

The Virtual Service Revolution in Banking



Insights from a survey of
2,000+ US consumers



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Introduction

The Virtual Experience Economy (the merger of in-person and digital consumer behavior) has long been touted as a key driver for the continued shift towards more sustainable, purposeful and convenient retail habits. However, up until the start of 2020, it was mainly challenger brands and digital-first start-ups who placed virtual service strategies at the forefront of their customer offer.



Ultimately, it took a global pandemic for the Virtual Experience Economy to shift gears and go mainstream - ten years worth of technological progression occurred in just 90 days, as people moved their everyday lives online and businesses accelerated digital transformation strategies in a bid to safeguard their futures.

The retail banking sector was no different. Analysts had long predicted that online and mobile banking would eventually render many branches redundant, but the pandemic has accelerated digital adoption and resulted in an influx of video banking solutions. Even customers who may have been hesitant to speak with mortgage advisors or branch business managers online were forced onto digital platforms during the lockdowns.

At Bank of America for example, digital channels accounted for 29% of all account openings and loan originations in the second quarter of 2019. During the same period a year later, it was 47% and in 2021, even when people had been released from lockdown, it was still 44% (source: Financial Times).



Consumers across all age segments have grown accustomed to both every-day conveniences, including purchased items being delivered to their door next-day (JPMorgan predicts Amazon will overtake Walmart as the largest US retailer in 2022), and communicating via Zoom, Microsoft Teams or Google Meet for work and social activities.

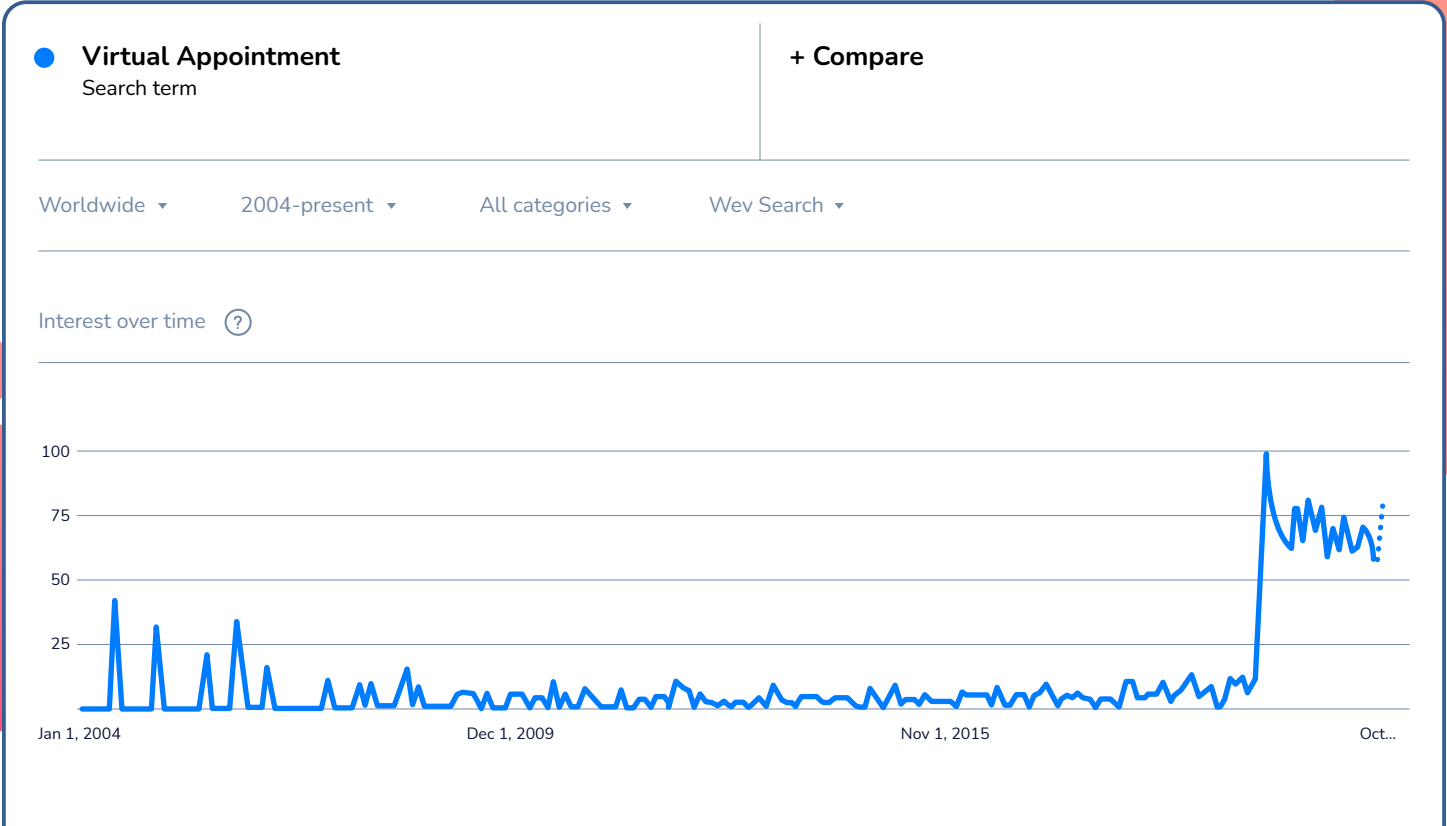
They've also embraced a new breed of financial service challengers, such as Monzo, which launched in the US in 2019 but has been disrupting the 'grey' banking sector in the UK, with its mobile app and 'hot coral' prepaid account card since 2015.



