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## Abstract

More than ever, consumers want to partner with banks and credit unions that can simplify their daily lives and improve their financial wellness. There is little patience for time consuming online or mobile processes in a world where groceries, apparel, electronics, cars, or even a house can be purchased in a matter of minutes. Research shows that most financial institutions are losing more business than they generate due to outdated back-office processes that have not been automated for a digital future.

Opening a new relationship with a financial institution needs to reflect consumer demand for digital engagement that is fast and intuitive. As branches are used less for routine transactions that can be handled digitally — and used more for engagements that are more complicated … if at all, banking must respond accordingly. With this as the “new normal,” organizations need to support humanized digital options better than they do currently.

Our research has found that unless a financial institution can open a new account or complete a new loan application in less than five minutes, the potential for the consumer to abandon the account opening increases to as much as 60% or more. In fact, faster account openings have been proven to reduce abandonment rates down to 25% or less. In other words, if organizations can eliminate unnecessary steps and streamline account opening, they can double or triple the number of new relationships.

Digital account opening must be re-imagined to reflect the simplicity consumers have encountered when they have ordered from Amazon, opened a new Apple card, watched a movie on Netflix, or had groceries delivered by Instacart.

Wanting consumers to visit branches to open a new account or apply for a loan is not a winning strategy. Unless processes are improved, potential new customers will be lost, and costs of operations will remain elevated. Financial institutions must embrace a customer first, data-driven strategy that will make seamless digital engagement the primary mission.

Digital banking transformation is not simply enabling a consumer to transact using a digital device. It requires a rethinking of all processes and operations for a digital experience that compares to the best in all industries. This process begins in the back-office and impacts all components of digital engagement.

We appreciate the sponsorship of this white paper by Newgen Software. It is hoped that the findings help organizations deliver the new account opening experiences that consumers crave and that can improve revenues and efficiencies for banks and credit unions.