

DIGITAL BANKING REPORT

Number 311

2025 Retail Banking Trends and Priorities

Editor/Publisher

[Jim Marous](#), DBR Media, LLC

Issue

January 2025 — DBR 311

Cost: Individual Report: Complimentary

Size

57 pages, 26 tables/charts

Ordering

Online at <https://www.digitalbankingreport.com/dbr/dbr311>

Email: admin@digitalbankingreport.com

By phone at: +1-216-218-4257

Abstract

Will AI Emerge as a Personalization Differentiator in 2025?

The 2025 Retail Banking Trends and Priorities Report, sponsored by Q2, reveals an industry at a critical inflection point. While digital transformation remains a central focus, with 51% of institutions actively implementing such initiatives, the path forward requires more than technology alone. The data presents a complex picture of an industry balancing innovation with practical realities, where success increasingly depends on personalized engagement and relationship building.

Digital experience enhancement leads institutional priorities at 52%, yet only a quarter of organizations prioritize modernizing legacy systems or back-office operations. This disconnect between customer-facing innovation and core infrastructure investment raises long-term sustainability and scalability questions. Credit unions stand apart, with 45% prioritizing legacy system updates, demonstrating a more holistic approach to technological advancement.

Perhaps the most striking finding in this year's report is the continued commitment to physical presence amid digital acceleration. Thirty-five percent of financial institutions plan branch network expansion, with credit unions leading at 61%. Rather than contradicting digital transformation goals, this hybrid approach may be an attempt to differentiate from digital-first organizations despite the underlying expense of following this strategy.

Real-time payment capabilities show significant adoption disparities between types of organizations. While 62% of banks offer some version of real-time payments, only 40% of credit unions follow this trend. This gap highlights smaller institutions' ongoing challenges in implementing advanced payment technologies while maintaining competitive service offerings.

Artificial intelligence adoption shows promising growth beyond traditional security applications. While fraud detection leads at 33%, the expansion into customer service chatbots (28%) and content creation (25%) signals a shift toward more sophisticated customer engagement.

When we asked financial institution executives to provide a prediction for 2030, 80% of institutions expect AI to drive personalized marketing, enabling more targeted and meaningful customer interactions. Given the technology's rapid advancement and growing accessibility, the projection that 76% of institutions will use generative AI by 2030 seems conservative.

As consumer demands evolve rapidly, many organizations of all sizes are partnering with third-party solution providers. While 48% of institutions depend on core providers for most solutions, 38% favor third-party providers. Digital account opening leads partnership priorities at 49%, underscoring the industry's emphasis on streamlining customer acquisition and onboarding processes. This trend is even more pronounced among credit unions, with 62% prioritizing partnerships for digital account opening solutions.

The emphasis on acquiring new relationships rather than organic growth presents opportunities and challenges. While expansion is crucial, institutions must balance acquisition efforts with strengthening existing customer relationships through improved digital experiences and data analytics. This dual focus ensures sustainable growth while minimizing customer attrition.

This report will guide you through this transformative period, offering insights and strategies to help your institution thrive in an evolving financial services landscape. The future belongs to organizations that can create personalized engagement that resonates with customers across all channels while maintaining the trust and security that form the foundation of banking relationships.

2025 Retail Banking Trends and Priorities

January 2025



Sponsored by:

Q2