

**Q2**

**Using digital  
channels to acquire,  
sell, and grow**



While most financial institutions (FIs) have made great strides in improving their online offerings, they often still lag when it comes to turning their websites into truly effective sales tools because they don't have an effective checkout process. When there's a singular focus on making it easier for the online customer to perform transactions, marketing new products and additional services can fall by the wayside. Today's customers expect—and demand—a better experience from their bank or credit union.

**64%**

of customers would rather do their own banking digitally<sup>1</sup>

## The customer expectation

Today's customers, especially millennials, are increasingly adopting services through the digital channel. They've grown up in an age where their entire lives are shaped by their use of technology. They expect that they can accomplish almost all of their everyday tasks, including banking, through online and mobile channels, and they demand service that fits their lifestyle.

However, as online adoption grows FIs are falling behind in their ability to acquire these customers through digital channels. While FIs have done a terrific job of moving daily interactions into digital channels (such as websites and mobile), their sales efforts have not followed suit. They still rely heavily on branch traffic to sell products.

In short, FIs are not selling where people are shopping, and this represents a gaping hole in the banking business model that is leaving FI leaders scratching their heads. Why are sales becoming harder when there is more information online than ever before?

<sup>1</sup> Segmint Consumer Bank Marketing Report – May 2017  
[segmint.com/Media-Resources/ConsumerReport/Part-I-Data-Sheet](http://segmint.com/Media-Resources/ConsumerReport/Part-I-Data-Sheet)

To get to the bottom of this, FI leaders should first ask themselves a few key questions about how they're approaching the banking experience:

- Is my FI relying on a branch-focused strategy for acquiring customers and selling new products to current customers, or are we getting the most out of our digital experience for sales?
- Does my FI have a unified sales experience for online applications or is our experience siloed for each banking product?
- Are we providing a more frictionless way for our prospects to become customers?

Today's customers also expect a consolidated and streamlined shopping experience. They're used to online retailers like Amazon or Best Buy, who not only make the digital shopping and checkout process extremely simple, but also make product recommendations based on purchasing habits or other data, with an immediate option to buy.

What if Best Buy advertised a great new TV on their website, but then instructed interested buyers to go to the store nearest them to purchase it? This is exactly what many FIs are asking their customers and prospects to do and the response is the same: "No thanks, I'll find it online somewhere else."

# The checklist

## How Ready Is Your FI for Digital Sales?

The first step FIs must take to get ready for implementing a robust digital sales program is to gain an understanding of where they stand today. Key questions to ask include:

- How reliant is your FI's sales process on branch traffic?
- Are your current customers primarily interacting with your FI through web and mobile?
- Can your applications be entirely completed online?
- Does your FI's digital presence have effective calls-to-action for customers?
- Do you know the lifetime value of a customer acquired through digital channels?

The answers to these questions will reveal if you are experiencing a gap in your own sales and marketing efforts and will help identify the areas your FI should focus on to improve customer growth and acquisition.

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# The Need: The Importance of Going Digital

## Digital Sales over Branch Traffic

Today, the average American is comfortable with completing a vast range of tasks, including day-to-day banking, via smartphone. And the trend is growing, with almost 70 percent of millennials using mobile banking.<sup>2</sup>

Focus your organization on three areas:

1. Target your marketing efforts.
2. Streamline your digital checkout process.
3. Cross-sell at the right time.

If people are used to shopping online, take the opportunity to capitalize on that existing behavior. Smart FIs are following their customers to make sales where the crowd is already browsing.

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The most profitable banking customers own an average of 14.1 banking products across 3.2 FIs.<sup>3</sup> The opportunity exists for your FI to grow more share of the market, but trying to do it account by account can be a time-consuming setback. FIs today lack the digital call-to-action that will lead the consumer or prospect from the shopping process into the checkout process with the click of a button. Offering digital account opening allows FIs to turn a shopper into a buyer in just a couple of minutes, from the convenience of their smartphone.

