



# 5 Top Digital Retail Banking Initiatives in **2020**

and How to Align Them Pending  
an Economic Downturn



**MX**



---

*As we enter 2020, we're faced with some tough challenges ahead. The recent Covid-19 pandemic has left the nation in shock. At a time when we're all trying to take precautionary steps towards recovery, we're feeling the economic and social effects across everything we do—and banking is no exception. As things continue to shift, and we adjust to this new normal, it's more important than ever before that we keep pace with planned initiatives.*

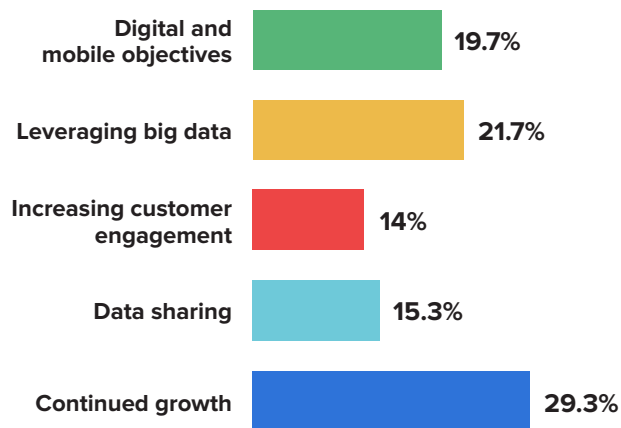
*As stewards of this great industry, we have a noble responsibility. We have an opportunity, during these turbulent times, to do the right thing on an individual and organizational level. This requires having a crystal clear vision on moving critical organizational initiatives forward, so we can help the world come out of this crisis economically stronger.*



## The **5** Top Digital & Retail Banking Initiatives for **2020**

---

To get a better understanding of what financial institutions are focusing on, MX surveyed 400+ banks and credit unions from our own client base. We found their top initiatives for 2020 and beyond. As things continue to shift, in light of the current state of the world, we're seeing these priorities gain even more importance across the industry.

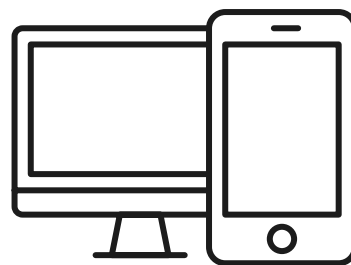




## Digital and mobile objectives: How to enable emerging technologies and continued innovation

---

There's a lot of talk out there about digital transformation and mobile-first experiences. Our research shows that **19.7% of our clients see digital and mobile as their top initiatives for the coming years.** And perhaps it's more important now than ever before. Chances are, your customers really need you right now. The current health crisis has shown us just how essential digital banking solutions are in the current global marketplace. Digital and mobile initiatives can help you create self-serve online channels so you can limit the traffic into your branches, as well as reduce volume to your call centers. This allows you to still service customers while taking care of your employees' wellness. At a time when people are unable to visit physical branch locations, digital is the only alternative to keep the banking system from possible collapse.



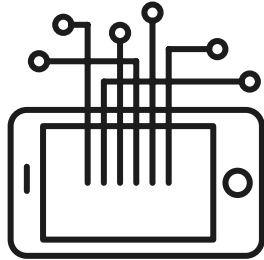
# 19.7%

**of our clients see digital and mobile as their top initiatives for the coming years.**

Data-led digital experiences can help you inform customers of loans with better interest rates that might save them money during challenging times. You can also offer products that keep them informed about bills that are coming through in case they need to reprioritize what they pay first. And perhaps one of the best things that technology can help your customers with right now is actively budgeting and tracking expenses in a clear, simple, and intuitive way. With mobile, you can even take it a step further, by helping your customers passively stay in the know at all times with push notifications and predictive insights that will inform them of any changes to their finances instantly.

Giving customers an immediate solution to accessing their money and understanding their spending can alleviate unnecessary stress for both your customers and employees. Your employees will now have the ability to focus on more complex cases and find opportunities to inform customers on better alternatives.

The truth is, your customers are already flocking to their mobile devices and apps. It only makes sense that their banking provider—one of the most important parts of their lives—should have a strong presence there.



**Knowing how to leverage data to make smarter business decisions is a key focus for financial institutions right now.**

**21.7%**

**of our clients see digital and mobile as their top initiatives for the coming years.**



## 2. Leveraging big data: How to improve analytics and use of insights

Big data is all the big talk lately, and rightly so. Knowing how to leverage data to make smarter business decisions is a key focus for financial institutions right now. In fact, **21.7% of our clients said this was the top initiative for them this year.** There's a lot of good that can come from using data more accurately. It allows you to know your customers better, and in turn, makes it easier to provide them with the right products; it also helps your customers make well-informed decisions about their own financial lives.

