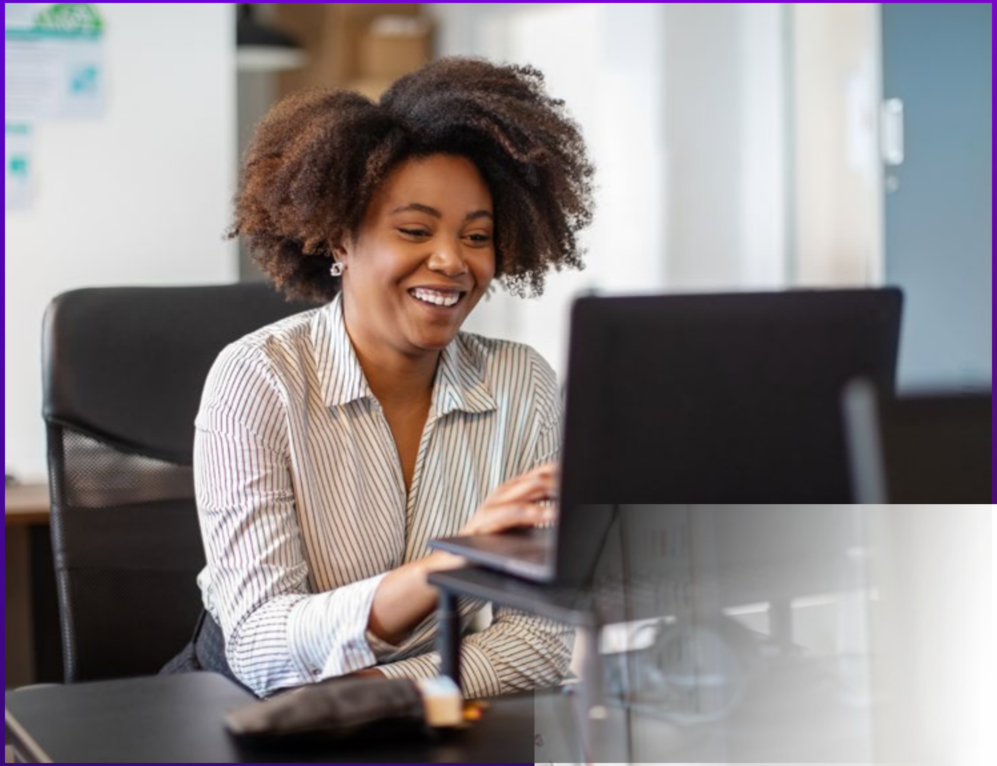
2020 Accenture Global Banking Consumer Study

# Making digital banking more human

Where every connection builds trust and loyalty



# Contents

# Where interactions become connections

How a more human approach can help banks retain loyalty and trust in an era of mass digitalization.

## The unprecedented circumstances of 2020 have driven a rapid uptake of digital banking. Bank executives may rejoice, but the sheer speed of adoption has created a major risk that requires urgent attention.

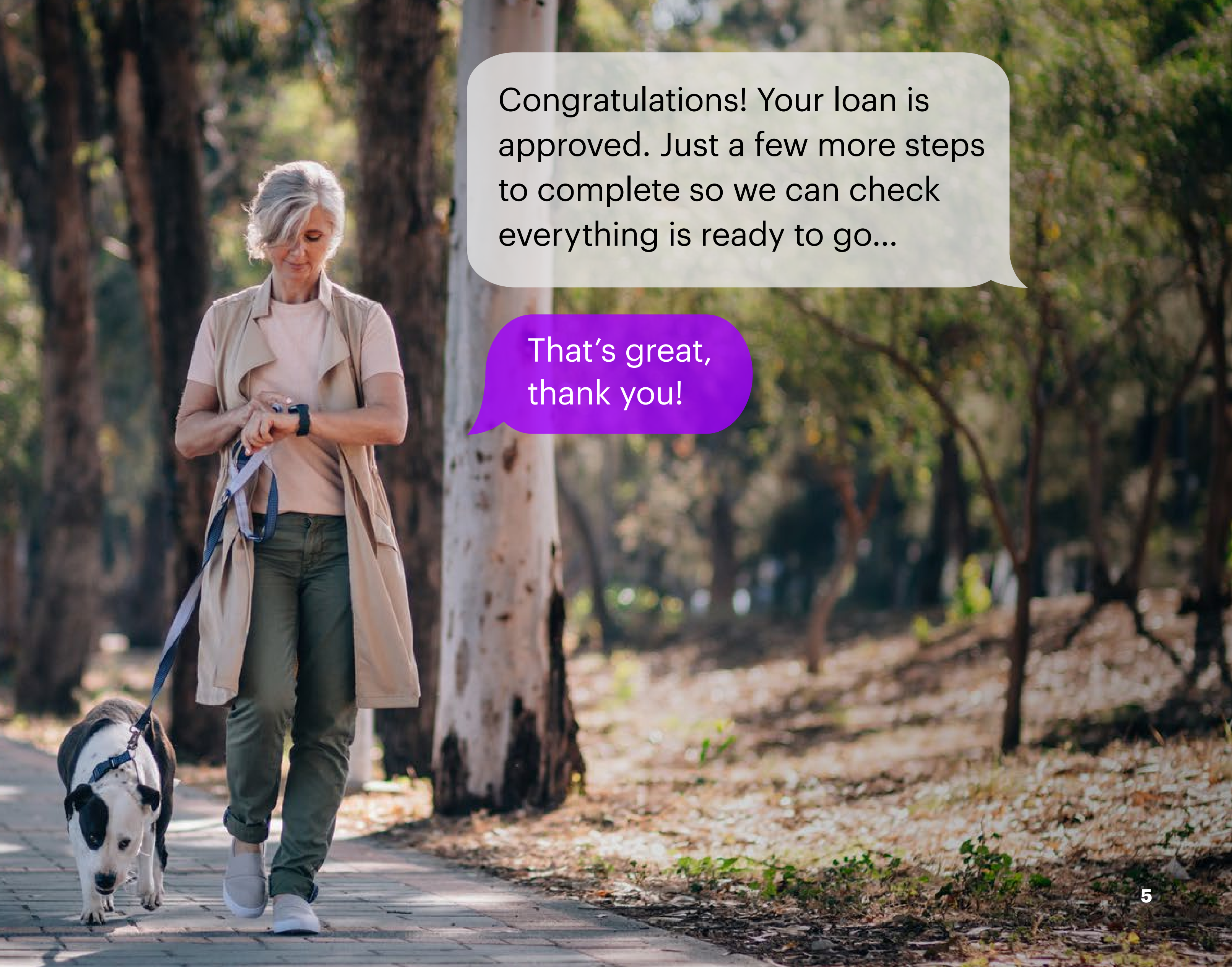
The threat is this: if engagement is primarily digital, how can banks preserve any semblance of a personal and emotional connection with their customers? And if they lose this, how can they stave off commoditization, let alone provide personalized high-end banking services?

Our research, based on a survey of more than 47,000 consumers in 28 markets, highlights the shifts in consumers' behavior and preferences during this tumultuous time. From surging appetite for video conferencing to decelerating primary account switching activity, it reveals not only which habits have changed, but which are likely to endure as the world gradually returns to normality.

Understanding changing consumer behavior is one thing. Acting on it is another. By infusing humanity and personalization into digital channels where they will have the most positive impact, banks have an opportunity to forge strong customer connections, build trust and, ultimately, drive growth.

# Why digital personality matters

Stand out and retain trust in an era of hyper-digitalization



**For many years, banks have encouraged consumers to engage with them through digital channels. Rather than walking into a branch, consumers who wanted to open a new account were asked to do it online. And rather than calling the bank, account holders were encouraged to resolve issues digitally.**

Banks' motivation was obvious. Migrating low-value and process-driven interactions to digital channels while retaining high-value and more complex client activity in branches meant they saved costs while protecting personal relationships with customers. It is a logic that has led to a gradual 3–4 percent shrinking of branch networks in much of the developed world, although in some markets closures have been much more extensive.[1]

Although banks had some success, customer adoption of digital channels was slow for all but the most basic banking activities. Certain customer segments still visited their branches for things they could easily do online and even the most tech-savvy customers still liked the comfort of opening new accounts, resolving issues, or receiving advice about complex products face to face.

Until now. With many bank branches closed due to lockdowns and call centers extremely busy for long periods of 2020, consumers of all ages had no practical option other than to interact with their banks through digital channels. And the banks have played their part: as lockdowns were introduced, many accelerated their digitalization programs to ensure that consumers could access services online. As a result, a shift to digital that might have taken years—if not decades—happened in months. Illustrating this, some 50 percent of consumers now interact with their bank through mobile apps or websites at least once a week; two years ago, just 32 percent did. And the volume of in-branch transactions in the US has decreased by 30–40 percent.[2]

Banks' Q3 2020 financial results suggest that, after an initial COVID-19-related surge, digital adoption may have plateaued. In the US, for example, U.S. Bank reported that 76 percent of its customers were digitally active as of August 2020, compared with 77 percent in May 2020.[3] Even so, digital engagement across all consumers is significantly higher than at pre-pandemic levels.

## Digital migration also accelerates commoditization and jeopardizes trust

For banks, that sudden upswing in digital engagement could be both a blessing and a curse. Many have not yet succeeded in injecting into their digital interactions and marketing touchpoints the humanity, personality and personalization that are typically provided by knowledgeable staff. Without this human touch, banks risk weakening their already fragile personal and emotional connection with consumers. If they ignore this, consumers could become as dispassionate about their banks as they are, for example, about their utility providers. And without an emotional connection, banking services are likely to become commoditized, with consumers focused on price alone.

There is another problem. The rush to digital is exacerbating the longer-term, pre-COVID-19 trend of diminishing consumer trust. Although most consumers believe that their banks, to date, have responded adequately to COVID-19, only 29 percent trust them to look after their long-term financial wellbeing, compared with 43 percent two years ago.

This lack of trust makes consumers increasingly skeptical about participating in digital initiatives, such as data-sharing, that could benefit both themselves and the bank. Only a small majority (53 percent) of consumers are willing to share more personal information with their bank in return for added benefits and a more personalized, relevant service, which is a slight decrease on 55 percent two years ago.