## Unlocking the Power of Targeted Marketing

There's no reason why an FI can't sell to customers and prospects much the same way online retailers do. A turnkey digital sales solution will allow you to connect data you already have in your core and third-party data providers directly to your marketing systems, such as a CRM or marketing automation tool. The result is the power to create ultra-targeted campaigns and special offers that allow to suggest the right product to the right person at the right time. When used in conjunction with a digital checkout process, customers have a seamless, simple experience, from start to finish.

<sup>2</sup> "Millennials' Mobile Banking Usage Is Now Close to 70%" – March 2016 – [bankinnovation.net/2016/03/millennials-mobile-banking-usage-is-now-close-to-70/](http://bankinnovation.net/2016/03/millennials-mobile-banking-usage-is-now-close-to-70/)

<sup>3</sup> "Primary In Name Only? 'Silent Churn' Is A Profit Killer For Small FIs" – April 2016 – [www.mx.com/moneysummit/primary-in-name-only-how-can-small-fis-win-a-greater-share-of-wallet](http://www.mx.com/moneysummit/primary-in-name-only-how-can-small-fis-win-a-greater-share-of-wallet)

<sup>4</sup> "Consumers Prefer Digital Banking Capabilities Over Bank Branch Proximity" – July 2017 – [thefinancialbrand.com/66357/digital-banking-branch-preference-trends/?edigest](http://thefinancialbrand.com/66357/digital-banking-branch-preference-trends/?edigest)

## Customers expect to complete applications online—and add new products as well.

In a report from the Federal Reserve, customers were asked about their use of five banking channels (branch, ATM, telephone, online, and mobile). Their answers provide a fuller picture of how smartphone users interact with their bank or credit union. Over 12 months, 82 percent of customers used online banking and 53 percent used mobile banking.<sup>5</sup>

### And they want to stay online

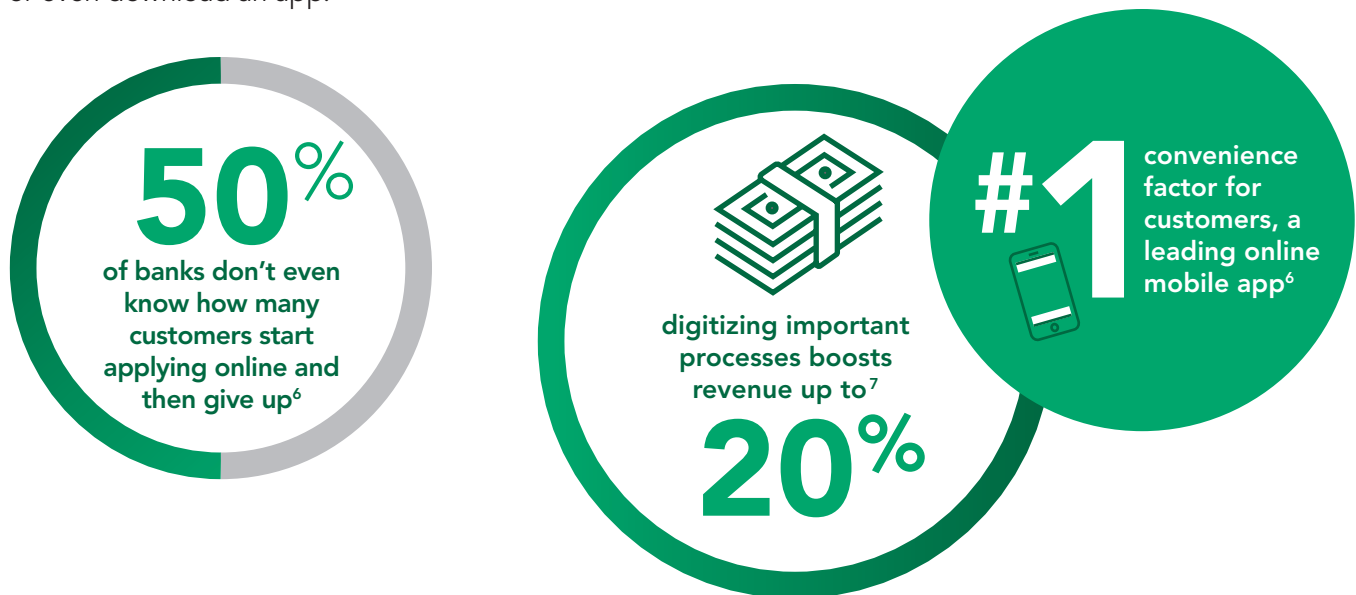
So it's clear that customers prefer to interact with their FIs through their smartphones, tablets and laptops. Yet 71 percent of customers who apply digitally are forced to enter the physical branch at some point while applying to complete the checkout process. You've got an opportunity to leverage a customer's native camera and browser to confirm a customer's identity and capture important documents—without asking them to enter a branch or even download an app.

