

# Video Banking Report 2018

## How to Capture and Create Value from Video Banking

 **CUNA**  
Strategic Services

 **Efma**

  
**Vidyo**<sup>®</sup>

Video banking is an emerging channel where financial institutions like banks, credit unions, and building societies can engage their customers or members in face-to-face transactions through remote video collaboration sessions.

This report's objectives are to provide an overview of video banking trends, insights and recommendations to financial services organizations that want to explore the video banking opportunity.

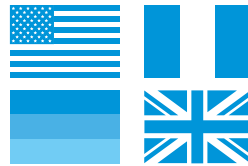
## Our quantitative data was collected via two surveys conducted in Q1 2018:

1. An omnibus survey of 4,144 consumers run through Kantar TNS in the US, Great Britain, France, and Germany.
2. An online survey of 288 financial services professionals in 43 countries who were invited to respond by Efma, CUNA Strategic Services, and Vidyo. Similar surveys were conducted in 2016 and 2017 and allow a historical comparison.



**4,144**

Consumers



**4**

Countries  
Represented



**288**

Financial  
Institutions



**43**

Countries  
Represented

The report also provides analyses based on Vidyo's experience in implementing video banking services for organizations of all sizes across the globe.

## We distinguish between two main forms of video banking in this report:



### Online Video Banking

Customers/members join a video session using a personal device (computer, tablet, smartphone) over the internet from anywhere.



### In-Branch Video Banking

Customers/members join a video session on a branch kiosk or dedicated office to speak with a remote staff member.

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## INSIGHT #1

# Video Banking Is Still in Its Infancy

Many institutions plan to use video banking for enriching the customer/member experience, improving operational efficiency, or growing revenue.

Of the financial services professionals we surveyed:

82%

**Say they already offer or plan to offer video banking.**

This number has been consistent three years in a row.

35%

Have already fully deployed or are piloting a video banking service.

20%

Already have a fully operational service.

Deployments and pilots have not increased as quickly as expected over the last few years.

**Top reasons for not offering a service:**

- Not a business priority (62%)
- Lack of IT resources for the implementation (40%)

# 1 Few Consumers Have Been Exposed to Video Banking

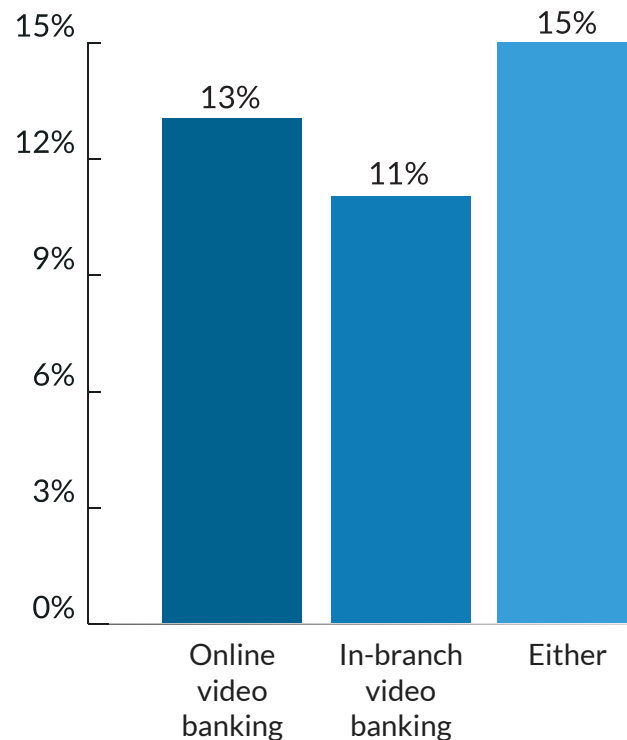
Despite the growing number of institutions offering video banking services, few consumers have had an opportunity to use them.

Only 15% of consumers have been invited to any type of video banking session, either online or in-branch.

Fewer than 3% have had a chance to experience both forms.

Percentage of respondents who have been invited to take part in a video banking session.

N=4,144



Exposure to in-branch banking in Europe is slightly behind that in the United States, whereas overall adoption is higher in the United States.



# 2

INSIGHT #2

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## An Opportunity Not to Be Missed



The survey shows that most consumers find great value in video banking and found their first experience compelling.