Prior to the pandemic, the more traditional big banks would have watched the rise of challengers like Monzo with envy, paralysed by their size and lack of agility to compete for the more digital-first mindset of Generation Z and Millennials.

The events of the past two years however have seen the stability of traditional banks become appealing again, especially now they’re upping their game with enhanced digital services such as video appointment scheduling.

Consumers everywhere now expect banks to be as convenient as next-day delivery services and as technologically advanced as upstarts and start-ups. The Google search insights below show that interest in both virtual appointments and bank appointments has continued to prevail, even as the pandemic threat had begun to wane.



Google Trends insights show a sharp rise in searches for “**Virtual Appointment**” from March 2020. The trend line shows that prior to the pandemic, the concept of virtual appointments was embryonic but in the two years since the start of 2020, strong interest in virtual appointments has prevailed.



Bank Appointment

Search term

+ Compare

Worldwide ▾

4/10/08 - 11/4/21 ▾

All categories ▾

Web Search ▾

Interest over time ⓘ

All categories



Google Trends insights for **“Bank Appointment”** show that the pandemic has boosted the growth trajectory for consumer interest in appointments with banks (despite an initial dip when the pandemic first struck). The insights show that interest in appointments with banks has been building gradually over a number of years.



To understand further about how the Virtual Experience Economy is driving consumer interest in online appointments within banks, Qudini surveyed 2,000 American consumers.

Over the next few pages, using the insights and data collected, this report will analyse the demand and what the future holds for banking's Virtual Service Revolution.



The Demand for Virtual Appointments in Banking



Between May and September 2021, Qudini carried out quantitative research among 2,000 American consumers to discover their preferences and behavior when it comes to scheduling appointments with retail banks.

Some **81%** of the people surveyed expressed a desire for banks to make appointment scheduling more readily available, either for video, phone or in-branch appointments.

Almost half (**45%**) wanted to be able to schedule in-branch face-to-face appointments but interestingly, almost a third (**30%**) expressed a preference for scheduling appointments for virtual services via video.

30% of customers wanted to be able to schedule appointments for virtual service by video, interestingly this is not far (only **33%** less) behind the **45%** of consumers who want in-person appointments in-branch.

