

CONSUMER PERSPECTIVE: FINANCE

WHAT'S NEXT FOR THE FINANCE SECTOR



Digital transformation is changing the way consumers interact with financial services

As customers become more accustomed to living their lives online, financial institutions have begun to overhaul their customer journeys, placing usability and safety at the forefront. While businesses are hoping to deliver the seamless and delightful experiences that digital customers require, many questions remain:

- What digital banking tools appeal most to customers?
- How can we increase consumer trust in digital banking solutions?
- Are less traditional forms of payments and banking rising in popularity?

Loqate surveyed 1,500 US consumers to learn their new expectations for banking and personal finance. Here, we highlight some of the key findings and practices that companies can leverage as they shape the future of the finance sector.



1

Consumers prefer the convenience of mobile banking

With the pandemic shifting in-person banking to digital financial management, consumers are turning away from more traditional forms of payment and banking. 91% of respondents say that they have used some form of digital/mobile banking service, from mobile checking to stock trading applications.

Unsurprisingly, mobile banking features were the most popular: 32% of consumers used bank mobile apps for day-to-day activities traditionally reserved for in-person banking at a branch or ATM. Other features used include mobile check deposit (22%), mobile payment apps (22%), and investment & stock trading apps (11%).



TIP: Ensure that customers transitioning from in-person banking experience the least possible friction by streamlining their online or mobile UX. Attracting new customers can be as simple as requiring fewer form fields and offering quicker address data entry via an [address autocomplete solution](#).

2

Age plays a significant role in who's using digital banking tools

Across all respondent age groups, there are slight differences in comfort levels when using digital banking tools. It's no surprise that younger generations reported using digital banking tools the most. Only 2% of the Millennial age group respondents said they don't use any digital banking or personal finance tools.

Baby Boomers use these tools the least: 22% said they don't use any at all. With only 7% of Gen X users claiming the same, it is clear that most post-pandemic consumers are growing away from traditional banking methods and are increasingly accepting new data-driven tech innovations.



TIP: All consumers want effortless, faster, and safer digital experiences, regardless of age. With more tech-savvy seniors making a move to digital, customizing your online and [mobile UX](#) with a focus on speed and functionality will ensure a good experience for every customer.

3

Digital banking customers value safety and security

Despite the rise in the use of digital banking solutions, customers are still maintaining a slight distrust of these tools due to their complicated UX and lack of human engagement.

Among the reasons why respondents are not using any digital banking or personal finance tools, 34% of respondents are happy with their current (offline) services, 21% prefer to speak to a human about their finances, and 27% just do not trust it.

This wariness grows stronger with age: 18% of Millennials distrust digital solutions compared to 24% of Gen X consumers and 28% of Baby Boomers.



TIP: The more you can verify about a customer, the better. But, 47% of consumers say they “strongly dislike” additional steps in verifying their identity. Address, phone, and email validation can help increase consumer trust without increasing friction, preventing fraud by accurately matching customer data.

4

Consumers are willing to explore biometric tech

As digital banking becomes commonplace, the quality of digital experiences weighs heavily with consumers deciding who to bank with. Easier-to-use mobile apps and swifter forms of digital ID verification are among the digital experiences that would seemingly attract new customers.

Biometric authentication (facial, voice or fingerprint recognition) is a welcome form of identification for 63% of respondents, while 16% have not yet warmed up to the still-developing technology. 22% of consumers are indifferent to the concept, leaving room for growth as businesses aiming to provide better digital experiences integrate new and innovative technologies.



TIP: Speed, ease and accuracy are critical to a winning customer experience. Accurate address data coupled with instant biometric identity verification will help successfully onboard new customers, speed users through compliance procedures, identify fraud and reduce costs.

Loqate optimizes your digital customer journey

More than ever before, financial institutions have turned their attention to creating a [winning digital customer experience](#).

To succeed, understanding and accommodating the needs of your consumers is vital. Loqate offers a full suite of solutions that enable you to gather data-driven insights on customers, prevent fraudulent activity, and deliver a seamless online or mobile experience.

Click [here](#) to learn more about how we can help your business perfect your online and mobile customer journey.



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Address Capture

Capture the most accurate address data in as little as 3 keystrokes the moment a customer starts inputting their address on your website or app.



Address Verify

Parse, standardize, cleanse, enhance and format address data within a single, easy-to-integrate API across hundreds of global locations.



Phone Verification

Check cell and landline phone numbers are valid before you get in touch.



Email Verification

Reduce email bounce rates and improve data quality with email address checking.



Data Maintenance

Personalize and enhance your customer experiences by correcting, suppressing, or appending US customer data.



Cameo

Gain insight into consumer habits, develop an advanced understanding of audience segments, and build stronger customer relationships with geodemographic segmentation datasets.