85%



### Online Video Banking

Consumers who took part in an online video banking session and said they would be willing to use it again.

90%



### In-branch Video Banking

Consumers who took part in an in-branch video banking session and said they would be willing to use it again.

*These numbers are comparable in all countries.*



“Our members are thrilled we have this type of channel for them to engage with us. When we go back and watch some of the members and the excitement that they share, it is rewarding to know that we are there for them.”

- Carey Price, SVP and Chief Retail Officer, BCU

## Financial services organizations that offer video banking report impactful ROI.

**75%**

### Better Outcomes

Survey respondents who have deployed video banking and say that the outcomes they are getting are either as expected (40%) or better than expected (35%).

**97%**

### Higher NPS

Those who know about the Net Promoter Score and say that the NPS of video banking is higher (54%) or equivalent (43%) to the average NPS of other channels.

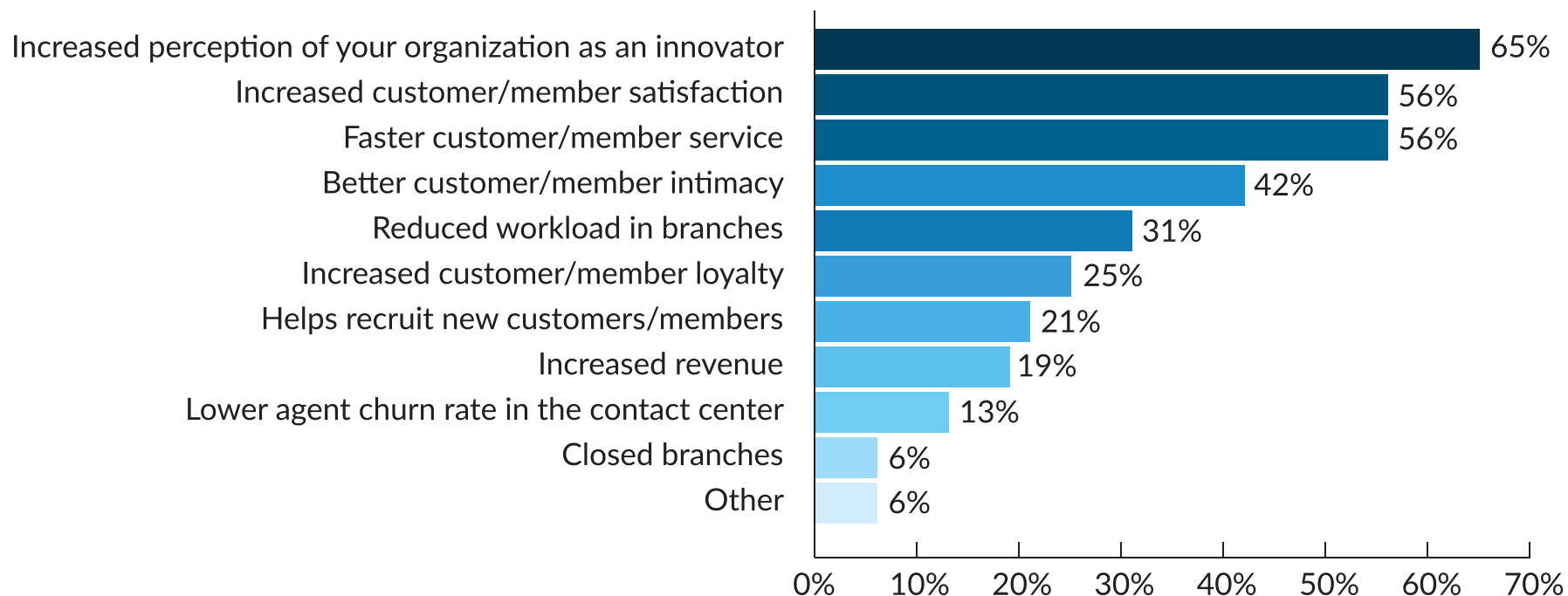
**77%**

### Higher Sales

Those who know their Sales Close Rate and say that with video banking it is higher (36%) or equivalent (41%) to other channels.