Trust is also critical for banks to capitalize on one of their most promising opportunities for revenue growth: new digitally enabled advisory services that help customers optimize their daily spend, rationalize their product portfolio, and take advantage of tailored life-planning or business advice. According to our Purpose-Driven Banking report, these services could generate an average 9 percent retail revenue uplift for incumbent banks.[4]

## Fad or future?

Banks must respond decisively to the dual risks of commoditization and dwindling trust. First, by understanding precisely how consumers' banking aspirations and preferences have changed, as well as how sentiment among specific consumer groups has shifted. Then they need to establish whether these changes in behavior are permanent and will last beyond the pandemic, or if they are a temporary aberration caused by the current climate that will revert when normal life resumes.

Armed with these insights, banks will be able to adapt around consumers' new behaviors and preferences. Key to this will be injecting humanity through a "digital brand personality" and embedding personalized experiences in digital customer journeys at the moments that matter. This involves, for example, making sure that conversations with chatbots are as natural and free-flowing as possible.

Chief marketing officers have a vital role to play. By infusing brand personality and humanity into all customer interactions, including precision marketing tactics like emails, direct mail, push notifications and on-website digital placements, they can help to compensate for the lack of genuine human interaction.

In a world where consumers use digital banking channels much more frequently, creating the optimal customer experience requires banks to strike the right balance between initiatives such as these that mimic humanity and putting actual human advisors in front of customers.

By offering video conference calls where appropriate and frictionlessly integrating digital and telephone channels, it's possible to create an optimal customer experience that blends the convenience of digital with the personality and expertise of human.

Banks that neglect this issue and instead just focus on adjusting their operating model to support consumers' increased use of digital channels may well create an effective digital offering. But it will lack the humanity and personality needed to engage customers emotionally.

None of this is easy. After all, banks need to enhance their relationships with consumers just when they also need to make increasingly difficult credit decisions and prepare to phase out COVID-19-related financial support.

The consumer insights in this report can help, informing near-term actions and driving long-term success. If they respond effectively to these insights, banks can chart a course for a future in which they are enduringly human, trusted and relevant.

Section 2

# (Re)introducing the personas

The evolution of changing banking behaviors

# Who are they? Defining the personas

Consumers' banking demands vary by age, gender, where they live and how much they earn. But their preferences are driven to a greater extent by personality. To help understand this, we replicated the methodology developed for our 2018 report to divide our surveyed consumers into four persona groups: Pragmatists, Traditionalists, Pioneers and Skeptics.

### Pragmatists

Trusting and channel-agnostic, Pragmatists see technology as a means to an end rather than a lifelong passion. They are satisfied with the service levels they receive and expect good value from banking and insurance providers.

### Traditionalists

These customers value the human touch and avoid technology wherever possible. They show low levels of engagement and satisfaction with their financial services providers, and trust is also low.

### Pioneers

This group comprises risk-takers who are tech-savvy and hungry for innovation. They are keen to engage with financial services providers through digital channels and mobile devices.

### Skeptics

Tech-wary and generally dissatisfied with their financial services providers, these customers are also the least trusting. Accounting for 38 percent of all consumers, they are the largest persona group in this year's study.

Compared with two years ago, the number of Traditionalists has decreased globally by an average of 8 percent, while the number of Pioneers has increased by 6 percent. Pragmatists have declined by 2 percent, and Skeptics have increased by 4 percent.

The significant decrease in the number of Traditionalists was at least partly precipitated by lockdowns, which forced many consumers who were previously in this group into non-traditionalist behaviors such as online shopping and digital communication. When the pandemic is over, some of them will no doubt revert to old habits, but some of their learned ways of interacting digitally with banks will persist—not least because banks will accelerate branch closures and investment in digital channels.

Because shifts in personas correlate with changes in consumers' banking preferences, it is essential for banks to understand how the size of persona groups changes over time and, importantly, how preferences differ between groups. As we will see, persona groups' expectations of their banks differ —in some cases significantly.

Beyond the differences between our persona groups, other Accenture research highlights how the ongoing uncertainty has affected consumer behavior and habits.[5] It points to a widespread erosion of confidence, a preference for virtual interaction, an increased focus on health, and the growing importance of the home as life's epicenter.

## Pioneers prevail in fast-growth markets, while skeptics rule in Europe

The size of persona groups varies significantly by market. In fast-growing markets such as Brazil, China – mainland and Mexico, Pioneers are the largest group. In contrast, Skeptics are the largest persona group in many European countries. Canada and Germany are the only markets where Traditionalists are the largest group.

**Figure 1. Changes in the mix of banking customer personas.**
2020 vs. 2018 findings across 21 markets surveyed

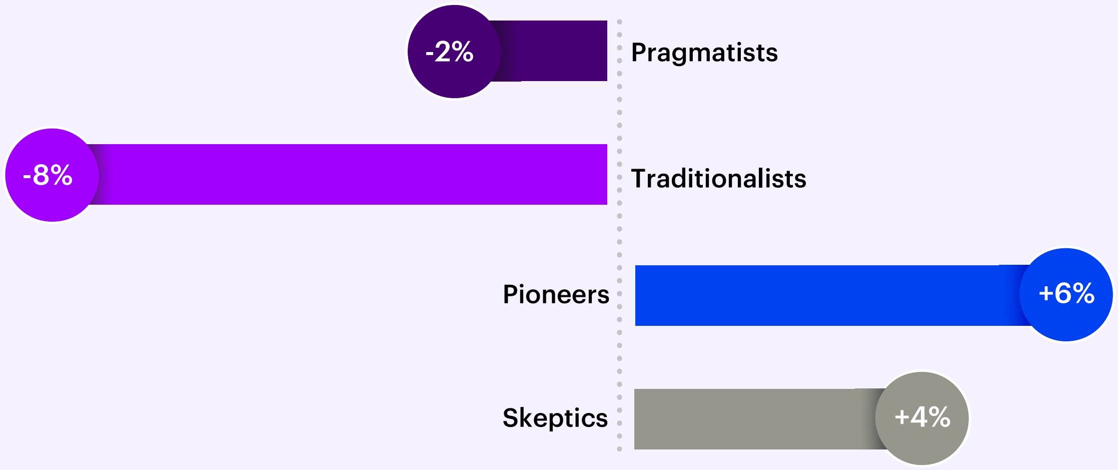
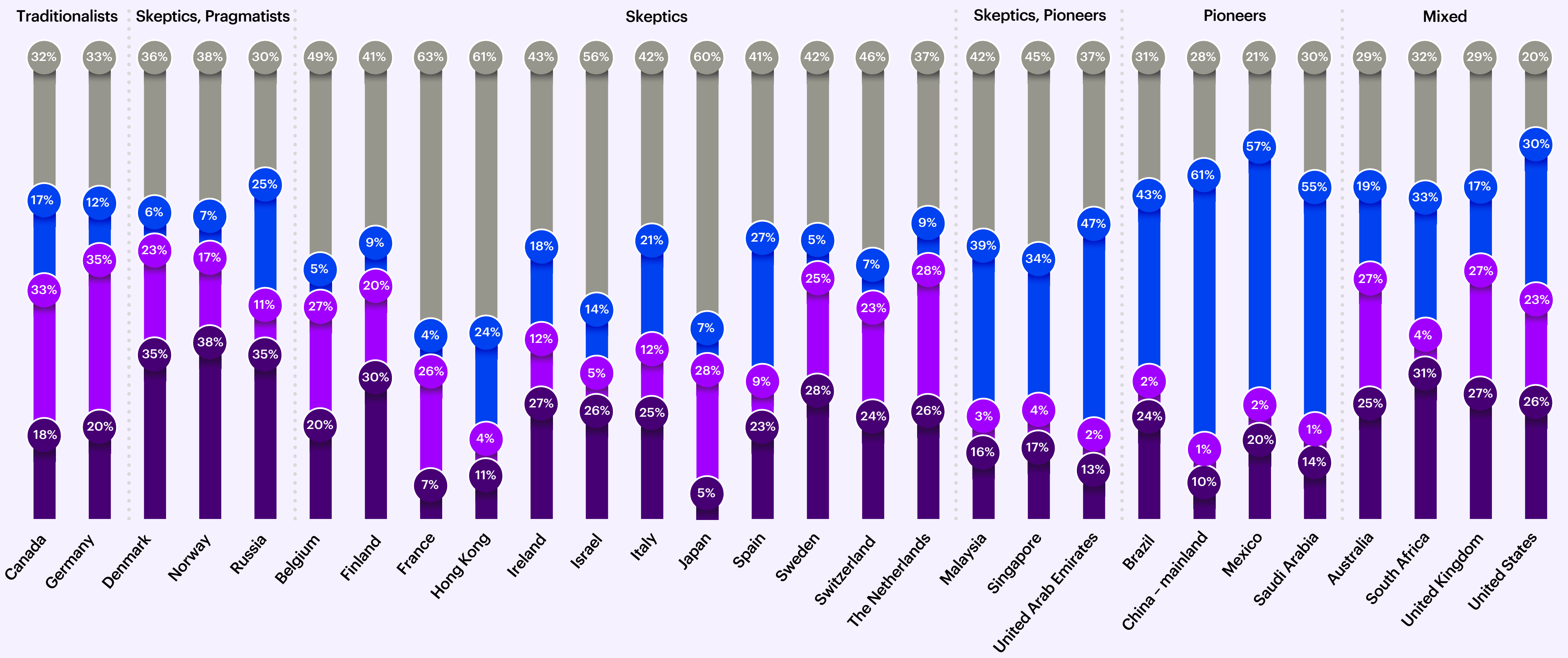
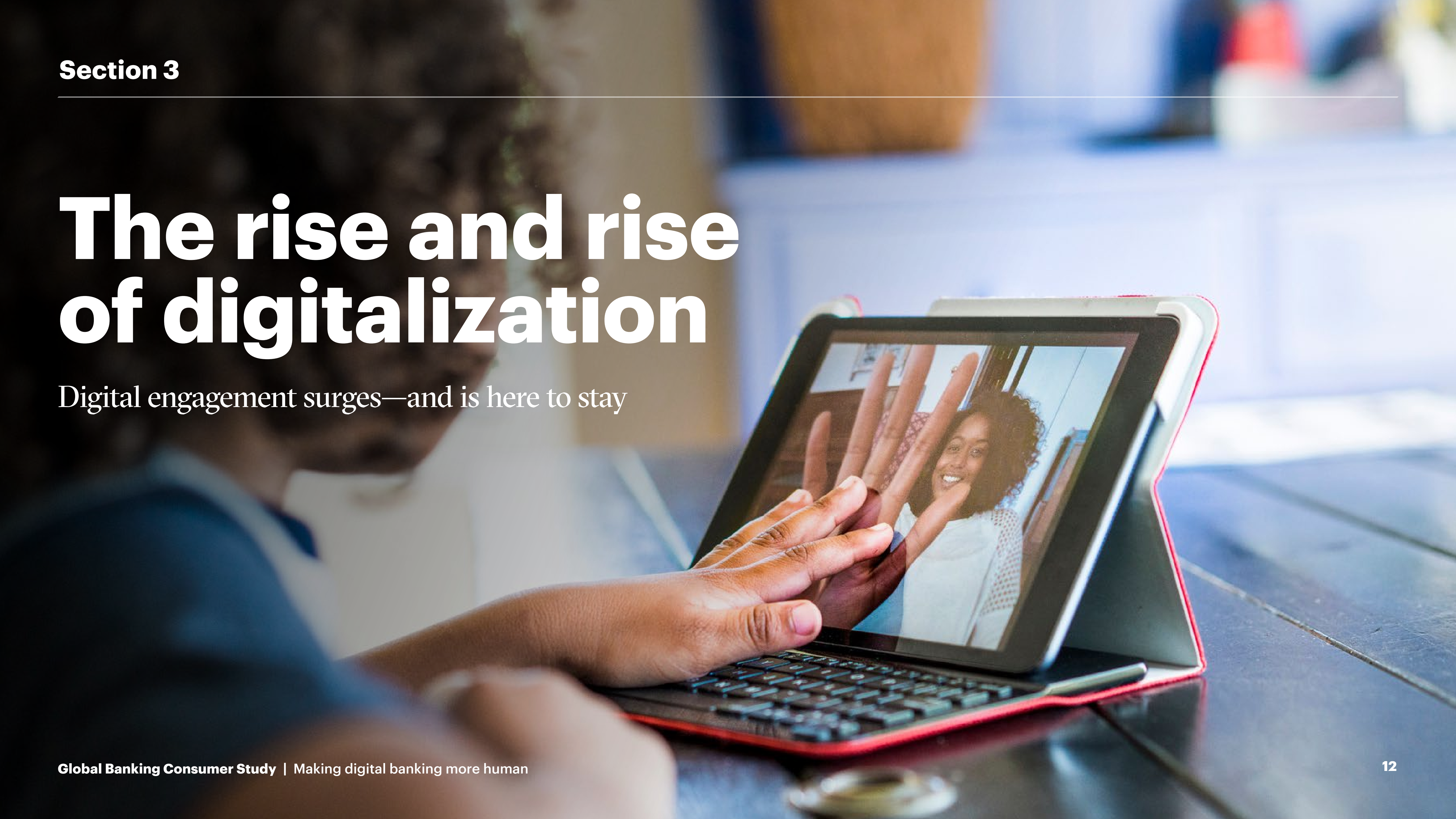


