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**Harris Poll Research: AI Looms Large on the Digital Banking Frontier**

*A consumer survey commissioned by SRM reveals changes to digital banking habits in a prolonged pandemic environment.*

**MEMPHIS, Tenn., June 22, 2021** – SRM (Strategic Resource Management), an independent advisory firm serving financial institutions and other key industries, commissioned a consumer survey late last year to assess changes in banking habits due to the effects of COVID-19. Leveraging data collected from the study, SRM's digital practice and members of the analytics team at [SRM Europe](https://www.srmeurope.com/) assessed how consumer banking behaviors might change or revert once pandemic restrictions were lifted.

The survey, conducted among 2,045 US adults in October of 2020, with an even distribution by age range, gender, geography, and income level, explored how consumers were engaging with their financial institution six months into the pandemic. The questions were largely randomized, some with multiple responses.

The findings show that the pandemic has changed banking habits, but the impact is not uniform. There is a distinction between those who use online banking for information versus processing transactions. Of those using it to process transactions, there is an appetite for banking services using a virtual assistant.

Financial institutions can use these results to understand how their operating model currently delivers against this changing demand and adapt to post-pandemic consumer expectations.

Key findings show:

* **The digital revolution is already won.** Consumer adoption of app & online banking channels is plateauing. Only 8% of those surveyed were new to doing their banking via digital channels. Six of every 10 respondents perform an average of 2.9 types of banking activities more often online than before COVID-19. Respondents predicted this number would reduce to 2.3 after pandemic restrictions are lifted.
* **Push vs. Pull theory wins by a margin.** 55% cited health concerns over convenience as their reason for banking habit changes during the pandemic. After pandemic restrictions end, consumers of all ages predicted they would reduce usage of online banking for paying bills (36% to 30%) and making bank transfers (27% vs 20%).
* **Offers of financial help are heard.** 86% of respondents reported they received offers of pandemic relief aid from their bank or credit union, including credit card payment reductions and waived or deferred student, auto, and mortgage loan payments. Of these, 30% used the aid offered.
* **Life-stage matters for digital banking needs.** Different groups of people want different mixes of digital banking functionality and ways to transact. Survey respondents aged 65+ experienced relatively no change compared to those in earlier life stages. Those aged 18-24 saw the most significant numbers in using mobile/online for the first time and an uptick in sending & receiving money through a mobile payment app. Ranging from 60% of 18-34 versus 25% of 55+, an average of 43% of respondents' lifestyles became more digitally enabled during COVID-19.
* **There is an appetite for apps, but artificial intelligence (AI) is appealing, too.** There is a perception that AI-enabled virtual assistants are easier to use than online apps. On average, 1 in 5 respondents said they would prefer using a virtual assistant (Alexa or Google Home, for example) over an app to do their banking. This number is 1 in 3 among the 35-44 cohort. With more consumers working from home, banks and credit unions' mobile banking strategies may be best paired with ones targeting multi-tasking, voice-commanding homebodies.
* **Virtual assistants are in the house.** While use of digital banking functions is plateauing, virtual assistants are becoming more commonplace. 66% (77% for 18-34, 40% for 55+) of respondents used a virtual assistant during the pandemic - most commonly to listen to music, set timers/alarms, look up information, and call friends and family. Those ages 35-44 have the greatest appetite for using virtual assistants.
* **There is an emerging preference for basic banking capability through AI channels.** Of those who use virtual assistants, 11% are already using them for banking – on par with the 10% now using AI-enabled thermostats. When asked about whether they would use virtual assistants for banking, 25% said they would but cited more comfort with functional transactions (e.g., checking account balances and requesting appointments) rather than interactive transactions (e.g., initiating a loan or getting financial advice).

SRM's [first](https://www.srmcorp.com/media/news_full/financial-institutions-shift-consumers-employees-to-digital-channels-according-to-srm-survey) and [second](https://www.businesswire.com/news/home/20200720005205/en/Latest-SRM-Survey-Confirms-Forward-Push-in-Digital-and-Payment-Activity) surveys asked financial institutions how long they expected the effects of the pandemic to last. Brad Downs, CEO of SRM, said, "In this third survey, our goal was to assess how consumers had progressed in their thinking since US pandemic restrictions began. With the country still recovering from COVID-19, it is incumbent upon our advisors to stay prepared with foresight into these critical areas. By collecting this kind of data, we can also be better guides for a longer journey toward improving operational efficiency – whether through the use of automation or other digital tools."

Downs adds, "As we all move forward with re-engineering our technology and processes, the ability to respond quickly will determine who thrives. From either side of the Atlantic, SRM analysts will continue researching financial services and consumer behavior data to help organizations navigate whatever comes next."

**About SRM**

SRM (Strategic Resource Management) has helped more than 1,000 financial institutions add $3.6 billion of value to their bottom line in areas such as payments, digital transformation, core processing, artificial intelligence, and operational efficiency. SRM’s decades of experience have lowered costs, grown revenues, increased productivity, and provided a competitive edge for clients in an environment of constant and accelerating change. Visit [www.srmcorp.com](file:///C%3A%5CUsers%5Cndougherty%5CDownloads%5Cwww.srmcorp.com) for more information and follow on [LinkedIn](https://www.linkedin.com/company/strategic-resource-management-srm-/) and [Twitter](https://twitter.com/SRMCorp) for timely and relevant insights.

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