This is perhaps more critical than ever before at a time like this. Transaction categorization and common-sense insights give your customers specific alerts on things that they might not be aware of, or areas where they can cut back to help them stretch their money further. For example, if your customers had more insights into their finances, they would be more aware that with the current state of things, they probably don't need to pay for their HOV Commuter Lane pass for the next couple of months. Those sorts of insights are not always top of mind for people, especially in a state of emergency, but they might be critical for helping them use their money more carefully. Customers should be able to look to their financial institution for common-sense financial insights and awareness about their spending habits.

There are endless ways to leverage data to better serve your customers and help you become more strategic as an organization. Data insights can give you an understanding into which customers are in industries directly at risk of job loss or layoffs (service industry, travel, etc.) based on direct deposit information. Using key income, spending and savings ratios, you can also get a better understanding for the concentration of customers who are already in financial crisis or will be if their income stops. Both of these scenarios are of high concern in our current economic environment. Being able to foresee who will be at risk financially can help you be proactive in offering solutions that will minimize the long-term impact for both your customers and your institution.

# 3.

## Increasing customer engagement: How to create a holistic customer journey

Customer engagement is the lifeline of any and every business. And our clients seem to agree: **14% have improving and increasing customer engagement as their top priority.**

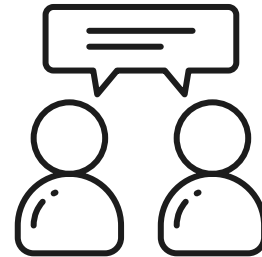
Fortunately, financial institutions are very well positioned to become true advocates for their customers by helping them with the right tools and technologies.

Transaction analytics is one foundational tool for understanding customer behaviour and patterns. The insights derived from transactions combined with your held customer data can be used to inform customers as to where they may be creating challenges for themselves. It can also be helpful in letting customers know where they can reduce unnecessary spending and make their money last longer.

Another critical tool is personal financial management. With the right PFM solution and your expert guidance, your customers will find it much easier to create comprehensive budgets and set meaningful financial goals. At a time when uncertainty is mounting, this can be the difference between having enough money for groceries and going without. When it comes down to it, people are going to be even more on edge right now and want to know exactly what's going on with their finances. Without the tools and information easily accessible, customers will be forced to turn to your branches or call center for help. With the increased volume of customer inquiries, if one of your employees had to serve 100 people before, now they might have to serve 500.

Lastly, it's important to have a great user experience in all your customer-facing tools and technologies. Consumers have become pretty savvy in the way they use and interact with digital channels and apps across a vast number of service industries. Thanks to the digital innovation in those other industries, your customers have come to expect that level of experience across every interaction with your organization, too. Finances are already hard enough. The problem shouldn't be compounded by a bad digital experience. Intuitive, simple, and functional applications could be the difference between your customers choosing your financial institution or switching to a different provider.

Simply put, the more value you can provide to customers through guidance and experience, and the more control you enable them to have in their financial lives, the more likely they are to consider you their trusted financial partner. And by becoming a beacon of hope for customers, you in turn increase engagement and loyalty.



**Customer engagement is the lifeline of any and every business. And our clients seem to agree:**

# 14%

**have improving and increasing customer engagement as their top priority.**

# 4.

## Data sharing: How to leverage open banking and API partnerships

---

Open banking and APIs are fast becoming a new norm in financial services. And, in fact, the future of banking may very well depend on it. Our findings show that **15.3% of our clients are considering these types of solutions as their main initiative this year.** These third-party relationships can help financial institutions go to market faster with innovative technologies.

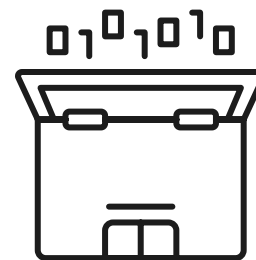
By leveraging open banking and APIs, financial institutions can strengthen the customer experience and compete more effectively with big banks, tech giants, and new entrants in the financial industry.

Financial institutions can leverage third-parties for their agile approach and rapid innovation. And given the pressure of customer expectations that banks already struggle to meet at times, there are certain cases where it makes sense to outsource rather than invest time and resources. These new innovations will help your financial institution compete more effectively, but it also gives customers better, smarter, and more advanced tools when it comes to managing their financial lives. It's a win-win-win situation for everyone.

But not all partnerships are created equally. The OCC recently released changes surrounding third-party relationships, security, and use of customers' data. Due to these recent changes, financial institutions will be asked to provide third-party traffic reports of companies that are scraping data. Right now, the vast majority of institutions only have scrape-based connections as the means for customers to give access to their data, which proves as another reason why financial institutions should be selective and strategic with third-party providers.