**Figure 2. Persona groupings vary significantly by market.**

Pragmatists Traditionalists Pioneers Skeptics

*Markets are ordered by their dominant persona group(s).





# The rise and rise of digitalization

Digital engagement surges—and is here to stay

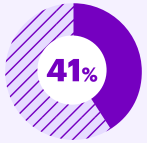
**Lockdowns around the world drove consumers to interact digitally with their banks. For example, our survey shows half (50 percent) of consumers currently interact with their bank through a mobile app or website at least once a week, compared with just 32 percent two years ago.**

Banks report increased use of digital channels, although recent announcements show a levelling-off in digital usage in Q3 2020 following an initial surge in Q2 2020 (see alongside).

The surge is partly because consumers did not feel comfortable about visiting branches during lockdowns—or were simply unable to—so had little choice but to execute certain tasks online. And some types of digital engagement, such as logging in to online bank accounts, surged because it is the most convenient way to monitor personal finances. For many, this became more of a necessity because of the economic climate.

COVID-19 has also accelerated the move from cash to contactless payments, at least in Europe. In the UK, for example, ATM withdrawals dropped by 50 percent in the second half of March. In contrast, 55 percent of consumers increased contactless payments—and almost 9 in 10 expect to maintain a higher level of contactless usage after the pandemic.[6]

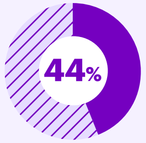
## Banks report increased consumer engagement through digital channels...



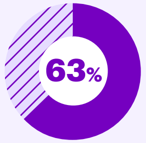

41 percent of ING's active customers used mobile to contact the bank in the second quarter of 2020, compared with 37 percent in 2019, and 26 percent in 2018.[7]


Bank of America reported a 5 percent annual increase in digital banking logins in Q3 2020.[8]

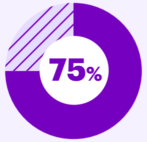
## ...and an increase in digital sales.




Digital sales represented 44 percent of Bank of America's total customer sales in Q3 2020, up from 29 percent a year earlier.[9]




63 percent of BBVA's sales were through digital channels in the first half of June 2020, compared with 57 percent in the first half of 2019, and 49 percent in the first half of 2018.[10]




Commerzbank reports that 75 percent of new customers in Germany opened their account via online channels in Q2 2020.[11]

But in emerging markets lockdowns had the opposite effect: cash use surged because it is considered a necessary store of value in periods of uncertainty and economic stress.

The key question is: will consumers maintain this digitalized behavior when normality resumes? We expect those who are conducting simple and low-value banking transactions digitally for the first time to continue to do so. Many will revert to branches for more complex and higher-value advice and transactions, but the survey data reveals that some consumer groups are willing to continue to do this digitally. When we asked how they would prefer to open a new account with a new bank—something that many historically preferred to do in a branch—47 percent voted for a face-to-face setting, 47 percent for online via their desktop or laptop, and 37 percent for online via a mobile app or website.

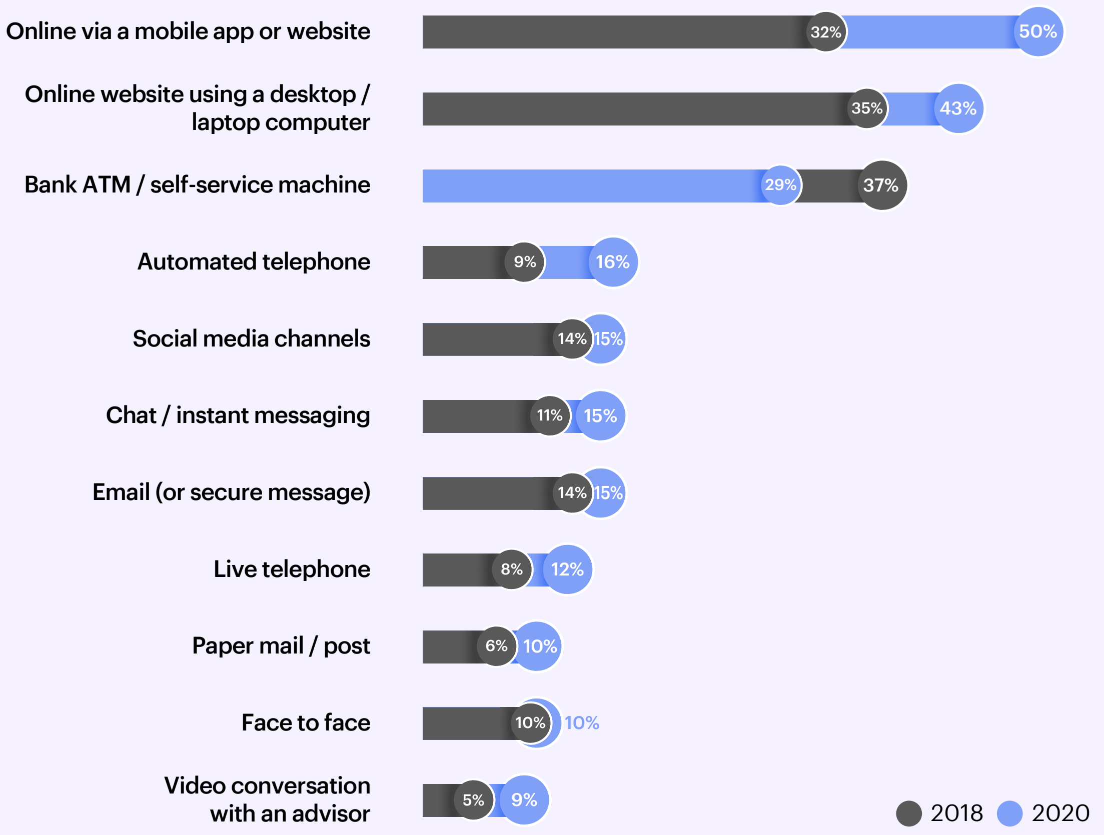
## Video conferencing grows in popularity

Consumers' growing familiarity with online video conferencing means that many would now be happy to use it to communicate with their banks. Only 15 percent of consumers had spoken to a bank advisor via video call before COVID-19, but 46 percent said they would be prepared to do this when branches reopened, and 35 percent would now prefer this to a face-to-face meeting. That said, enthusiasm for video conferencing varies significantly between the different persona groups (see Figure 5).

Unlike other digital banking innovations that saw slow uptake when they were first launched, such as contactless payments, video calls are likely to become popular quickly because many people already communicate in this way with friends, family, colleagues, and clients—and the benefits are obvious.

**Figure 3. Digital channels are increasingly used to interact with banks.**

Q. How often, if at all, do you currently use the following when contacting your bank?
A. At least once a week



## Stave off commoditization with humanity

With consumers increasingly using digital channels, banks have to work out how to maintain a personal and emotional connection with them. Without this, there is a risk that consumers will focus only on price.

