance the customer experience and create more opportunities to connect with customers.

Banks around the world are in the midst of a sweeping digital transformation agenda, yet for many, realizing the true potential of these changes remain elusive. What role should bank branches play in this transformation, and why? In our third article in Deloitte’s global digital banking consumer survey series, we highlight the potential value of bank branches in an increasingly digital world.

Bank branches are still relevant in a digital world

Based on a proprietary global survey (see sidebar, “Methodology” for more details), we found that branches remain the dominant channel for account opening and customer satisfaction with branches is a stronger determinant of overall satisfaction than either the online or the mobile channels. In this article, we explore how these dynamics play out across different countries and customer types, and offer recommendations on what banks could be doing to rethink the branch experience in an increasingly digital world.

Branches are the dominant channel for account opening

The survey revealed that most customers prefer branches over digital channels when opening new accounts for both simple (such as savings accounts and debit cards) and complex products (such as loans). This was true in developing countries, such as Mexico and Indonesia, as well as in developed

**METHODOLOGY**

The Deloitte Center for Financial Services surveyed 17,100 banking consumers across 17 countries to measure a range of banking attitudes, behaviors, and preferences. Among other questions, we asked respondents about their channel usage for various products and services.

Using this data, we built a linear regression model with overall satisfaction with the bank as the dependent variable and satisfaction with individual channels—branches, ATMs, contact centers, online, and mobile apps—as the independent variable. We included responses from only those consumers who had used all the above-mentioned channels (n=8,000).

The R-squared was low (0.18), which is not surprising given that the overall satisfaction with a bank typically depends on a number of factors beyond channel satisfaction. However, the model fit and the coefficients were significant (except for ATM satisfaction) to understand the relationships between channel satisfaction and overall satisfaction. The purpose of the model is not to predict overall satisfaction but to understand the relationships between channel satisfaction and overall satisfaction. Despite the low R-squared, we consider the model results to be quite revealing because of the significant coefficients.
countries, such as Spain, France, Germany, Japan, the United States, Canada, and Switzerland (figure 1). However, in Norway, one of the leading countries for digital channel usage, customers surveyed said they prefer digital channels over branches when applying for simple products, such as checking accounts, savings accounts, debit cards, and credit cards (see sidebar, “Digital product application in Norway”). This preference for branches in opening new accounts is uniform across generations—baby boomers, Gen Xers, millennials, and even the youngest consumers, Generation Z. For instance, 64 percent of boomers, 54 percent of Gen Xers, 48 percent of millennials, and 56 percent of Gen Z consumers surveyed said they prefer to visit branches when opening a new checking account.

**FIGURE 1**

**Branches are the most preferred channel when applying for new products**

Proportion of respondents who prefer branches

<table>
<thead>
<tr>
<th>Country</th>
<th>Mortgage/mortgage refinance</th>
<th>Wealth management account</th>
<th>Checking account</th>
<th>Credit card</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>75%</td>
<td>73%</td>
<td>70%</td>
<td>53%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>68%</td>
<td>69%</td>
<td>67%</td>
<td>66%</td>
</tr>
<tr>
<td>Spain</td>
<td>83%</td>
<td>79%</td>
<td>66%</td>
<td>62%</td>
</tr>
<tr>
<td>France</td>
<td>79%</td>
<td>75%</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>84%</td>
<td>74%</td>
<td>64%</td>
<td>49%</td>
</tr>
<tr>
<td>Japan</td>
<td>72%</td>
<td>61%</td>
<td>61%</td>
<td>43%</td>
</tr>
<tr>
<td>United States</td>
<td>65%</td>
<td>62%</td>
<td>58%</td>
<td>41%</td>
</tr>
<tr>
<td>Canada</td>
<td>74%</td>
<td>69%</td>
<td>58%</td>
<td>46%</td>
</tr>
<tr>
<td>Germany</td>
<td>74%</td>
<td>65%</td>
<td>56%</td>
<td>51%</td>
</tr>
<tr>
<td>Singapore</td>
<td>67%</td>
<td>62%</td>
<td>52%</td>
<td>32%</td>
</tr>
<tr>
<td>India</td>
<td>57%</td>
<td>44%</td>
<td>50%</td>
<td>36%</td>
</tr>
<tr>
<td>Brazil</td>
<td>61%</td>
<td>55%</td>
<td>49%</td>
<td>27%</td>
</tr>
<tr>
<td>Australia</td>
<td>72%</td>
<td>66%</td>
<td>46%</td>
<td>46%</td>
</tr>
<tr>
<td>China</td>
<td>55%</td>
<td>39%</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58%</td>
<td>56%</td>
<td>34%</td>
<td>28%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>73%</td>
<td>59%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>Norway</td>
<td>48%</td>
<td>40%</td>
<td>14%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Deloitte Center for Financial Services analysis.
**DIGITAL PRODUCT APPLICATION IN NORWAY**