### Top benefits reported by organizations using video banking

N=48



*Note: These questions were asked only to the 48 respondents who have already fully deployed a video banking service, so the sample size is small and data should be treated cautiously, as larger margins of error are possible.*



“We’ve seen an increase by 12% of the number of members that are covered using our debt protection.”

- Paul Yacobowsky, Director of Sales, Diamond Credit Union

## 2 Recommendation

### Get The Ball Rolling Now

Video banking will quickly become a must-have service. Early users liked the experience and the vast majority of organizations plan to offer the service.

If you haven't yet begun to evaluate video banking, it's time to establish a strategy.

If you already offering video banking, plan to drive higher adoption and expand your service to remain ahead of the competition.

First-to-market benefits:

- Acquire invaluable experience
- Reap higher rewards
- Gain a competitive advantage

# 3

INSIGHT #3

## Align to Business Needs to Get on the Right Track



### 3 Video Banking Is Relevant To Many Business Areas

## Examples of video banking business impact.

#### Lending Division

Offers greater customer/member convenience and streamline the lending process from end to end.

#### Contact Center Team

Provides more personal, interactive support to users of banking websites, mobile apps, ATMs, and ITMs.

#### Distribution Team

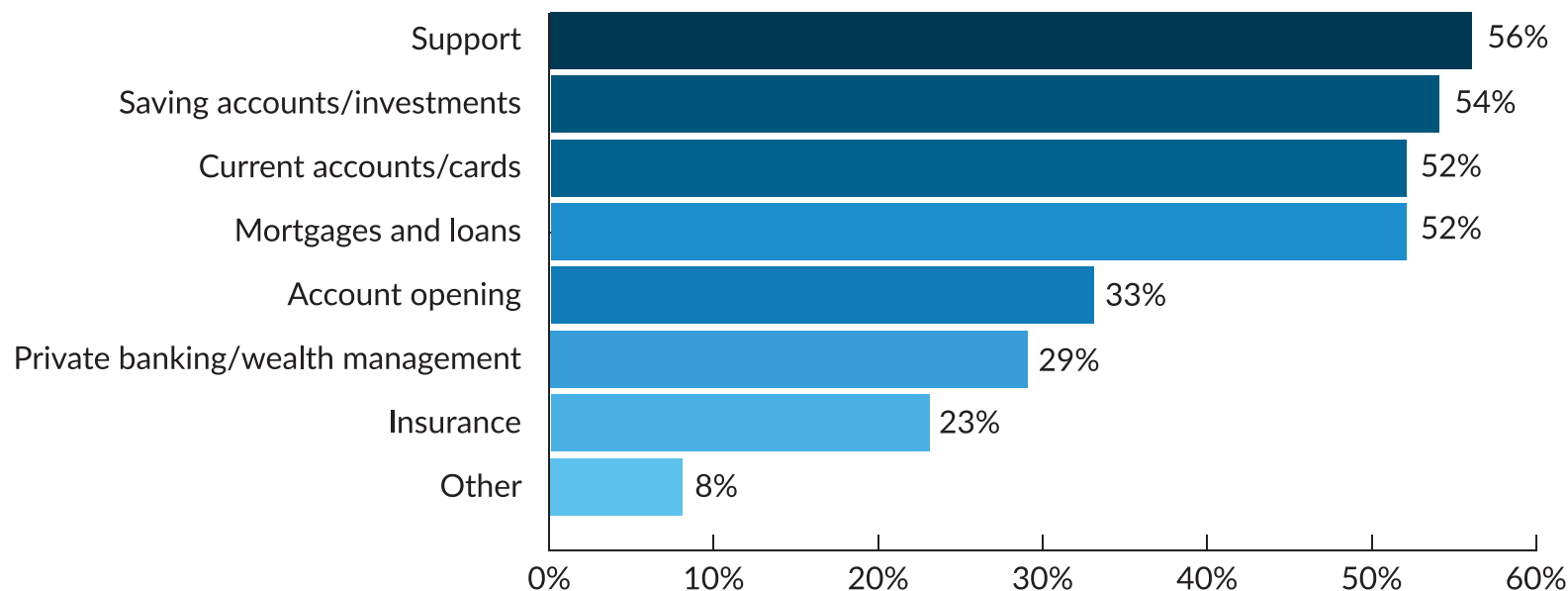
Offers access to more resources in smaller branches and load balance across the entire branch network.