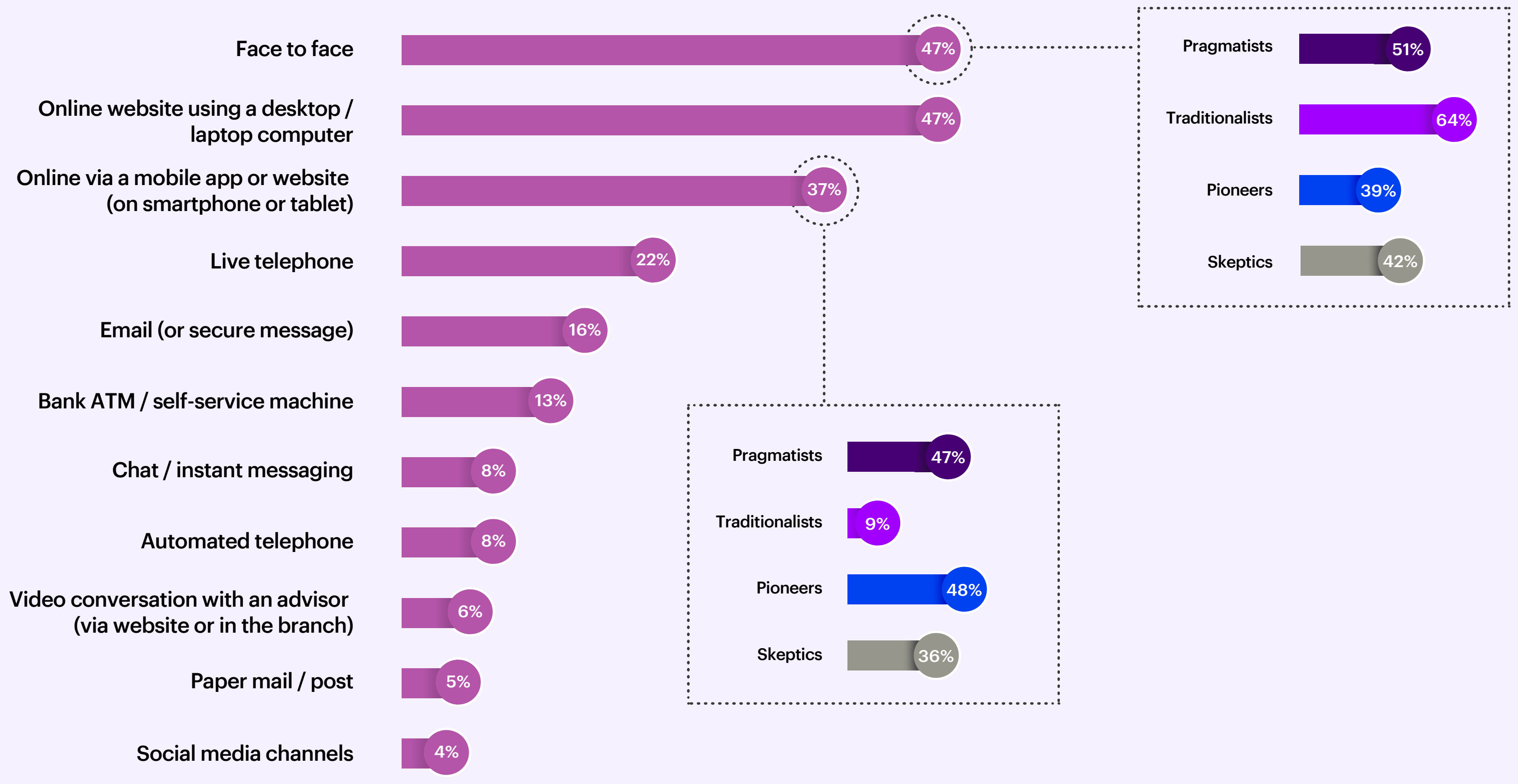
The challenge is to inject humanity and sometimes humans themselves into digital customer journeys where appropriate and create a distinctive and engaging digital brand presence. Banks are pondering how contact centers can support this endeavor, whether that be by conveying financial advice or supporting consumers' use of digital channels.

## For opening new accounts, online is now as popular as face to face

When they open a new account/product with a new bank, consumers have equal preference for using fixed online channels (desktops and laptops) and face to face; mobile channels rank third.

**Figure 4. Persona groups vary significantly in their banking channel preferences.**

Q. Which of the following channels would you ideally like to use to open a new account / product with a new bank?
Respondents could select up to three answer options.



But channel preferences vary significantly across persona groups, with Traditionalists particularly reluctant to engage via mobile.

## Pioneers, Pragmatists and Skeptics are all keen on video

Some consumer groups are particularly keen to engage with their bank in new ways. For example, 55 percent of Pioneers would prefer to speak with a bank advisor via video call than in a face-to-face meeting once branches reopen, compared with just 13 percent of Traditionalists. And 48 percent of Pioneers would choose to open a new account with their current bank via a mobile app or website, compared with just 9 percent of Traditionalists.

There are also geographical differences: consumers in some markets are much more willing to communicate digitally with their bank. For example, more than half of consumers in the UAE, Saudi Arabia, China – mainland, and Mexico would prefer to communicate with their bank via video call even when branches reopen, compared with less than a quarter in Switzerland, Belgium, Sweden, the Netherlands, France, and Germany. This is driven in part by higher branch density in Europe compared with other markets, which has historically made face-to-face interaction an easy and convenient option.

**Figure 5. Engagement via video calls by persona group.**

| | Total sample | Pragmatists | Traditionalists | Pioneers | Skeptics |
|---|---|---|---|---|---|
| Spoken with a bank advisor via video call before COVID-19 | 15% | 7% | 3% | 33% | 13% |
| Spoken with a bank advisor via video call during COVID-19 | 14% | 6% | 2% | 34% | 11% |
| Most recent video call with a bank was successful overall* | 80% | 88% | 62% | 86% | 70% |
| Willing to speak with a bank advisor via video call once branches reopen | 46% | 53% | 24% | 63% | 40% |
| Prefer to speak with a bank advisor via video call rather than in face-to-face meeting once branches reopen | 35% | 34% | 13% | 55% | 33% |

*Question asked only to those who have used a video call with their bank.

# The power of personalization

Consumers zero in on price, but they also crave personalized advice

## Consumers value price competitiveness more than ever before. When we asked what is most important when dealing with their bank and insurer, they ranked value for money in first place.

Two years ago, value for money was only in 5th place. And although primary bank account switching activity is low, those who have switched in the past 12 months are most likely to say that a better price or value was their main reason for doing so. For the people who have not switched, price and value is the main factor that might cause them to do so in the next 12 months.

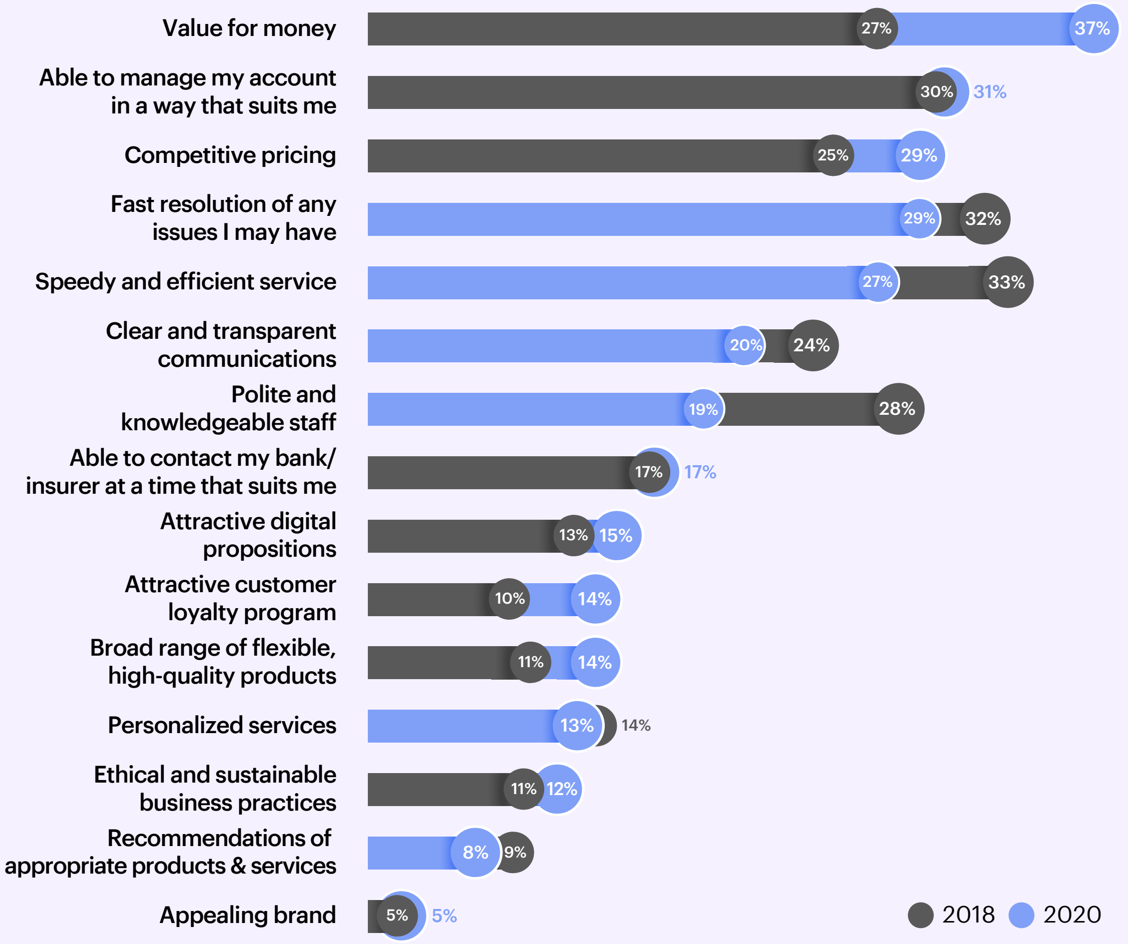
The rising importance of price is partly a consequence of the sudden shift from relatively buoyant macroeconomic conditions to the economic stress and uncertainty associated with COVID-19. It is also due to the growing digitalization of the consumer banking experience, which causes customers to increasingly view it as a commoditized product.

## Personalized solutions can wean consumers off price

This change is likely to be less permanent than some other shifts in consumer behavior, because consumers will become less focused on price as economic uncertainty diminishes.