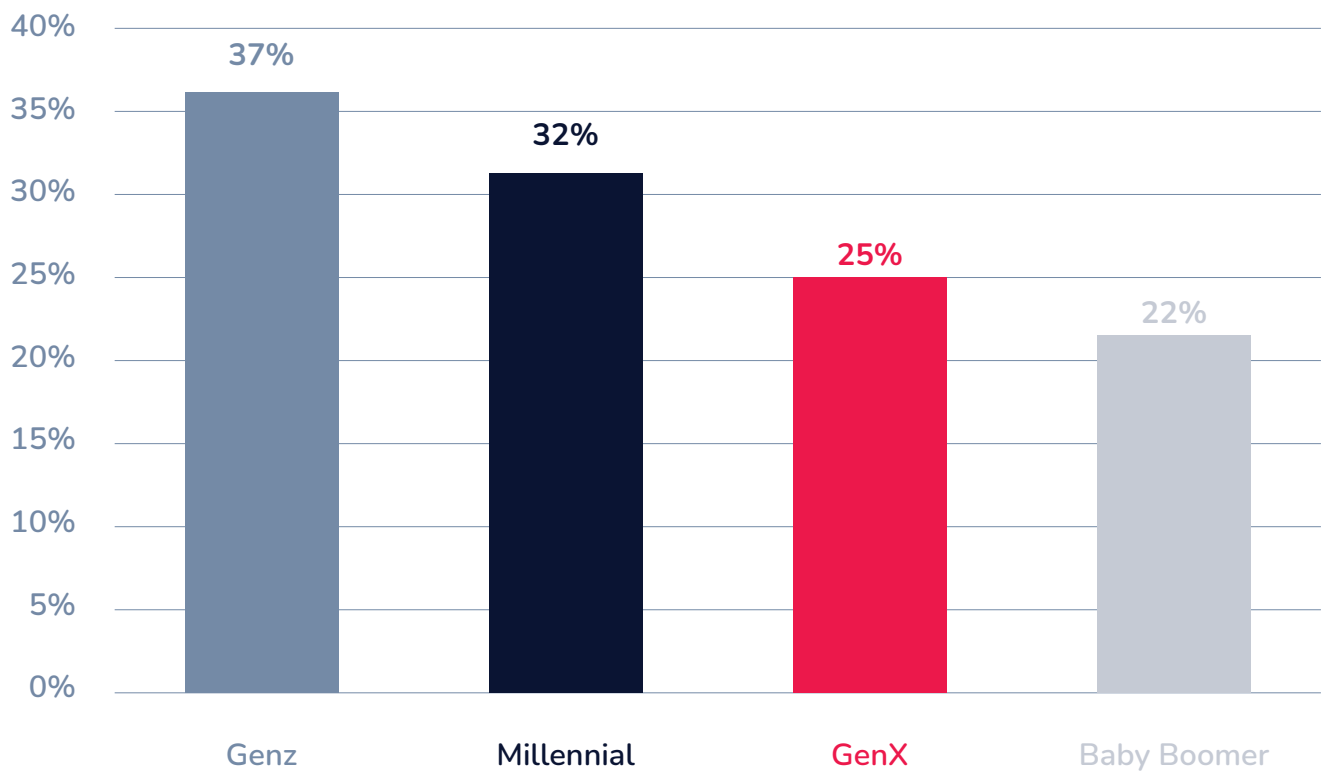
Of those **30%** who wanted the added convenience of being able to schedule virtual appointments with their bank, customers under the age of 24 (Generation Z) were **1.6 times**

more likely than those over the age of 57 (Baby Boomers) to request a video appointment.