The data aggregation approach at MX utilizes added security in the form of tokens to safely and securely allow your customers to access their financial data. By partnering with MX, you're also able to have transparency into the scraping traffic via our IPs.

With the right third-party providers, financial institutions can enjoy faster iteration and more rapid innovation that will allow them to respond to changes in the marketplace more quickly. This is especially critical in a time like this. The benefits of working with APIs include fostering new innovation, increasing speed to market, allocating resources more strategically, expanding lines of business, and reducing errors in production.



# 15.3%

**of our clients are considering these types of solutions as their main initiative this year.**

# 5.

## Continued growth: How to strategically grow customer acquisition and accounts

As banking continues to transform, so will the need to adapt including the way we grow. Our survey shows that **29.3% of our clients see this as a primary goal for 2020 and beyond**. When you think about it, it makes sense that this initiative would be the highest one on the list, since it's impacted by everything else. Growth is a foundational part of success for every organization. Generally, financial institutions still rely on the same model for growth: customer acquisitions, increasing accounts and deposits, loan originations, and such. However, the methods to accomplish these growth strategies are changing, and they're changing fast.

Right now, we're being faced with one of the hardest times in recent history. The pandemic has fundamentally changed how we do business and halted our day-to-day lives. As we continue to navigate this new environment, financial institutions should lean on strategic partnerships to help fill gaps and facilitate more focus on their customers—first and foremost.

At MX, we specialize in helping financial services companies find technological solutions to help them thrive in this new digital ecosystem. Our tools and technologies provide a secure foundation in a time when profits have stalled and the future is uncertain. Our revenue recovery solutions can help you see opportunities to increase revenue in a way that you may not have thought to leverage up to this point, helping offset losses and impact to your bottom line.



As banking continues to transform, so will the need to adapt including the way we grow. Our survey shows that

# 29.3%

of our clients see this as a primary goal for 2020 and beyond.



# THE PROCESS:

## How to align top initiatives throughout your organization

---

Alright, so those are the main initiatives across the industry. But before you evaluate your own initiatives, it's important to lay down the foundation. Sustainable transformation is not accomplished by simply plugging in a new technology or process. True transformation requires a shift in the way the organization operates day to day. Without an equal commitment to changing the way you do business, your efforts will be stunted and you will not achieve the outcomes promised in the initial business case.

The first thing you'll want to do is ensure that your organizational goals translate top down: from executive leadership through department levels all the way down to the individual contributor. And look for things that overlap. If certain priorities don't seem to match from top to bottom, it's important to challenge these outliers right away to ensure everyone is moving full-steam-ahead in the same direction.

You'll also want to make sure you're effectively tracking performance against the company strategy and organizational vision through Objectives and Key Results (OKRs) and department metrics. This is where you'll want to look at the top initiatives in the industry that we've listed above and see how they align within your own organizational goals. Once you put this practice into place, you might find that not all initiatives work together. Three critical questions you must ask yourself during this process are: *Are we focused on understanding and solving the needs of our customers? How do we shift priorities to align with where we should be going as an organization? And where is the overlap or conflict of priorities between all stakeholders?*





**Here's a quick overview of how to create a game plan for process transformation:**

**1. Align OKRs with your vision**

Take your vision and break it down into objectives. It can be anything from helping employees develop the right skills to acquiring the right technologies and so on. From there, break those objectives down into quarterly OKRs and translate them across each department and individual employee.

**2. Specify metrics for success**

Put the right metrics into place for measuring your OKRs. The more clarity you get around what you're measuring and why, the easier it will be to understand if your efforts were successful.

**3. Find champions within your organization**

Champions within your organization are a great way to move things forward. These critical stakeholders will be just as motivated as you to get certain things done. So if you're considering new technologies or new programs, lean in and work with them to translate the need and opportunity to the executive suite.

**4. Work with trusted partners**

Now's the time to lean on your trusted partners for support. Your customers will be actively looking to you for alternative digital solutions to manage their money. Instead of going at it alone and trying to build everything in house, it will be way faster to partner with fintechs and other third-parties that can get your products to market more quickly and efficiently.



At MX, we're working closely with our partners and clients to ensure they have the tools they need to optimize their digital experiences during these challenging times. As we move forward, we'll continue to help and support financial institutions create comprehensive strategies around digital, so they can lead the way during uncertainty and change. This is an opportunity for all of us to be better to one another and to the communities we serve.

Want to learn more about how MX can help your financial institution build a comprehensive digital plan in these uncertain times? Connect with us at [mx.com](https://mx.com)



Interested in learning more?  
**Let's chat.**

[Request a Demo](#)

mx.com

MX Technologies, Inc. ©2020