**Figure 6. Value for money is now most important for financial services consumers.**

Q. Which of the following factors are most important to you when dealing with banks and insurers?
Percent of consumers ranking factor as a Top 3



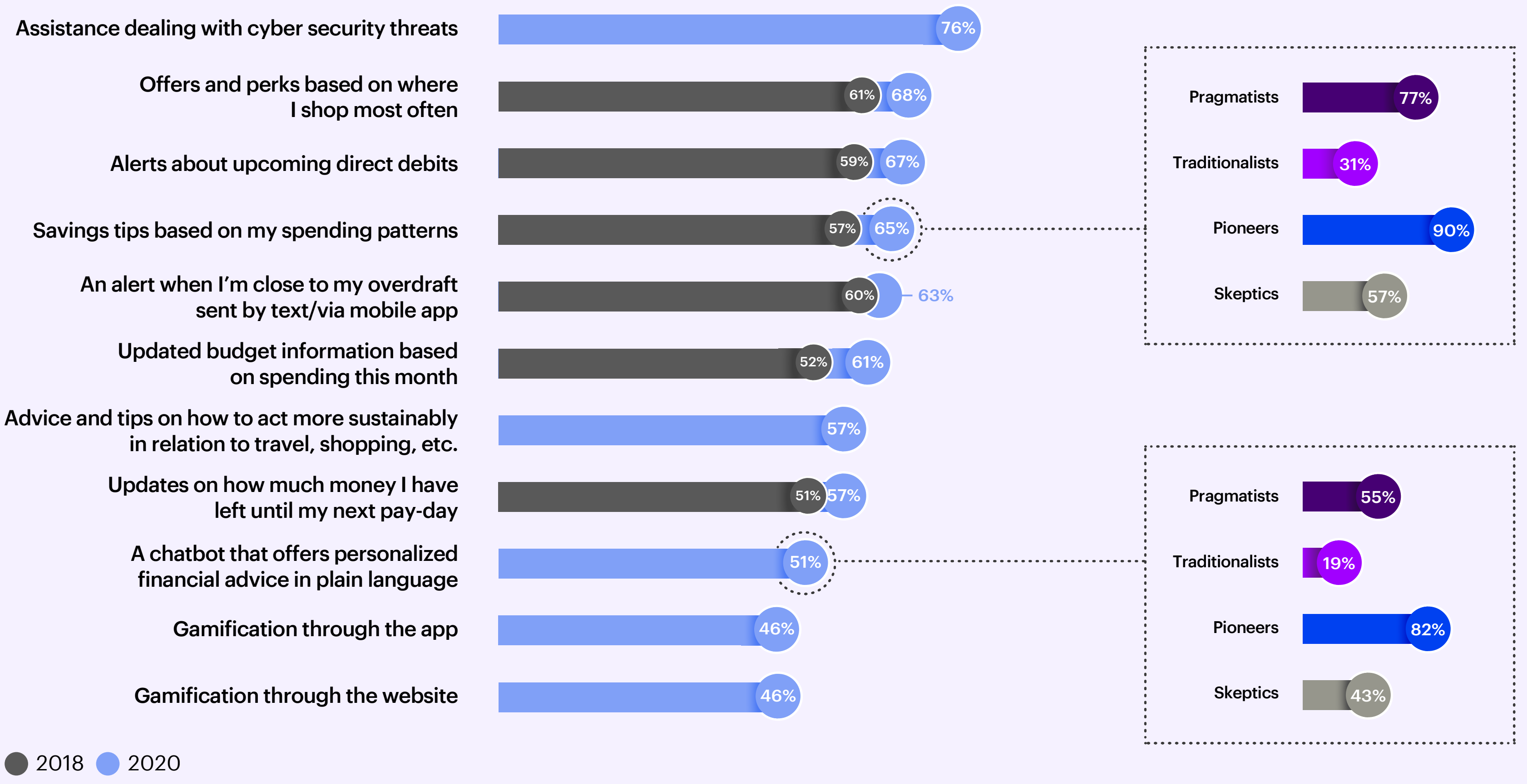
But that does not mean banks should wait passively for consumers to become less price-sensitive. Instead, they should demonstrate, proactively, how they can look after consumers' long-term financial wellbeing. They could offer personalized solutions, for example, such as savings tips based on spending patterns; the survey data shows that Pioneers in particular find this type of digitally enabled personalization appealing (see Figure 7).

## Interest grows in personalized digital banking

Consumers continue to show little appetite for the abstract concept of "personalized experiences": just 13 percent of our survey respondents said this is important to them, which is slightly lower than two years ago. But banks cannot discount personalized offerings completely. When we presented consumers with concrete examples of personalized services—especially those that enable money-saving and enhance financial management—they revealed greater interest than two years ago (see Figure 7). Pioneers are particularly keen on personalized solutions.

**Figure 7. Personal advice on how to save money grows in appeal, especially among Pioneers and Pragmatists.**

Q. How appealing would you find the following digital experiences if offered by your bank or insurer?
A. Somewhat, very or extremely appealing



# Maintaining support beyond the crisis

Consumers are satisfied with banks' crisis response, but do not want support tapered immediately

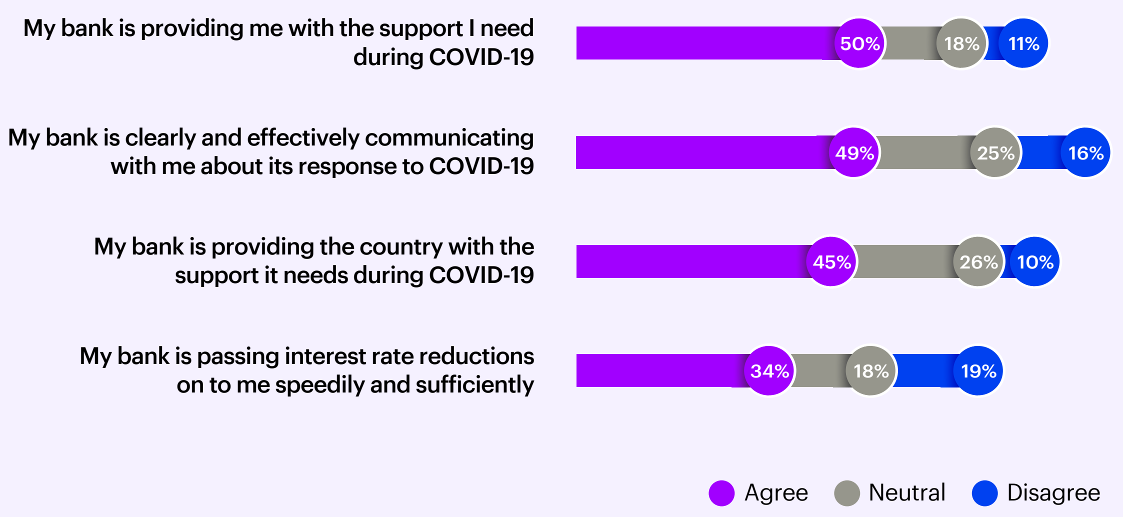
## Consumers generally approve of their bank's response to COVID-19: 50 percent said that their bank provided them with the support they needed during the pandemic, and 49 percent said it communicated clearly and effectively.

This is likely to be because consumers felt reassured that help was available if they needed it, rather than because they actually benefitted from any direct support: fewer than 15 percent of consumers used direct financial assistance from their bank such as credit card limit increases or interest-free credit card repayment holidays, and just 28 percent used any form of assistance (see Figure 9).

### Taper support with care

Banks were able to satisfy consumers' needs during COVID-19 in part because both were supported by the public sector. As this support is pared back in most countries, banks may have to make difficult decisions about the level of support they continue to provide. Given that 60 percent of consumers (and 86 percent of Pioneers) want some form of COVID-19-era support to continue in the long term, any phasing out of support will have to be done carefully.

**Figure 8. The majority of consumers felt supported by their bank during COVID-19.**




That said, consumers are most keen for banks to continue offering assistance in the use of digital channels and financial management advice, which would be less costly to maintain than direct financial assistance.

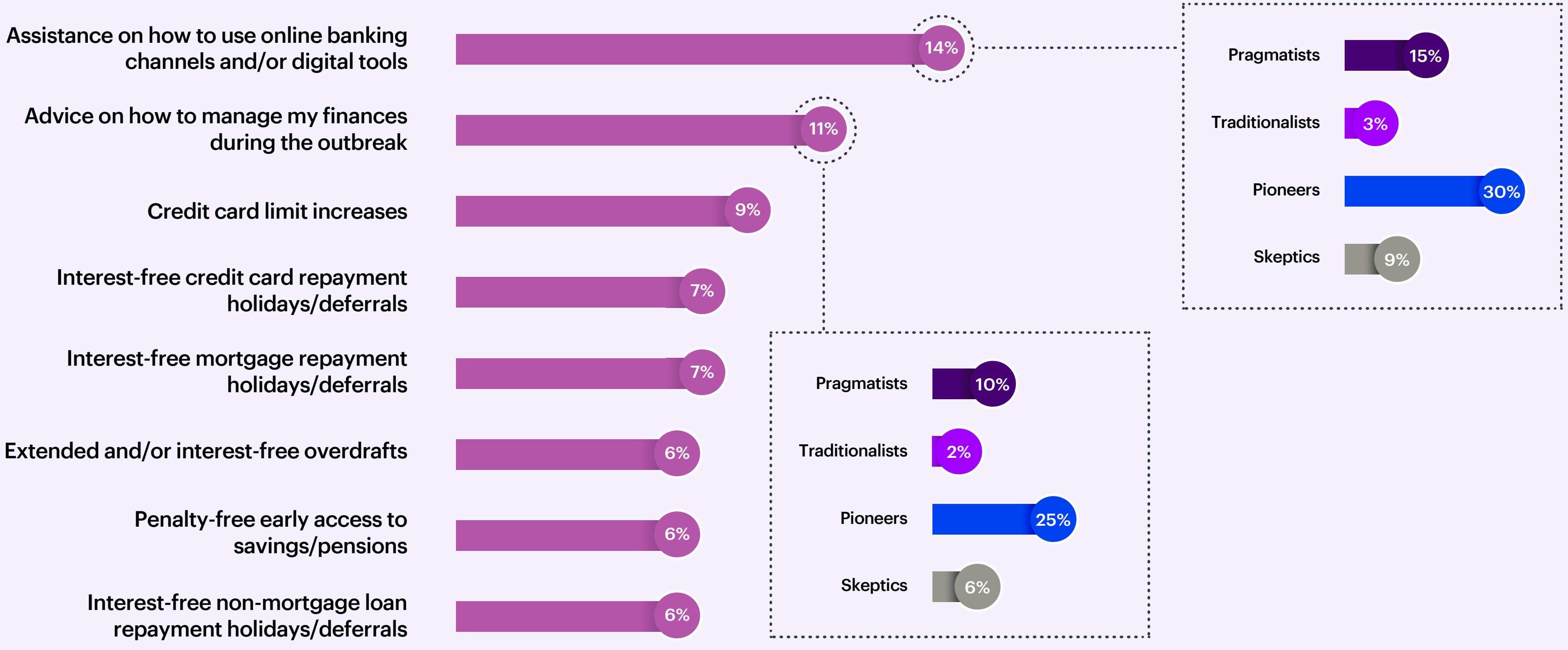
If the curbing of government support means that consumers' demand for financial assistance outstrips what banks are able to supply, consumer satisfaction with banks' response to COVID-19 may nosedive and could lead to a loss of goodwill.