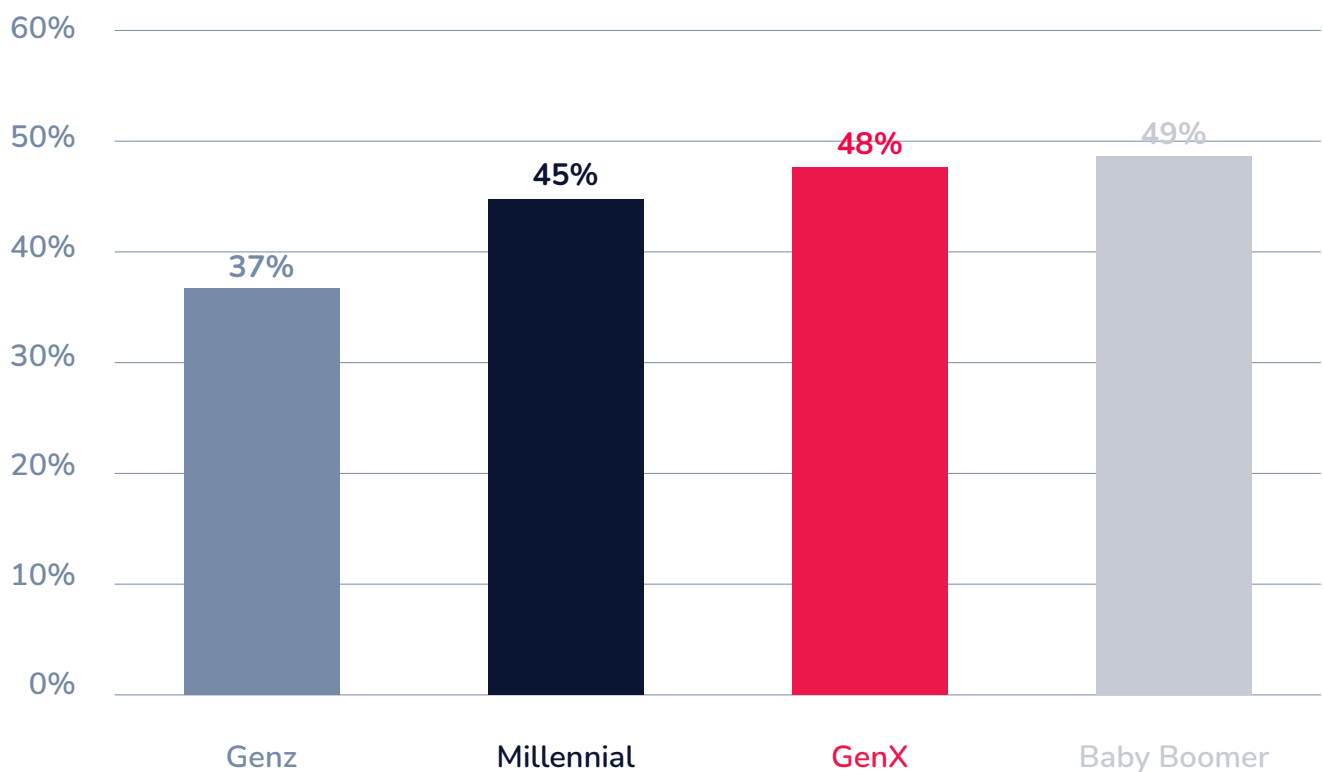
Moreover, this youngest generation were also as likely to want virtual banking appointments as they were to want in-branch appointments, at **37%** for both appointment types. Choice is therefore a key ingredient for maintaining and growing customer loyalty amongst the hard-to-reach Generation Z.

Both in-branch and online appointment scheduling technology should therefore form part of a bank's omnichannel strategy as it strives to compete for customer acquisition and retention against challenger upstarts.

Meanwhile, a quarter of all 41-56 year olds (Generation X) would prefer virtual appointment services, along with a third of high-spending Millennials (aged 25-40). The business case for implementing appointment scheduling (detailed further below) is stronger today than it has ever been and banks will only benefit from early adoption.

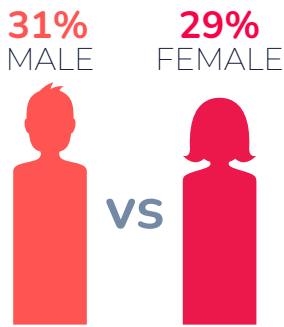


Consumer interest in Virtual Video Banking Appointments with retail banks by age generation