Norway is a mature market for digital banking services. It ranks in the world’s top 10 countries with the highest internet penetration (with 99 percent of its population using the internet in 2017).¹ Norwegian customers in our survey are avid users of online and mobile banking services for both transactional and informational services, such as bill payments (97 percent of the Norwegian customers surveyed used digital channels) or updating account details (96 percent of the Norwegian customers surveyed used digital channels). They also clearly prefer to use digital channels when applying for new products (figure 2).

**FIGURE 2**

**Norway’s bank customers preferred to use digital platforms when applying for products and services**

Respondents who use branches or digital platforms.

<table>
<thead>
<tr>
<th>Service</th>
<th>Branch</th>
<th>Digital (online or mobile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>80%</td>
</tr>
<tr>
<td>Savings account</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16%</td>
<td>75%</td>
</tr>
<tr>
<td>Debit card</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21%</td>
<td>68%</td>
</tr>
<tr>
<td>Credit card</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18%</td>
<td>71%</td>
</tr>
<tr>
<td>Personal loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>45%</td>
</tr>
<tr>
<td>Wealth management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Note: Percentages do not total 100 percent because the data for “contact centers” is not included. Source: Deloitte Center for Financial Services analysis.

Norwegian banks appear to have capitalized on these developments. DNB Bank, for instance, digitized its mortgage application platform in 2017.² Customers can now apply for mortgages on their mobile apps. The bank is now planning to streamline the loan process for its commercial clients.³
The branch experience influences customer satisfaction more than online or mobile channels

It is well-known that high customer satisfaction yields more loyalty, advocacy, and product ownership or share of wallet. Our survey also validated that highly satisfied customers are more likely to recommend their bank to others and are less likely to switch their primary bank (8 percent likelihood) than dissatisfied customers (18 percent likelihood).

Our regression model results show that the effects of satisfaction with branches and contact centers on overall satisfaction are at least twice as large as satisfaction with online or mobile channels (see figure 3 and sidebar, “Methodology”).

In our previous article, Accelerating digital transformation in banking, we identified three groups of customers: traditionalists, bank customers most reliant on traditional channels versus online or mobile; onlineembracers, customers who used digital channels frequently, online more than mobile; and digital adventurers, those most likely to use digital channels (both online and mobile apps). We found that branch satisfaction has a higher influence on overall satisfaction compared to satisfaction with digital channels for all the three customer segments.

FIGURE 3
The channel factor: How customers’ satisfaction with different channels influences their overall satisfaction with their primary bank
Representation of the relative effect size of the influence of channel satisfaction on overall bank satisfaction based on standarized beta from our linear regression model.

Note: The ATM channel is not included in this graphic due to the insignificant beta value. Source: Deloitte Center for Financial Services analysis.
Why are traditional channels a stronger determinant of overall satisfaction than digital channels?

We believe there may be a few reasons behind the higher influence of traditional channels on overall customer satisfaction. First, favorable or unfavorable experiences during moments that matter can have lasting impressions. Due to the typical complexity and/or urgency of these interactions, account opening and problem resolution are two critical interactions that customers are likely to make in channels involving the human touch—typically, branches and call centers. For instance, in our survey, more than four in 10 customers who disputed a transaction or filed a complaint did so through contact centers. Branches were the second-most used channel for these activities.

Customers must expend time and effort carrying out these types of transactions, which makes them important experiences. Imagine a customer having to wait 10 minutes before they connect with a call center representative to discuss a simple query or interacting with an unsympathetic bank representative at a branch. The negative impressions resulting from these interactions can stay in customers’ minds for a long time. On the other hand, customers may experience high satisfaction if a query at the call center was handled efficiently or if they had a successful meeting with the relationship manager in the branch, which would far exceed their satisfaction from paying bills online or on the mobile app without a hitch.