## Pioneers used COVID-19 support most frequently

Use of COVID-19 support was significantly higher among Pioneers. For example, 30 percent of these consumers took advantage of assistance in using online banking channels or digital tools, compared with just 3 percent of Traditionalists. And 17 percent of Pioneers used interest-free credit card repayment holidays or deferrals, compared with just 1 percent of Traditionalists.

**Figure 9. Pioneers were the most enthusiastic recipients of COVID-19 assistance.**

Q. Did you use the following COVID-19 assistance provided by your bank?
A. Yes



# A crisis of confidence

Building consumer trust
in a time of uncertainty

**Perceptions of banks' COVID-19 response might be broadly favorable, but consumers' faith in banks and other major institutions has plummeted. Just 29 percent of consumers in the survey trust their bank "a lot" to look after their long-term financial wellbeing, compared with 43 percent two years ago.**

In part, this is a direct consequence of some of the trends discussed earlier in this report: the replacement of human interaction with digital channels, and the resulting breakdown of personal connections. It also reflects a broader decrease in trust in major institutions: the survey data reveals that consumer trust has also fallen when it comes to insurers, payments companies, retailers, tech companies, and social media platforms—although to a smaller extent than banks. The positive news for banks is that even with that bigger slump in trust they are still trusted more than these other major institutions.

Consumers are also starting to lose faith in their banks' ability to look after their data: only 37 percent trust their bank "a lot" to look after their data today compared with 51 percent two years ago. This could be a result of the high-profile consumer data breaches in the past two years and the tightening of data protection regulation, both of which have raised consumers' awareness of data privacy issues.

**Figure 10. Consumers' trust in businesses to look after their long-term financial wellbeing has dropped.**

Q. To what extent do you trust the following providers to look after your long-term financial wellbeing?
A. A lot

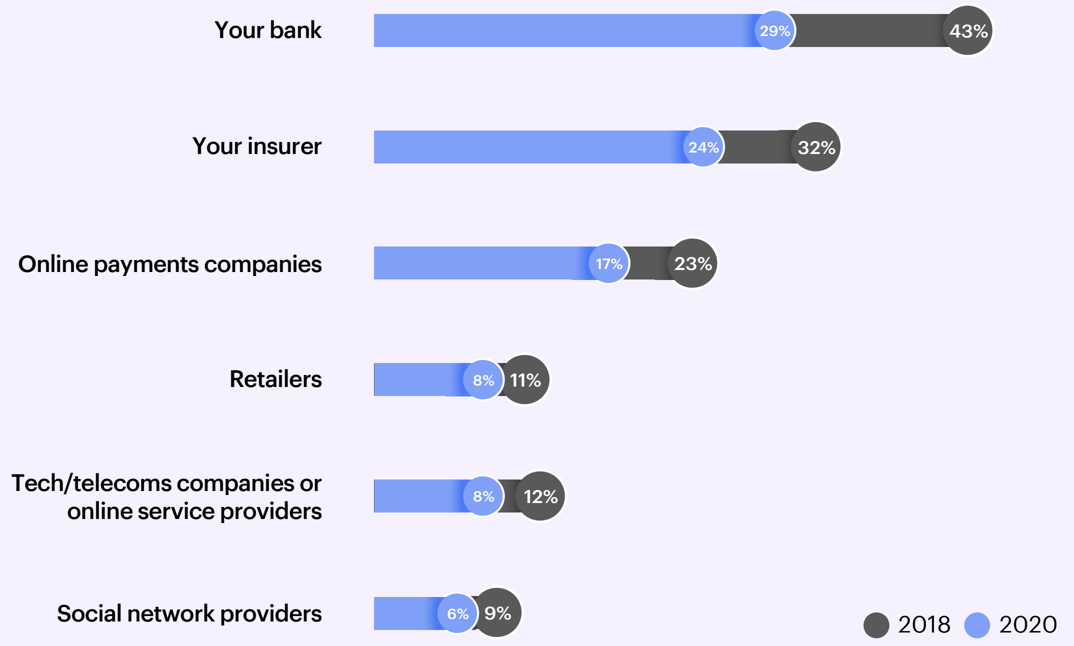
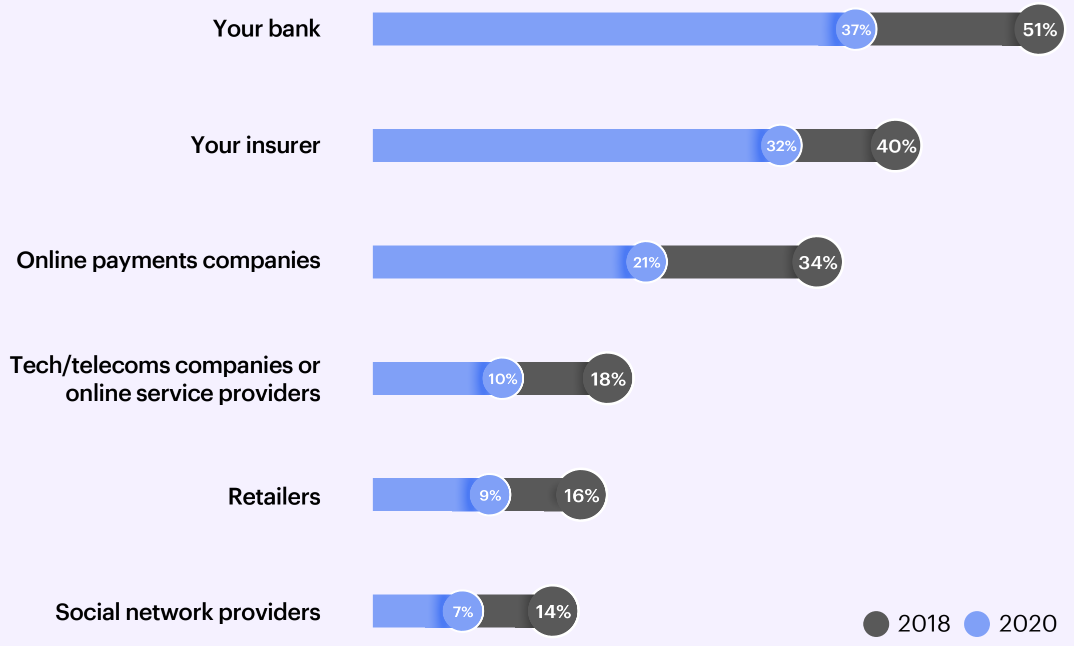


**Figure 11. Consumers' trust in businesses to look after their data has also fallen.**

Q. To what extent do you trust the following providers to look after your data?
A. A lot




## Lack of trust undermines growth initiatives

This erosion of trust has major consequences for banks' long-term growth strategies. Many want to play a greater role in looking after consumers' long-term financial wellbeing by, for example, offering digitally enabled advisory services. But if banks are not trusted, consumers are likely to shun these services in favor of buying point solutions in the moment based on their immediate need and price. And with large technology companies such as Google and Apple increasingly offering payments and other financial services, or aggregating those provided by others, banks could find themselves becoming back-end processers if consumers do not trust them. This may well be a viable strategy for some, but it is certainly not the business model that most consumer financial institutions aspire to.

But all is not lost. Banks can rebuild trust by forgoing at-risk "bad revenue" (such as overdraft charges) to show increased commitment to customers' interests, by providing services that genuinely look after customers' long-term financial wellbeing, and by delivering tangible benefits in return for sharing their data. Some have already started to do this. Bank of America, for example, recently made a long-term commitment to offering neobank-style overdraft support features that it introduced during the pandemic.[12]

# The shifts in how customers switch

Primary account switching stagnates as neobanks lose their shine

## Primary bank account switching has slowed in the past two years. Just 3.8 percent of consumers have switched their primary account in the past 12 months, compared with 6.7 percent two years ago. Switching activity remains primarily driven by the Pioneers, with 7 percent switching their primary account in the past 12 months compared with just 1 percent of Traditionalists.

The reasons for this? It is a combination of a natural slump in switching to neobanks following an initial surge of early adopters; consumers' existing banks improving their capabilities, especially their online banking apps; and a natural suppression of switching by the pandemic.

This decline has occurred in a period in which, the pandemic aside, switching has never been easier: open banking regulation in certain markets smooths the switching process, and technical advances have dramatically reduced the time it takes to open a new account.

Although switching has never been easier, measuring switching activity has become more complex because some consumers increasingly accessorize their main bank account with other accounts for specific purposes, so there are more multi-banked customers. The survey finds that 27 percent of consumers have opened a new account (including primary and secondary accounts) in the past 12 months, compared with 24 percent two years ago.

