

# 5 Banking Trends for 2019

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

# About the Presenter



## Stephen Nikitas

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- 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



# How Your Institution Can Survive & Thrive

- 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 trillion<sup>1</sup>
- Loan acquisition consistently ranked among top three priorities for institutions<sup>2</sup>
- Fintechs are responsible for nearly 40% of total loans<sup>3</sup>



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

2 Harland Clarke 2018 Survey of Financial Services Marketers

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

# How Your Institution Can Survive & Thrive

- 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 purchase<sup>4</sup>
- 77% of marketers feel they lack the comprehensive view needed to create these hyper-relevant experiences<sup>5</sup>



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

5 CMO Council, Customer Experience Dynamics, 2017

# How Your Institution Can Survive & Thrive

- 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 transformation<sup>6</sup>



# How Your Institution Can Survive & Thrive

- 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 relationship-based customers<sup>7</sup>
- Unsuccessful problem resolution correlates to low customer satisfaction and attrition<sup>8</sup>
- Satisfied customers are more loyal by 58%<sup>9</sup>
- \$30 trillion in wealth transfer expected to occur in coming decades<sup>10</sup>



7 EverFi, The Secret to Consumer Loyalty: Relationship Banking, 2018

8 J.D. Power, 2017 U.S. Retail Banking Satisfaction Study

9 ibid.

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

# How Your Institution Can Survive & Thrive

- 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



Type your question in the questions panel 

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