Second, branches tend to be a symbol of trust. And, given money matters are complex and personal, trust has played a foundational role in banks’ safekeeping and depository functions. Our survey confirmed that more respondents used branches to make deposits than other channels. Branches also foster brand image and help maintain relationships with customers.

Third, branches also provide easy access to banking services: 68 percent of respondents to our survey believe proximity to branches and ATMs is an important or very important attribute in choosing their primary bank. Moreover, more than four in 10 respondents across generations visit a branch at least once a month. Respondents who were likely to switch to a new bank/institution in the next two years cited “closer proximity to branches and ATMs” as the third most important reason for making this change.

But branch density is declining

In many countries around the world, though, bank branches are closing. More than 3,000 branches have been shut down on a net basis in the United States since 2010, while in the United Kingdom, more than one-quarter were closed between 2012 and 2017. These actions have been in response to cost-cutting pressures and customers’ shift to digital channels for routine transactions, such as bill payments or person-to-person (P2P) transfers.

As a result, branch density—the average number of bank branches per 100,000 adults—has declined in many countries. For instance, branch density reduced from 54 branches to 42.5 between 2008 and 2016 in Switzerland. In Norway, which is digitally more advanced than most countries, branch density dropped from 11.7 branches in 2008 to 6.2 in 2016 (figure 4).

While closing some bank branches is a business decision that may make sense for a variety of reasons, it seems as though banks should not completely give up on branches yet. Our survey findings tell a compelling story about the unique value branches can provide to customers and the key role branches often play in building and sustaining strong retail banking franchises. For this reason, we would caution bank leaders against viewing branches merely as another stand-alone channel. Instead, leaders could adopt a strategy that fully and seamlessly integrates branches into the banks’ overall digital transformation strategy.
Reimagining branch transformation

How can bank leaders strike the right balance between physical and digital footprints? The following strategies should be considered:

- **Invest in branch talent.** As digital simplifies the banking experience in branches, banks should continue to focus branch workforce training on ensuring high-quality interactions with customers and creating positive moments that matter. Our 2017 study on account opening underscored the need for “attentive and empathetic human interaction by frontline staff during the account opening process.” In this vein, to help answer clients’ complex questions about market trends, UBS trained 10 wealth management advisers in Switzerland to use the digital clone of its chief economist and chief investment officer. BBVA Compass is using certifications to help train its frontline staff on methods to help customers with their complex queries and decisions.

- **Blend the human touch with technology.** One-third of the customers in our survey said they would be open to using branches more if banks offered certain digital capabilities that would enhance convenience. These enhancements included extending service hours through virtual remote services with a representative (36 percent), offering digital self-service screens with a representative’s help if needed (34 percent), and being able to schedule a virtual
video meeting with a bank representative (31 percent). Interestingly, all of these options focus on how digital can drive high-touch interactions with a bank representative, either remotely or in-person. While these approaches are not new, they are not yet widespread, although more banks are beginning to experiment with them.

HSBC, for instance, introduced a robot—Pepper—in its flagship Fifth Avenue branch in Manhattan. The idea behind having a robot in the branch was never about replacing bank tellers; rather, it was designed to make the banking experience more appealing.15 Pepper is programmed to answer customers’ basic questions and direct them to the right adviser/personnel in the branch.

Similarly, NatWest bank in the United Kingdom introduced its AI-powered bot, Cora, to answer customers’ basic queries in one of its branches in 2018.16 The bot can also be used with internet and mobile banking.