**Figure 12. Pioneers switched their primary bank account most frequently in the past 12 months.**

Q. Have you opened a new bank account, or switched your main account, in the past 12 months?
A. Yes

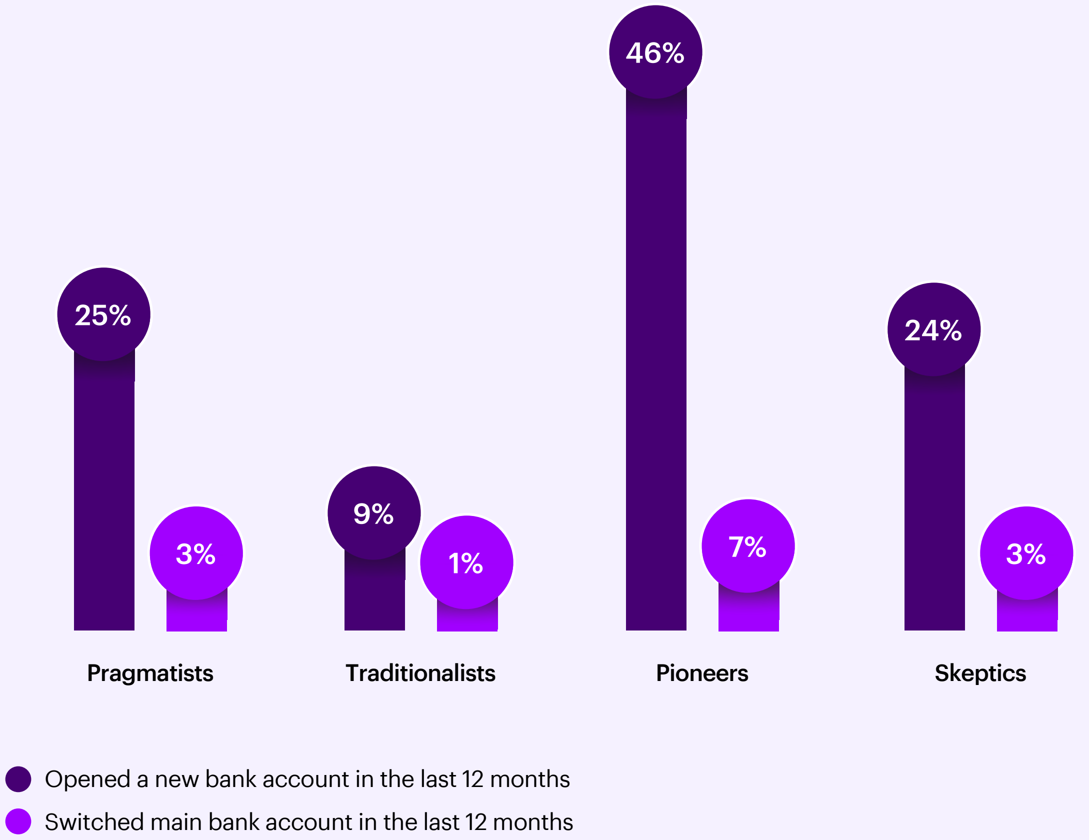
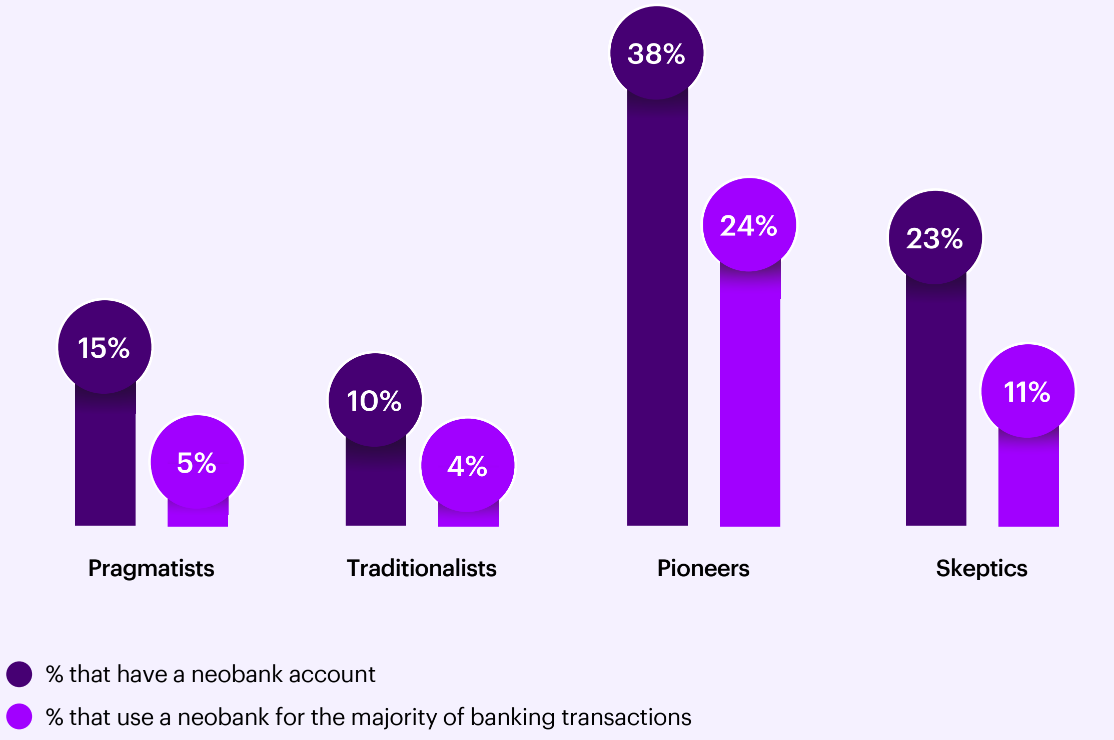


**Figure 13. Pioneers are the most active users of neobanks.**

Q. Do you have a neobank account, and if so, do you use it for most of your banking transactions?
A. Yes




Percentages equate to those that answered yes out of the total sample size.

In this context, the process of switching may take longer and be less apparent in banks' data, with a consumer initially opening a new account and using it to process some payments, before gradually increasing the volume of payments they process and eventually having their salary paid into the new account.

## Consumers' interest in neobanks cools—for now

Neobanks have continued to gain market share in the past two years. Today, 23 percent of surveyed consumers have a neobank account, up from 17 percent two years ago. That said, just 12 percent use a neobank account for the majority of their transactions, and uptake is driven by specific consumer groups: 24 percent of Pioneers, for instance, use a neobank account for the majority of their banking transactions, compared with just 4 percent of Traditionalists.

Despite the recent growth, consumers' enthusiasm for neobanks is lukewarm. For example, consumers that have a neobank account are most pleased with its convenience, simplicity, and price point, rather than its novel features, personalized offerings, or the brand in general. And those that have a neobank but do not use it for the majority of their transactions say their primary reason for that is that they are happy with their existing bank.

## Traditional banks' new digital offerings may slow neobank growth

Will consumer interest in neobanks reignite when the economic picture improves? It may do. A more favorable economic outlook could lead consumers away from what they perceive to be the stability of traditional banks, and neobank features such as cheap currency exchange will become more attractive if consumers are able to travel more in the future. Plus, as time goes on, each neobank becomes less and less "neo," which may reassure customers who were previously put off by their shorter track record.

On the flip side, traditional banks may have caught up with the neobanks by the time the economic situation improves. Many have already started to introduce features that mimic those of their digital competitors. In Australia, for example, NAB and Commonwealth Bank both recently launched interest-free credit cards in response to the success of "buy now, pay later" provider Afterpay.[13]

And although neobanks' lack of expensive real estate should enable them to be cost competitive with traditional banks, pressure to hit profitability and identify new revenue streams, such as charging for current accounts, may negate that advantage. The ongoing low-interest-rate environment also inhibits neobanks' ability to offer competitive savings rates. Given that consumers without a neobank account say value for money is the most important reason that would cause them to open one, factors that blunt their natural price advantage may significantly reduce future uptake.

Trust is another important factor in the popularity of neobanks: just 8 percent of consumers trust them to look after their long-term financial wellbeing, compared with 29 percent who trust their current banks. This lack of trust likely stems in part from a perceived lack of humanity and personality in neobanks' digital-first proposition. The trust gap explains why some consumer segments are particularly averse to neobanks (see Figure 15).

We do not know whether neobanks will continue to gain market share when the pandemic recedes. But it is clear that the improvements traditional banks make to their digital offerings will make competition fiercer than ever before.

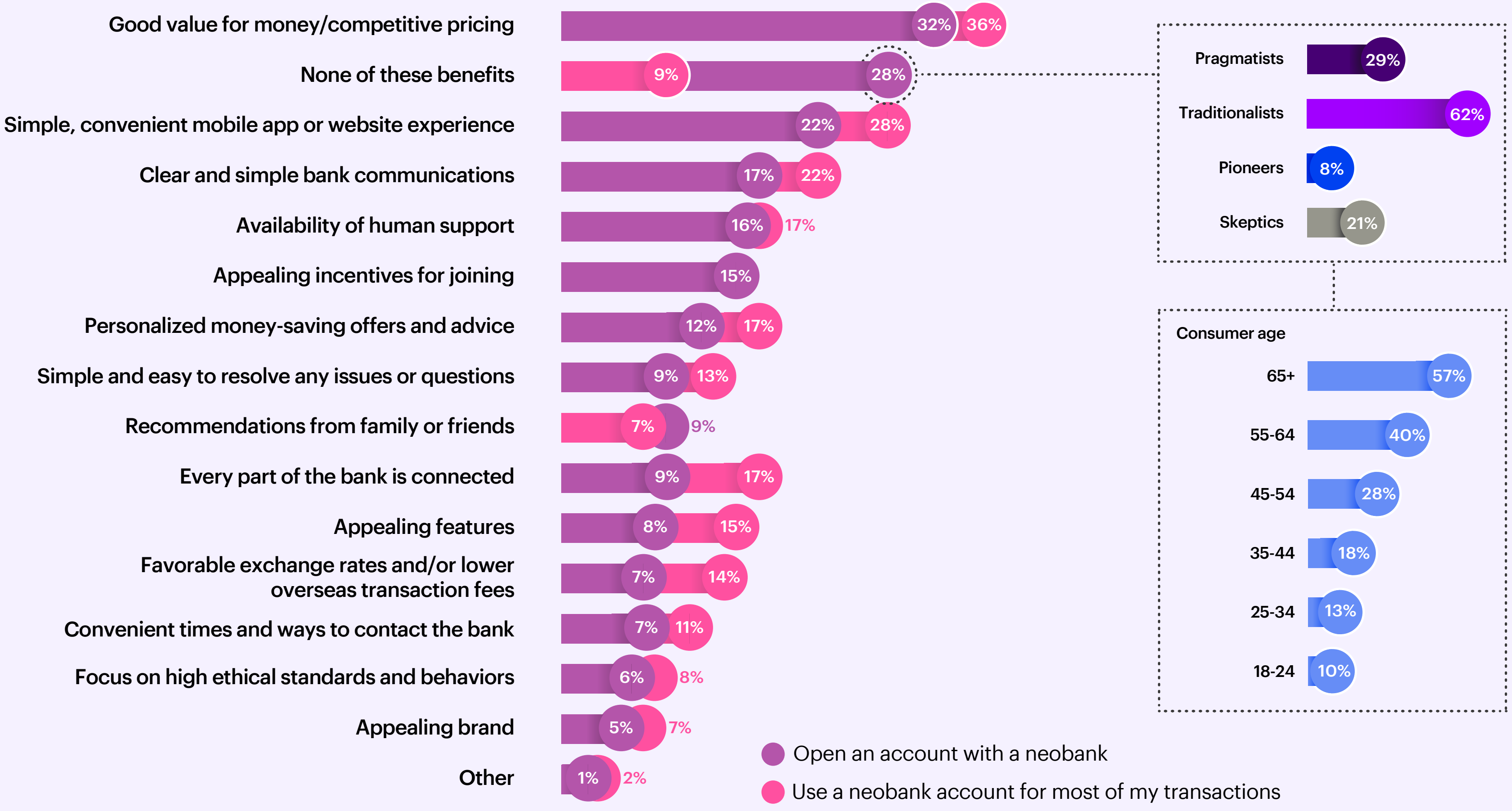
**Figure 14. Neobank usage decreases with consumer age.**