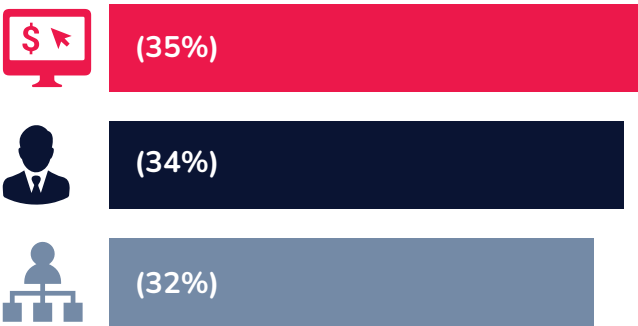


Consumer interest in In-branch Appointments with retail banks by age generation

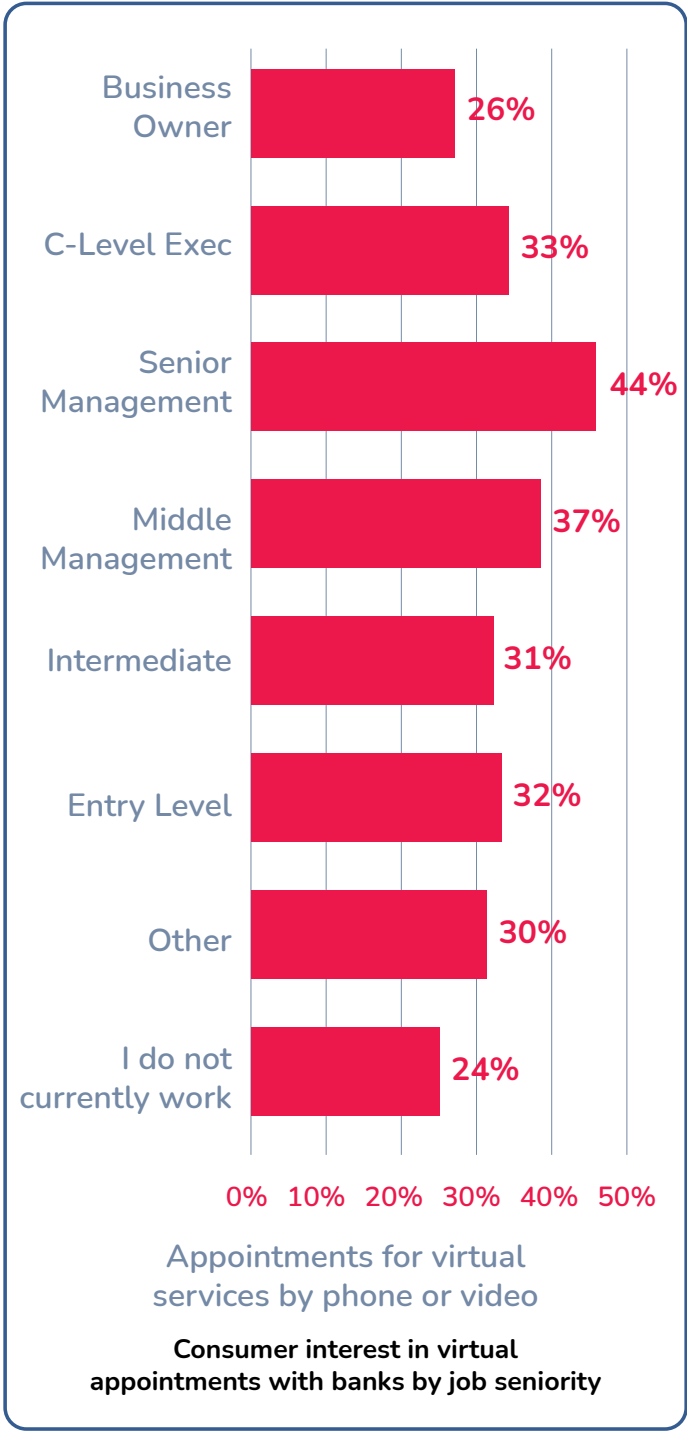
By gender, we discovered that men were only slightly more likely than women to want to engage with banks through virtual appointment offerings (**31% vs 29%**).



While the business case for appointment scheduling is further strengthened by high-earning senior management, across both genders, expressing the strongest desire to want to communicate with their bank online (**44%**), closely followed by middle management (**37%**) and C-suite level executives (**33%**).



This also reflects the desire for more time-saving convenience, the ability to speak to brands at times and in places that suit people best and current workplace practices, where already time-poor leadership roles have increased their technology usage in order to maintain regular communication with remote staff over video conferencing platforms.



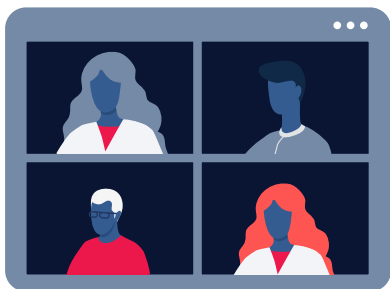
During April 2020, the number of companies using the video conferencing app, Zoom grew by **50%** to **300 million** daily log-ins. At the time, it equated to **100 million** more online users than the previous month, forced to switch from physical to digital meeting interactions due to the coronavirus pandemic.

By October 2020, Microsoft Teams was also reporting rapid growth, with more than **115 million** daily active users - an increase of **53%** since April.

