



## Digital Account Opening Fails to Deliver A Single-Channel Experience

16 February 2017 By: Mark Schwanhausser

The “digital branch” is essential to the sale of financial products. Today, online and mobile channels not only serve as a conduit for more than half the successful applications for credit cards, checking, and savings accounts, they also can deepen engagement from the get-go. Nonetheless, Javelin’s analysis of five stages of account opening illustrates that the financial services industry struggles to provide the ideal experience: an end-to-end application process that is concluded in one session, within one channel. Mobile account opening is particularly flawed, with only 1 out of 8 successful mobile checking account applicants enjoying a start-to-finish process on smartphones and tablets. Because there is a risk of abandonment every time an applicant switches channels, financial institutions stand to gain if they perfect an integrated, satisfying, multichannel experience as applicants research products, start an application, provide documentation, seek information or advice, and finally hit “Apply.” In addition to benchmarking digital account opening trends for eight deposit, loan, and investment accounts, this Javelin report maps out how to:

Turn more digital window shoppers into buyers

Reduce the friction that causes abandonment

Close the account-opening gaps between regional banks and the nation’s four giant banks

Onboard applicants in a manner that promotes digital engagement, builds trust, and positions financial institutions for additional cross-selling.

### Key questions addressed in this report:

- How many Americans opened deposit, loan, and investment accounts in 2016?
- Which digital and offline channels did they use to research accounts, initiate applications, provide documentation, seek assistance or advice, and complete the process?
- What are the odds that an applicant can complete the process in one session within one channel — and is that success rate higher in digital channels than in branches?
- How common is it for applicants to switch among online, mobile, branch, and other channels?
- Do consumers really want to open accounts on mobile devices?
- How do account opening capabilities compare at giant banks and regional FIs?
- Is there evidence that onboarding during account opening can boost engagement and deepen financial relationships?

**Companies Mentioned:** Bank of America, Chase, Citibank, Deluxe, Wells Fargo

Consumer data in this report is based primarily on information collected in a panel of 10,639 consumers in an online survey conducted in May 2016. The margin of sampling error is  $\pm 0.95\%$  at the 95% confidence level.

Javelin’s analysis of account opening features is based on an evaluation of online banking at the nation’s 30 largest retail FIs by total deposits, excluding banks focused on investment banking. Giant banks comprise Bank of America, Chase, Citibank, and Wells Fargo. Data were collected from August to October 2016.<sup>6</sup>

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