#### Private Banking

Wealth management and commercial management can enrich the day-to-day relationships with their clients.

Services offered by respondents who have already fully implemented video banking

N=48





“Our initial case was to improve the member/  
staff experience in the lending application  
process. We see many other departments  
being able to use this channel in the future as  
we learn more and refine the process.”

*- Jim Daly, VP, CIO, Diamond Credit Union*

### 3 In-Branch Or Online Video Banking? Why Not Both?

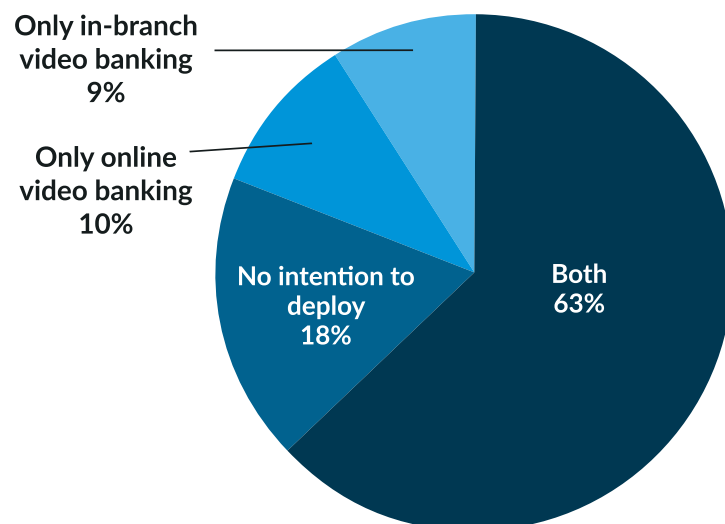
Behind in-branch video banking only two years ago, online banking is being deployed more often. We expect both to eventually be broadly available.

**We are now seeing a convergence.**

The current levels of deployment, pilots, and intention to deploy are now very similar for both forms.

Among organizations that are already offering or plan to offer video banking, most expect to offer both online and in-branch services.

Already deployed, piloting, or intend to deploy video banking  
N=288





“We use video banking in branches across the U.S. where we have small to no staff. It allows us to have a presence and still serve our members where the concentration of SEG employees doesn’t warrant a full-service branch. We also use it in our digital platform on mobile and desktop applications.”

*- Carey Price, SVP and Chief Retail Officer, BCU*

## Favor a Holistic Approach

When building your strategy, consider how you can leverage video banking across all your business units.

- **Are you looking to reduce the average handling time and increase the first call resolution rate in the contact center?**
- **Are you looking for ways to strengthen private banking client relationships with deeper wallet share?**
- **Do you want to increase loan closure rates and shorten the sales cycle?**
- **Is the head of retail banking willing to optimize the cost of the branch network?**

Not only will this big-picture strategy help you build a more solid business case, it will also help you create a service that will scale to meet all of your business needs.



### 3 Recommendation

## Don't Forget to Measure!

“If you can't measure it, don't do it” is common business advice.

Even so, many survey respondents could not comment on results they achieved with their video banking service.

Establish KPIs up front and implement the right tools and processes to evaluate the performance of your video banking service.

This is the only way you can prove its value and fine-tune your offering to take full advantage of video banking's opportunities.

## INSIGHT #4

# Technology Must Be a Primary Consideration



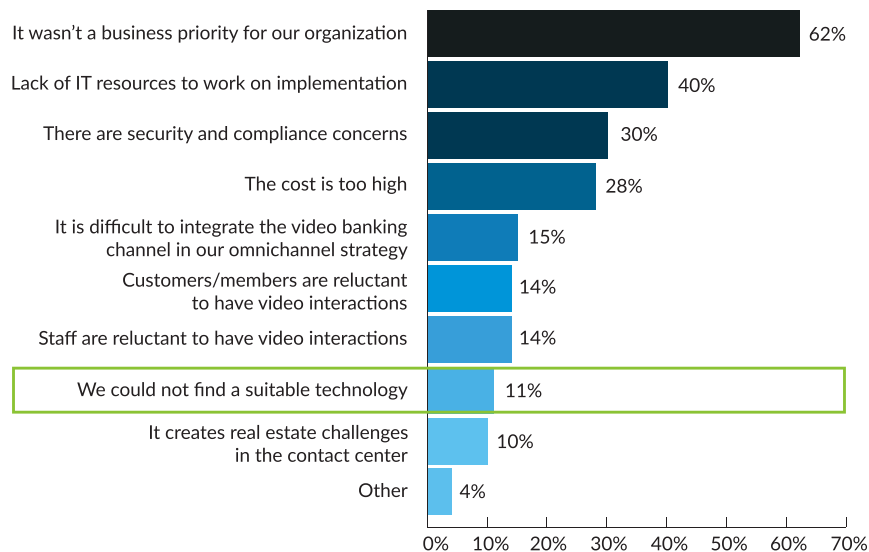
## 4 The Technology Challenge Is Underestimated