## The Solve: Transform Your Digital Sales Process

### Market with effective calls to action

A strong application process doesn't end with getting the customer in the door—and especially not the door of the branch. Smart organizations see the checkout process as a demonstration of the quality of their overall digital experience—and understand how important that experience is. A strong onboarding process supports the customer getting started with your systems and has calls to consider and adopt related products while they're completing their application and starting to perform transactions.

When an integrated marketing plan, customized calls-to-action, and relevant offers are used your FI will have powerful resources to drive sales over the lifetime of a customer's relationship with you. Having a strong digital sales platform can transform the way you do business.



<sup>5</sup> Federal Reserve: Customer and Mobile Financial Services – 2016 – [www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201603.pdf](http://www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201603.pdf)

<sup>6</sup> "Digital Account Opening Expectation Gaps Remain" – July 2017 – [thefinancialbrand.com/66268/banking-digital-online-mobile-account-opening-trends/?edigest](http://thefinancialbrand.com/66268/banking-digital-online-mobile-account-opening-trends/?edigest)

<sup>7</sup> Boston Consulting Group Survey: "Global Retail Banking 2017: Accelerating Bionic Transformation" – [www.bcg.com/en-us/publications/2017/financial-institutions-global-retail-banking-2017-bionic-transformation.aspx](http://www.bcg.com/en-us/publications/2017/financial-institutions-global-retail-banking-2017-bionic-transformation.aspx)

# Conclusion

## Find a Strong Partner

Once you understand what today's customers expect from an FI and have a clear idea of where your institution stands in relation to their expectations, it's time to take action. The leap to a fully optimized digital sales experience can be daunting, but it's worth it when it comes to gaining—and retaining—satisfied customers. Look for a partner who:

### **Delivers a unified digital application experience for your potential customers**

Customers want their FI to treat them as a valued relationship and not just a series of anonymous, monetized bank products. A unified digital experience takes into account people's individual needs when you bundle the right offerings together.

### **Streamlines the application process**

Eliminate friction from the application process by taking advantage of technologies that use the features of a smartphone, such as the camera, to auto-populate key data fields. This eliminates unnecessary keystrokes and significantly reduces the chance that a customer or prospect will abandon the process before it's completed.

### **Integrates with your existing banking systems**

Most have complex ecosystems of technology platforms working behind the scenes to provide full-service offerings for their online and mobile banking customers. Choose a solution that gives your FI many options to integrate into your existing, or even custom, systems.

## About Q2

Q2, a financial experience company headquartered in Austin, Texas, builds stronger communities by strengthening the financial institutions that serve them. We empower banks, credit unions, and other financial services providers to be an ever-present companion on their account holders' financial journeys—helping them unlock new opportunities, increase efficiency, and grow their businesses. Learn more at [www.Q2.com](http://www.Q2.com).

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