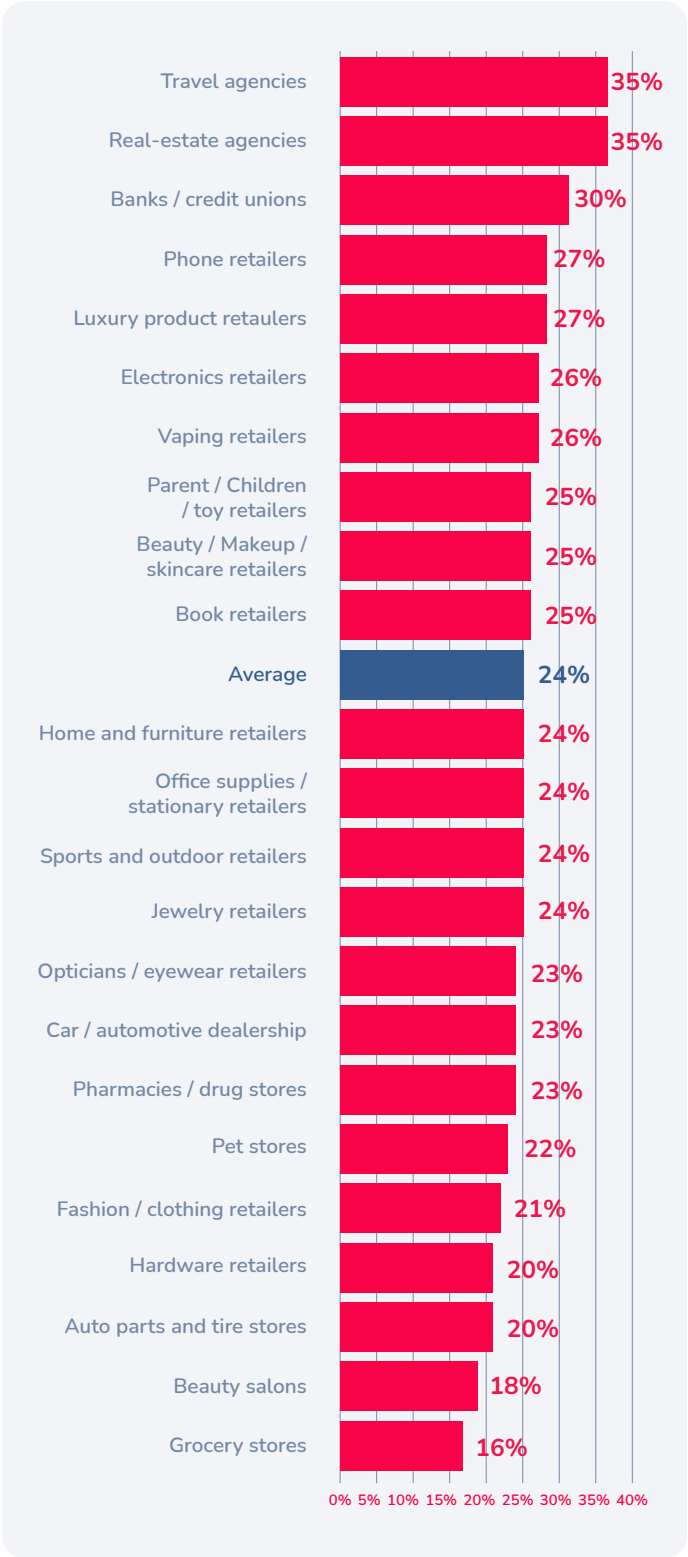


When comparing customer interest in scheduling virtual appointments across banks and other types of retail outlets, we discovered that consumers prioritise digital communication with those retailers where product purchase value is high and face-to-face service is a key element of the sales process.

Interest for virtual appointments was third highest for banks, surpassed only by real-estate agencies and travel agencies. Phone retailers, luxury product retailers and electronics retailers made-up the top five stores for which online appointments are most in-demand.



Today, Zoom software registers over **3.3 trillion** annual meeting minutes. That's an increase of **65%** from the two trillion meeting minutes logged the year before. Meanwhile, the number of daily active users on Teams surpassed **145 million** back in April 2021.



Consumer interest in virtual appointments by retail industry

Case study: **Major International Bank**

By using Qudini's Appointment Scheduling Software, integrated with Zoom to offer virtual video banking appointments since 2015, a major international retail bank have been able to:



Double appointment traffic,
compared to when customers had to book appointments by phone.



Reduce no-shows by 70%,
now that customers are reminded of their appointments.



Increase staff efficiency,
now that managing appointments has been simplified and more customers book and show-up to their appointments.



Acquire new customers,
by offering seamless and accessible services.



Increase sales,
driven by customers having more time to prepare for their interaction and therefore being in an enhanced buying frame-of-mind when logging onto their video call.

“Qudini makes my daily life much easier, because the appointments that I get in for the day I know are going to go ahead. Customers have much more time to prepare and they’ve had notifications the whole way through the process. They’ve also had the ability to reschedule. For me there’s less admin time that I’m having to complete, giving me more time to get on with my day job.”

Video Banker, International Retail Bank

What Does the Future Hold for Appointments?