Although technology is not a main reason respondents haven't deployed video banking, those that have it report it to be the #1 challenge they had to overcome.

Choosing a proven solution that can operate in a real banking environment is essential.

What has prevented respondents from offering video banking services so far.

N=240



Main challenges that had to be overcome by respondents in implementing video banking.

N=48





## 4 The Importance of Integrating Video Banking into the Existing Environment

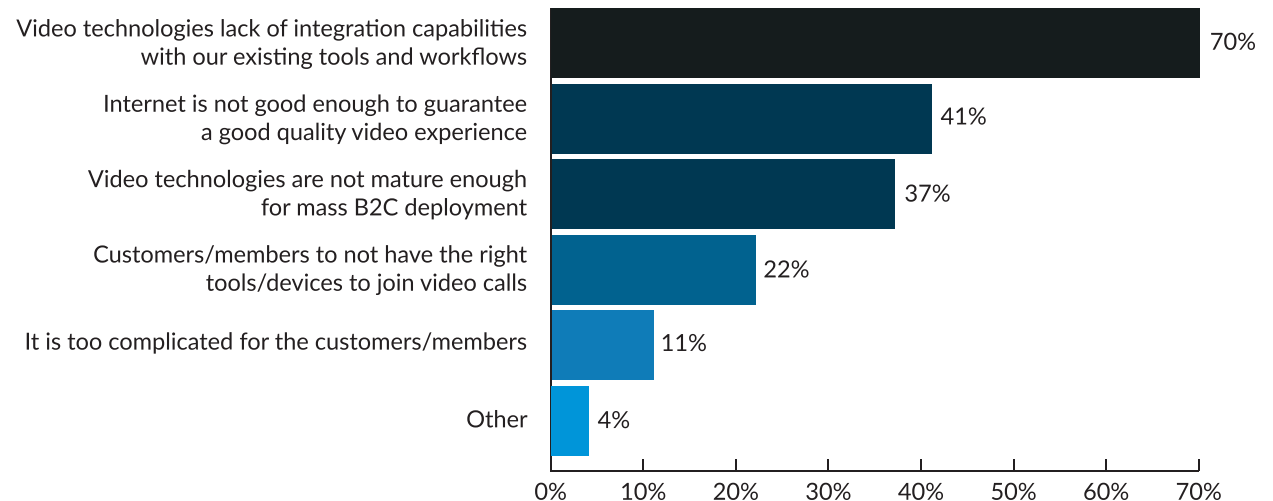
### Top challenge reported by those who said they could not find the right technology: Lack of integration capabilities.

This is a critical element that many off-the-shelf video banking solutions fail to deliver. Video banking is more than video communication between an agent and a customer/member, it's about a complete omnichannel experience, which requires:

- Integration into tools that both customers/members and staff already use: website, mobile app, CRM, calendar apps, etc.
- Seamless transfer among channels, including video, so that information that was exchanged via one channel is available in all other channels.

Technology limitations that prevented respondents from implementing a video banking service.

N=27



Note: This questions was asked only to the 27 respondents who said they could not find a suitable technology, so the sample size is small and data should be treated cautiously, as larger margins of error are possible.

### Other key challenges reported by those who could not find the right technology relate to the need for online video banking to work in a consumer environment. It must:



**Deliver high-quality video and audio over the internet, including on Wi-Fi and 3G/4G networks**



**Support any device the customer may be using**

Many video conferencing vendors try to repurpose their existing internal collaboration solutions to launch a B2C service. Such services miss the resilience and scalability needed to deliver a compelling consumer experience.