• **Accelerate the transition to a seamless omnichannel integration.** In our survey, seven in 10 customers considered having a consistent omnichannel experience as important or very important when selecting a primary bank. Reimagining branches of the future is expected to entail breaking the channel silos between physical and digital channels and allowing customers to seamlessly move from one channel to another. ING Bank in the Netherlands, for example, allows customers to schedule appointments with the bank representatives at the branch via their online banking portal.17

• **Provide a sense of community.** Branch visits can go beyond completing transactions and gathering information. They can become enjoyable experiences. Nearly 31 percent of customers in the survey globally said they would be likely or very likely to increase visits to a branch if it resembled a café, where they could plug in, hang out, and work. Some banks are experimenting with this trend: To lure millennials, Capital One opened new café branches with cafés that are a far cry from traditional branches.18 In the Capital One cafés, customers can connect with “café coaches,” onsite bank representatives who are available to chat over a cup of coffee about different banking products, or they can choose to just hang out with friends and enjoy the café’s food and free Wi-Fi.19

• **Embrace the human touch in digital channels.** Digital does not, and should not, mean a lack of personal interactions. Banks should replicate the branch experience, especially the responsiveness and empathy, in digital channels—be it in online banking, on mobile apps, or at ATMs.

**Final thoughts**

In this article, we discussed why bank branches remain valuable to customers in this digital age of speed and convenience. Perhaps most important, branches should be considered the most powerful channel banks have to provide customers with high-touch, person-to-person experiences. Our survey showed in several circumstances, customers still prefer the human touch, which branches can amply provide—especially when applying for new products, such as opening a checking account.

We also made suggestions on how banks could make the most of their branch networks, integrating digital and technology advancements into the branch experience and, conversely, encouraging the human touch in digital experiences. As bank leaders execute on their digital transformation strategies, we urge them to fully recognize the value branches offer and keep customer preferences on top of mind when repositioning branches.
Endnotes

1. Internet World Stats, accessed December 5, 2018.
2. DNB, “DNB attracts more customers through digital initiatives,” February 1, 2018.
3. Ibid.
8. Billy Bambrough, “Here’s exactly how many branches the UK’s biggest banks have shuttered since 2011,” Verdict, December 1, 2017.
9. Prang, “Thousands of bank branches are closing, just not at these banks”; Bambrough, “Here’s exactly how many branches the UK’s biggest banks have shuttered since 2011.”
15. Ibid.
19. Ibid.

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The value of online banking channels

Many banks around the world are aggressively pursuing a mobile-first strategy. Some have launched mobile-only bank brands to fend off fintech challengers, while a vast majority are enhancing their mobile apps with new features such as person-to-person payments, personal financial management tools, and virtual assistants.

While this focus on mobile banking is well deserved, lately, there seems to be little discussion about the role of online banking in a mobile-dominant world. As more and more customers adopt mobile banking, will online banking remain relevant—and if so, how?

Use of online and mobile apps for different banking activities by mobile banking users

![Graph showing the use of online and mobile apps for different banking activities.]

Note: Sample size differs for each service.

Source: Deloitte Center for Financial Services analysis.
Findings from Deloitte’s global digital banking survey of 17,100 consumers across 17 countries on their digital banking behaviors and channel usage suggest banks should continue to invest in making online banking a seamless and high-quality customer experience. The survey findings reveal online banking may remain a key channel of customer interactions in the foreseeable future, even among mobile banking users.

Our survey found 73 percent of respondents globally use online banking at least once a month, compared to 59 percent who use mobile banking apps. Moreover, it revealed no generational differences in how frequently online banking is used—baby boomers use online banking just as often as tech-savvy millennials.

Even more interesting, mobile banking customers who responded to our survey continue to use online banking channels extensively: Ninety-four percent use the online channel at least once a month. These respondents said they use mobile banking for relatively simple and quick transactions, such as transferring money or balance inquiries, but prefer to go online to transfer money internationally, inquire about products, or update account information.

When selecting a primary bank (the bank that handles most of their banking needs), seven out of 10 survey respondents said having a consistent experience across channels, including mobile and online, was extremely important or very important to them. Our survey also showed customers globally are more likely to use online banking more frequently if banks increase security, provide more real-time problem resolution, and allow more regular banking transactions to be completed online.

Overall, these findings suggest that as banks continue to invest in improving and enhancing mobile capabilities, there are potential challenges if banks allow mobile banking to fully eclipse online banking. Instead, banks should continue to enhance the value proposition of the online channel, focusing on evolving the online banking experience rather than seeing it as a phase-out to mobile. To do this, banks should aim to provide a more seamless experience between online and mobile channels and purposefully measure online customer engagement to meet evolving customer needs and preferences.
Endnotes

3. Respondents who use mobile apps at least once a month.

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