

5 Banking Trends for 2019

How Institutions Can Survive and Thrive In the Era of Customer Engagement

About the Presenter



Stephen Nikitas

Senior Strategy Director

- Joined Harland Clarke in 2010
- 30 years of experience in strategic planning, marketing, public relations and executive speechwriting
- Provides consultative services to banks and credit unions, helping them to take advantage of existing market and financial conditions and to grow targeted portfolios



Agenda

2019 Banking Trends – Will Your Financial Institution Evolve and Win?

Trend #1 – Battle for Deposits

Trend #2 – Battle for Loans

Trend #3 – Competition for Consumer Mindshare

Trend #4 – Digital Superiority is Key

Trend #5 – Deep Relationships as a Competitive Advantage



What You'll Learn Today

- ✓ Five of the important trends and opportunities for financial institutions in 2019
- How to outperform competitors with winning customer engagement
- ✓ Solutions to five of the most common banking challenges in 2019
- ✓ When to invest in customer experience and when it matters the most
- How to influence customers to make purchasing decisions
- ✓ How financial institutions can evolve to be faster, smarter, and more engaged with customers



Trend #1 – The Battle for Deposits



The 2019 Landscape for Deposits

- Rising interest rate environment for financial institutions and consumers
- Consumer hunger for a high rate
- Lack of loyalty to a financial institution means competition is fierce





- Choose marketing that targets high dollar deposits
- Custom modeling will garner mix of low-cost and high dollar deposits
- More targeted approach is more cost effective than general acquisition campaigns









Trend #2 – The Battle for Loans

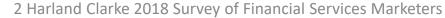


The 2019 Landscape for Loans

- Consumer spending is up total U.S.
 consumer debt soon to top \$4 trillion¹
- Loan acquisition consistently ranked among top three priorities for institutions²
- Fintechs are responsible for nearly 40% of total loans³



1 The Wall Street Journal, "U.S. Economy Fuels Boom in Consumer Debt," 2018



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3 Federal Reserve Bank of New York, "The Role of Technology in Mortgage Lendings" 2018



- Embrace that consumers want a fast application and approval process
- Adopt an "always on" loan marketing philosophy
- Give consumers an easy way to access, review, and accept prequalified loan offers





Trend #3 – Competition for Consumer Mindshare



The 2019 Landscape for Consumer Mindshare

- Consumers have more options for financial services than ever before
- Still, 38% would like to hear relevant, real time information from their financial institution when considering a major purchase⁴
- 77% of marketers feel they lack the comprehensive view needed to create these hyper-relevant experiences⁵



4 Accenture, 2017 Global Distribution & Marketing Consumer Study, "Beyond Digital: How Can Banks Meet Customer Demands?"



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- Invest in analyzing your institution's data so you can get to know your customers
- Create a plan to reach the right customer with the right message at the right time
- Consumers mindshare comes down to relevancy and that includes meeting them across all channels and all devices

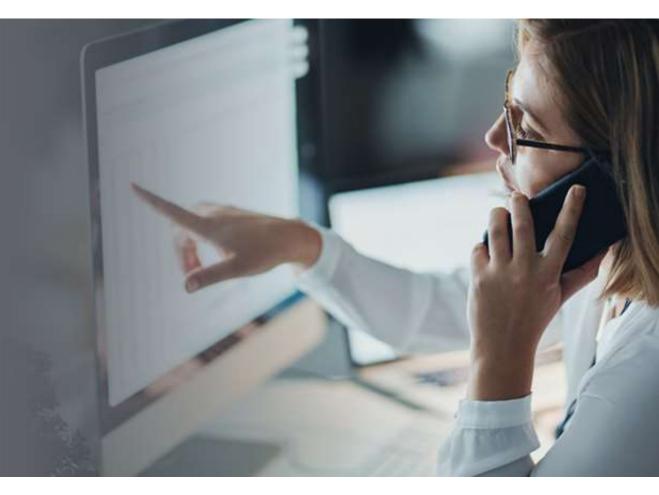


Trend #4 – Digital Superiority Is Key



The 2019 Digital Landscape

- Digital is no longer a "nice to have" customers demand an institution provide digital capabilities
- Institutions are allocating more than 40% of their annual IT budgets to digital transformation⁶





- Don't let customer experience take a back seat during digital conversions
- Instead, invest in technology, road maps, and specialized resources during times of transition
- Look at a conversion as a way to strengthen your brand and build customer loyalty





Trend #5 – Deep Relationships = Competitive Advantage



The 2019 Customer Relationship Landscape

- Only 12% of financial institution customers are currently relationshipbased customers⁷
- Unsuccessful problem resolution correlates to low customer satisfaction and attrition⁸
- Satisfied customers are more loyal by 58%⁹
- \$30 trillion in wealth transfer expected to occur in coming decades¹⁰



7 EverFi, The Secret to Consumer Loyalty: Relationship Banking, 20188 J.D. Power, 2017 U.S. Retail Banking Satisfaction Study9 ibid.

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10 Forbes, "Are Boomers Ready to Make the Greatest Wealth Transfer in History?"



- Be equipped to provide a personal touch across all channels brand, call, email, text, or chat
- View fostering relationships as a long-term endeavor
- Assist customers in reaching their goals, rather than selling services and products







Stephen Nikitas Senior Market Strategist Harland Clarke

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Thank You