The standardization of WebRTC has allowed other video conferencing vendors to quickly develop solutions that look promising but actually offer limited capabilities. These include:

- Lack of resiliency and scalability needed for a compelling user experience
- Limited support for mobile devices or for multi-party calls
- Lack of support for alternate connection methods as well as WebRTC



“For video conferencing to make sense for us, the solution needs to perform consistently, regardless of where our mobile customers are.”

- Cathy Honor, SVP, Contact Centers, RBC

## 4 Recommendation

### Look for a platform, not just a video communication solution.

Shortcuts to save time and money often accomplish neither. Don't be tempted to pick a low-cost solution to quickly implement an isolated video channel. You'll likely have to start from scratch when you need to expand.

- With an initial use case of in-branch video banking, consider the robustness of the video engine. The technology must be up to par for online and mobile when you're ready to add those environments.
- Low-cost technology can deliver basic features for a quick proof-of-concept. While successful, it doesn't scale for broader deployment.

It's critical to find a solution that can support the use cases you are considering in the future as well as today. The platform must be robust enough to work in any environment and offer deep customization and integration capabilities.

5

INSIGHT #5

# Aim for Mass Adoption

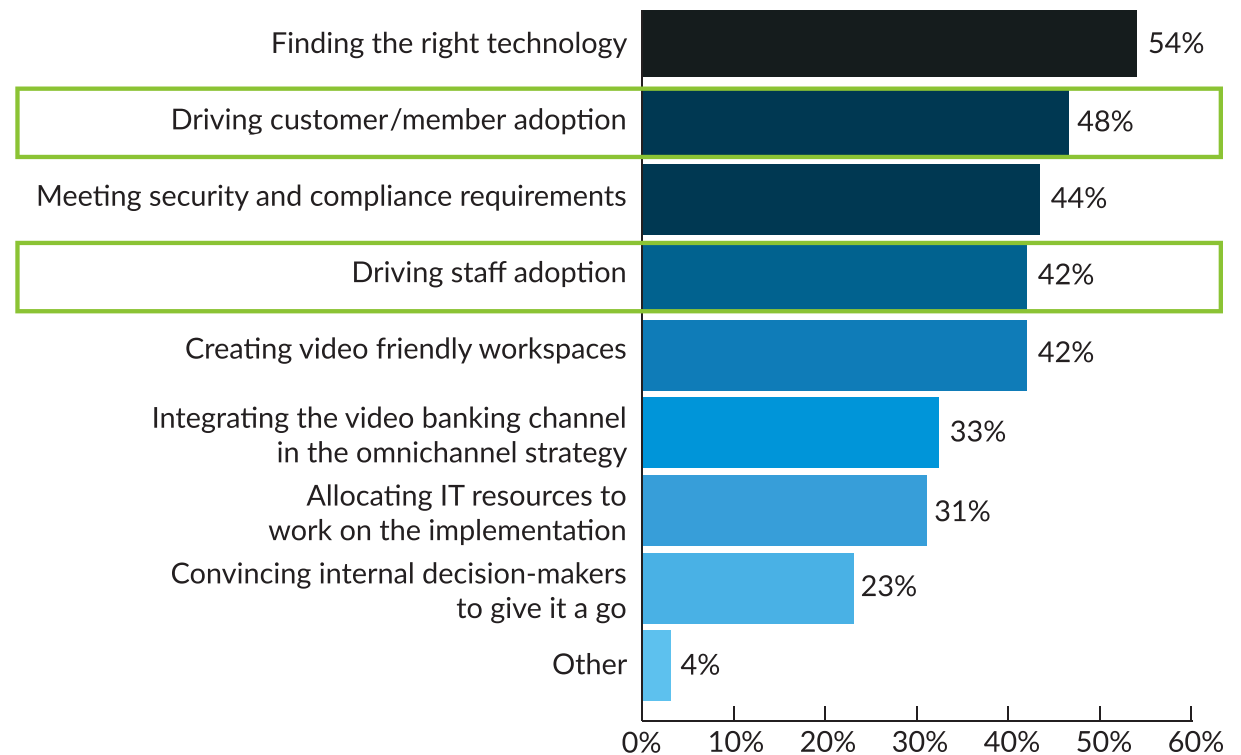
## 5 The Adoption Challenge

Even as consumers embrace more video technologies in their personal life, it is not necessarily a natural step to enter a video interaction with their financial services provider.