We asked survey respondents if they'd still want to schedule virtual appointments in a post-Covid world and discovered that unequivocally, the genie won't now go back in the bottle, as demand for digital interactions with retail and banking continues to be high.



By job seniority, each level was almost as likely to want to schedule virtual appointments during and after the pandemic - with business owners, senior management, middle management and intermediate seniority levels slightly more likely to want to continue meeting virtually, due to their increased usage of virtual meeting platforms within the workplace.



Universal interest in virtual appointments is almost equally as strong post-pandemic (**43%**) as it was during the pandemic (**46%**).

Men are just as likely to want to use virtual appointment services after the pandemic as they were during at **47%**, while women are only slightly less likely to maintain their interest in meeting their bank online (**42%** compared with **46%**).



For businesses in general, the case for increased investment in appointment scheduling is extremely strong, with **93%** of our survey respondents citing at least one positive impact from using an appointment service in the past 12 months.



A third said it made them more likely to visit the retailer, **24%** said it drove them to buy something, **25%** cited it as the reason for choosing the retailer over its competitors, **29%** said it made them more likely to return, and **21%** said it spurred them to tell their friends about the retailer.



Overall, when asked directly why consumers would prefer to schedule virtual appointments, efficiency and timesaving (**29%**), plus better planning (**24%**), were almost as important as keeping Covid safe (**32%**) and will be key drivers for growing the video appointment scheduling trend moving forward.



With Covid-19 likely to become endemic, meaning it will always be present in the population to some degree like the flu or chickenpox, consumers will look for solutions that both allay their concerns about visiting banks and save them time, allowing for improved management of daily tasks.



Here at Qudini, we predict that virtual appointment scheduling will grow alongside Direct-to-Consumer and social commerce as retail accelerators, with banks leading the way.

Conclusions

According to McKinsey, between **60 to 70%** of American adults are now omni-channel consumers, able to switch seamlessly between brick-and-mortar retail and e-commerce.



Even as shoppers venture back into stores, e-commerce is still experiencing accelerated growth of around **30%** across the US, resulting in elevated online penetration of **30%** higher than pre-Covid-19 (source: McKinsey).

Reasons for this strong growth of online retail trends include a digital-first preference for goods and services, especially amongst Generation Z, who demand added convenience and technology that will make their daily lives easier.

This extends into appointment scheduling as, revealed by our survey, this youngest generation also want the ability to make both virtual banking appointments and in-branch appointments - providing them with greater choice driven by technology.

With the Omnicrom variant of coronavirus causing continued uncertainty, the business case for Covid-safe solutions such as video banking and virtual appointment scheduling remains strong.



But even when a greater semblance of normality returns, our research has shown that interest in virtual appointments will remain high due to its efficiencies and time-saving qualities, important especially to higher-earners and more senior leadership roles.

Prior to 2020, consumers across all generations, salaries and seniority would generally have turned to challenger brands to provide more omnichannel services. In the banking sector today however, traditional retail banks across the US, Europe, Asia and Australia have undergone digital transformation to better compete in a world where customers need stability and reassurance as well as revolutionary ideas.

Our quantitative research has shown that customers using appointment scheduling to receive virtual services are more likely to engage with the retailer in the first place (**46%**), and more likely to buy something both online (**44%**) and in-store (**40%**).



There's also an increase in loyalty (**49%**) and advocacy (**46%**), which helps the retailer to stand-out against its competitors.

Global retail banks are already betting that much of the foot traffic that went digital during the pandemic lockdowns will never return, resulting in branch closure programs and increased investment in digital transformation

strategies that are retaining and acquiring new customers everyday.

By embedding video banking appointments at the heart of these future-facing strategies, retail banks will ensure they remain relevant to younger generational segments, while providing safe and convenient online service environments for all.



Qudini's Appointment Scheduling Software offers a convenient and premium service that drives foot traffic, sales and loyalty, by enabling your customers to seamlessly schedule appointments for in-branch and video banking services. For more information on this or our other solutions such as walk-in virtual queuing, event booking or task management, contact us at info@qudini.com





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Passionate about business, fintech, retail and brands, Imogen is a thought-leader within retail, banking and the business world. She has been recognized for her achievements on the Forbes 30 under 30 list.

Thank You For Reading

We hope you found this report useful.

To discuss how we can help you to choreograph the perfect in-store or virtual customer experience get in touch with: info@qudini.com