Q. Do you use your neobank account for most of your banking transactions?
A. Yes


Percentages equate to those that answered yes out of the total sample size.

**Figure 15. Value for money and a simple digital/mobile experience would tempt consumers to neobanks.**

Q. What would motivate you to open an account with a neobank, and to use it for most of your transactions?

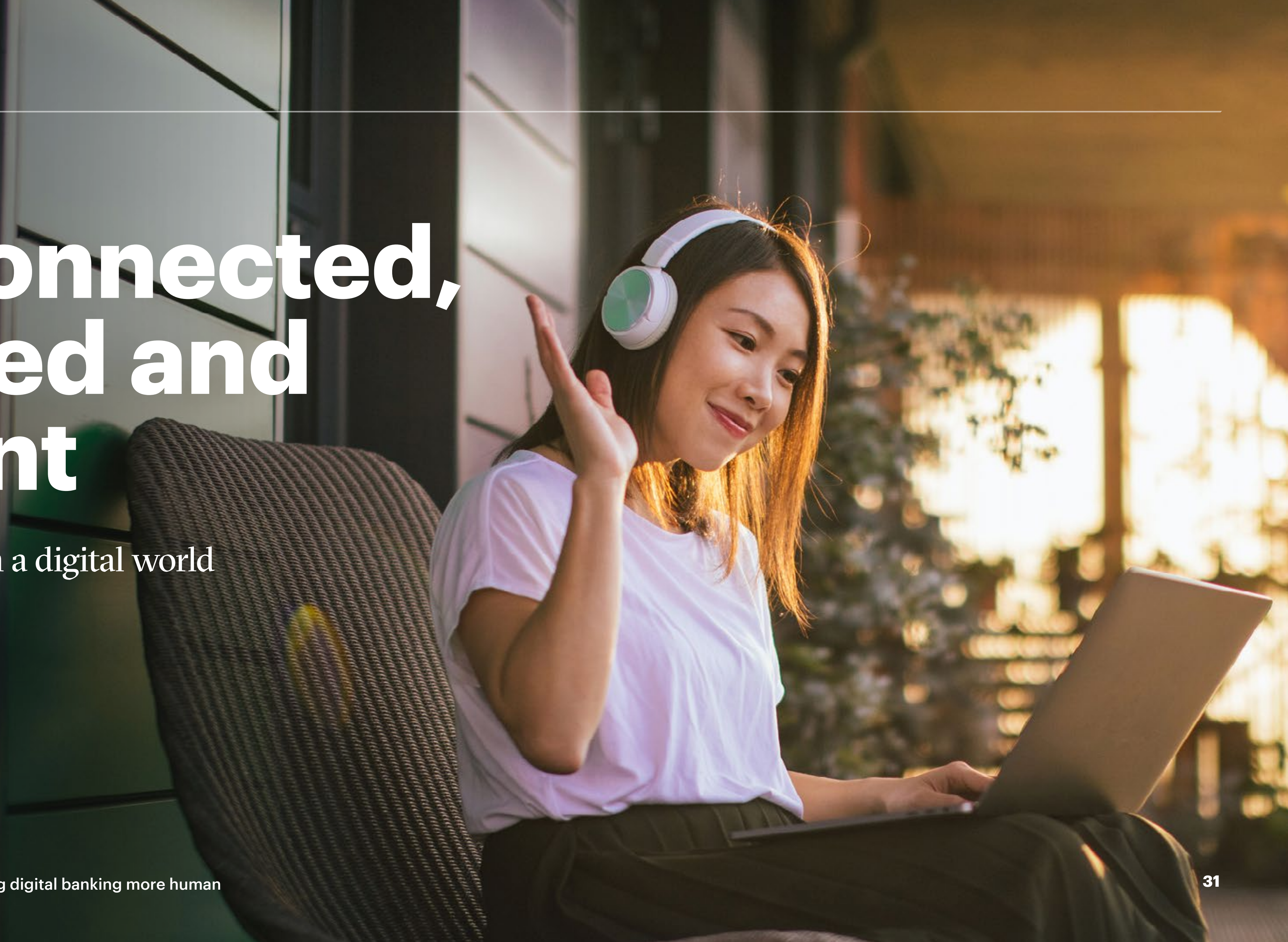



## For neobanks, some consumer segments are currently out of reach

Some consumer segments have a strong aversion to neobanks. For example, 62 percent of Traditionalists say nothing would tempt them to open a neobank account, compared with just 8 percent of Pioneers. That is also true of 57 percent of those aged over 65, compared with just 10 percent of those aged 18–24.

# Stay connected, engaged and relevant

Making connections in a digital world



Our survey shows that consumers have reacted swiftly as the world has changed. Unable or unwilling to visit branches, many rapidly went online to do everything from checking their balances to opening new accounts.

Banks can take advantage of this trend, but only if they move at the same fast pace.

That will not be easy. Banks have made some progress, but their rollout of new digital offerings continues to be hampered by the longstanding issue of legacy systems. And the timing is difficult: the task of re-establishing personal bonds with their customers and rebuilding trust needs to happen precisely when many banks will seek to taper COVID-19 support and make difficult credit decisions.

For the best chance of success, banks should strive to maintain the entrepreneurial spirit that flourished throughout 2020, when many of them moved at a previously unthinkable pace to cope with an unprecedented situation.

We believe that you should keep these five principles in mind:

1. **Understand which shifts in consumer behavior and preference are temporary and which are here to stay, something that our data shows is likely to vary greatly by market.**

2. **Unearth the needs and expectations of specific segments of your customer base.**

3. **Determine how your strategy and operating model need to change to respond to these reshaped preferences.**

4. **Prioritize technological flexibility and agility so that new digital offerings can be released at speed.**

5. **Inject humanity and personalization into digital channels where they will have the most positive impact.**

Please contact us to learn more about this research, and how Accenture can help your organization to remain human, trusted, and relevant as the world continues to change at an unprecedented pace.

# About the authors

**Alan McIntyre**
Senior Managing Director
Banking
alan.mcintyre@accenture.com

**Edwin Van der Ouderaa**
Senior Managing Director
Strategy & Consulting
edwin.vanderouderaa@accenture.com

**Anne Bertelsen**
Managing Director
Interactive, Banking
anne.bertelsen@accenture.com

**Peter Kirk**
Managing Director
Strategy & Consulting
peter.kirk@accenture.com

**Kieran White**
Senior Manager
Strategy & Consulting
kieran.j.white@accenture.com

## References


1. Accenture Research, U.S. bank branch trends.
2. Pittsburgh Post-Gazette, "20,000 bank branches or more could close after COVID-19", July 8, 2020.
3. Business Insider, "U.S. Bank will close 400 branches by early next year", October 19, 2020.
4. Accenture, "Purpose-Driven Banking: Looking Beyond COVID-19", June 2020.
5. Accenture, "COVID-19: Five New Human Truths that Experiences Need to Address", April 2020.
6. Accenture, "Flashpoints in digital payments", November 2020.
7. ING, Quarterly Financial Results, Q3 2020.
8. Bank of America, Quarterly Financial Results, Q3 2020.
9. Ibid.
10. Group BBVA, Quarterly Financial Results, Q2 2020.
11. Commerzbank, Quarterly Financial Results, Q2 2020.
12. Bank of America, "Bank of America Announces Additional Support for Consumer and Small Business Clients Experiencing Hardship From the Impact of the Coronavirus", March 19, 2020.
13. Business Insider Australia, "The Commonwealth Bank has Joined NAB in Offering Interest-Free Credit Cards", September 11, 2020.


## About the research

Accenture surveyed 47,810 respondents across 28 markets including Australia, Belgium, Brazil, Canada, China – mainland, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

Respondents were consumers of banking and insurance services and were required to have a bank account and an automotive, life or home insurance policy. Respondents covered multiple generations and income levels. The fieldwork was conducted during July and August 2020.

## Stay Connected

**Accenture Banking blog**

**Accenture**

**@bankinginsights**

## About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 506,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at www.accenture.com

## About Accenture Research

Accenture Research shapes trends and creates data driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations, such as MIT and Harvard— guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients. For more information, visit www.accenture.com/research


Copyright © 2020 Accenture. All rights reserved. Accenture and its logo, are registered trademarks of Accenture.
This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.
This document refers to marks owned by third parties. All such third-party marks are the property of their respective owners.
No sponsorship, endorsement or approval of this content by the owners of such marks is intended, expressed or implied.


201024