**Long Live the Branch: Despite the Pandemic, One-Third of Customers Seek Human Interaction with their Banks**

*New data from Backbase and Cornerstone Advisors reveals a trend driven by shortcomings in institutions’ digital offerings*

**ATLANTA – September 21, 2021 –** The COVID-19 pandemic has up-ended the way financial institutions and their customers interact with each other – and perhaps in surprising ways. According to a new report from Engagement Banking technology provider Backbase, developed in partnership with Cornerstone Advisors, nearly one-third of consumers say they’re interacting with their financial institutions more often than they were prior to the pandemic. Of those respondents, 36% have been visiting their branch more frequently.

The report, *The Human + Digital Challenge in Banking*, further reveals that this trend has been quietly growing in the background for many years. Among consumers who opened a new bank account between 2018 and 2021, more than half (54%) interacted with bank representatives in person to do so; another 30% interacted with staff over the phone.

The underlying reason for this appears to be the customers’ perennial preference for convenience – they are willing to talk to another person if they feel it is the quickest route to outcome. Thirty-seven percent of respondents believed it would be faster or easier to get answers to their questions via the branch or call center, and another 36% say they visited or called the bank because they were unable to find the information they needed online. One in four attempted to get the information online, but found their bank was unable to provide the necessary service digitally.

Says Vincent Bezemer, Senior Vice President, Americas, at Backbase: *“Customers want to move quickly and have little patience for roadblocks along the way. They also proactively seek to avoid frustrating interactions – meaning that, even if they’d rather not deal with a human, they will do so if they don’t believe a satisfactory digital alternative exists. The lesson here isn’t simply that institutions need to improve their digital offerings; it’s that institutions must harmonize* *the user experience across all platforms to ensure that customers can have their questions answered or problems solved no matter what channel they prefer to use.”*

**Digitalizing the long tail**

One of the chief areas of improvement in digital banking are so-called long-tail activities, such as fee disputes or addressing potentially fraudulent account activity. According to Backbase’s data, customers are largely pushed to work with a human representative to resolve account issues, with 59% of respondents saying they interacted with a representative over the phone and 43% in-person to address a fee dispute. Just 8% were able to resolve the problem without any human interaction.

The disconnect between the human and digital experience is even more pronounced when it comes to dealing with fraudulent activity, with nearly two-thirds (63%) of respondents saying they contacted the call center and 38% visiting the branch. Just 10% say they solved their problem entirely online.

In both cases, few respondents (26% for a fee dispute and 30% for fraudulent activity) pursued human interaction because they preferred to; the majority chose this method of contact because they believed it would solve their problem the fastest.

Adds Bezemer: *“Many institutions are taking an incomplete approach to digitalizing the banking experience, focusing only on activities that drive revenue like account openings. But to become truly future-proof, they need to also digitalize long-tail activities. The need for these services doesn’t go away just because you make it more challenging to accomplish – on the contrary, a failure to offer the* option *to resolve issues online quickly can do real damage to customer loyalty.”*

**What’s next: Unifying the digital and the human experience**

Though the report’s data makes it clear that financial institutions have some work to do when it comes to bolstering their digital offerings, they shouldn’t forgo the human touch altogether. The report lays out several key steps institutions can take to unify the digital and branch experience for customers:

* **Eliminate channel-centric thinking.** Institutions must evolve away from viewing the digital banking experience as completely separate from that of the branch or call center. Instead, they should take a unified platform approach that centers the customer experience and allows them to seamlessly shift between online and in-person interactions.
* **Enable human-delivered account management online.** According to the report, many customers place a high value on having a dedicated account manager to help them navigate their financial lives – while still valuing the autonomy and convenience provided by their mobile banking app. Financial institutions, then, should merge the two, allowing customers to interact with qualified professionals and receive sound, consistent financial advice digitally.
* **Empower employees with better data.** Though creating a holistic digital experience for customers is paramount, banks must also equip their employees with a 360-degree view of the customer in order to provide the kind of high-touch, rapid service end-users have come to expect. This means providing access to more comprehensive and accurate data so that representatives can offer better, more tailored service and advice.

Notes Ron Shevlin, research director at Cornerstone Advisors and the principal author of the study: *“The industry debate over whether the bank branch is dead misses the point; the branch is clearly alive and much-needed, just as is a compelling digital experience. The real takeaway is that consumers want the power to decide when, where and how they interact with their financial institution – and those institutions who create that freedom are well-positioned to outpace the competition.”*

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**About the Report: *The Human + Digital Challenge in Banking***

Backbase commissioned Cornerstone Advisors to field a survey of U.S. consumers about their behavior, attitudes and preferences regarding human and online interactions with their financial institutions. Cornerstone polled a representative sample – across gender, age and race – of 3,105 U.S. adults in Q2 2021.

**About Backbase**

Backbase is on a mission to transform the broken banking system, so financial institutions don’t just interact—they engage—with the people they serve.

That’s made possible with the Backbase Engagement Banking Platform—powering all lines of business on a single platform, including Retail, SME & Corporate and Wealth Management. From digital sales to everyday banking, the platform’s entire design focuses on a seamless and captivating experience for both customers and employees.

Industry analysts Ovum and Celent continuously recognize Backbase’s front-runner position, and over 120 large financials around the world are powered by the Backbase Engagement Banking Platform—including AIB, Barclays, Banamex, Bank of the Philippine Islands, BNP Paribas, Bremer Bank, Islands, Citibank, Citizens Bank, CheBanca!, Discovery Bank, Greater Bank, HDFC, IDFC First, KeyBank, Lloyds Banking Group, Metrobank, Navy Federal Credit Union, PostFinance, RBC, Société Générale, TPBank, Vantage Bank Texas, Westpac, WSECU and Wildfire CU.

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