Respondents who've implemented a video solution said that driving adoption by customers, members and staff is one of the top challenges they have faced.

Main challenges that respondents had to overcome when implementing their video banking services.

N=48





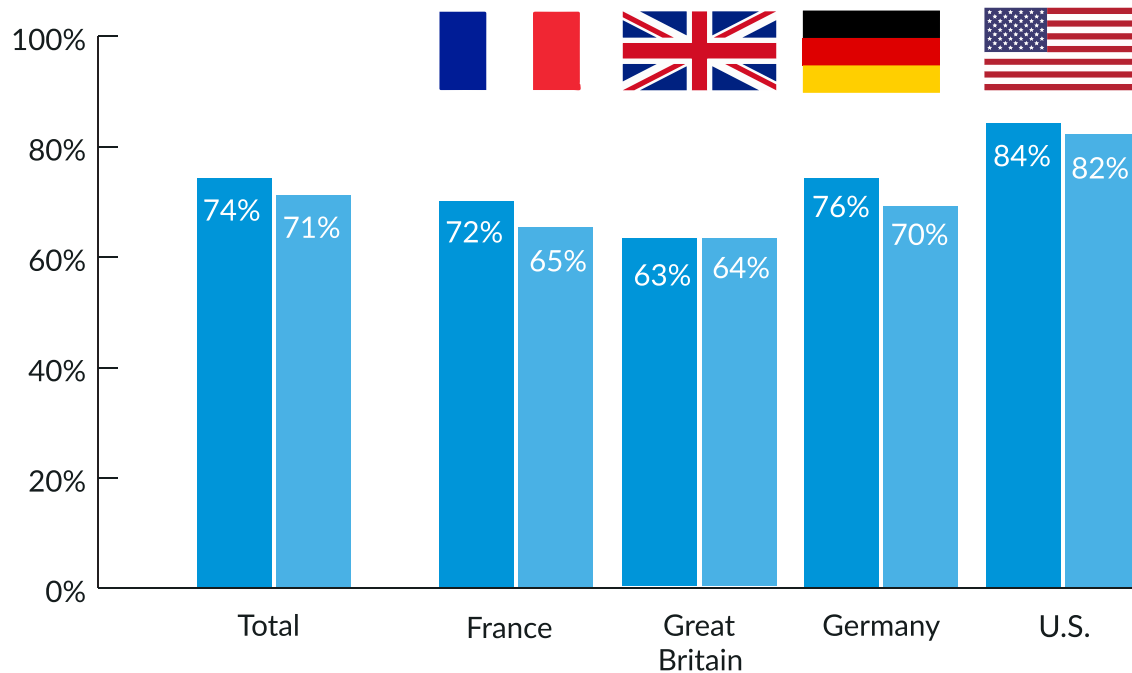
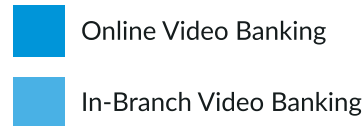
“We found out that it is key to get commitment from all the stakeholders on the channel as some folks that have always worked on the phones may have hesitation taking video banking calls.”

- Carey Price, SVP and Chief Retail Officer, BCU

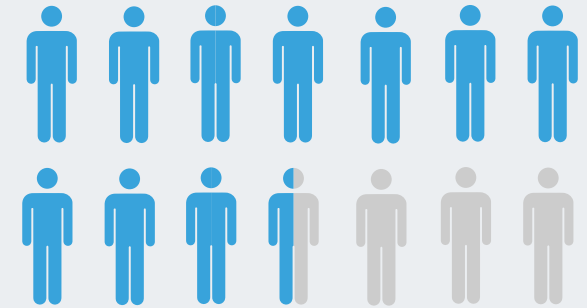
## Most consumers use video banking when it's offered.

Percentage of respondents who agreed to take part in a video banking session when they were invited.

N=549 for online video banking,  
N=466 for in-branch video banking



Nearly 75% of consumers who have been invited to participate in a video banking session accepted.



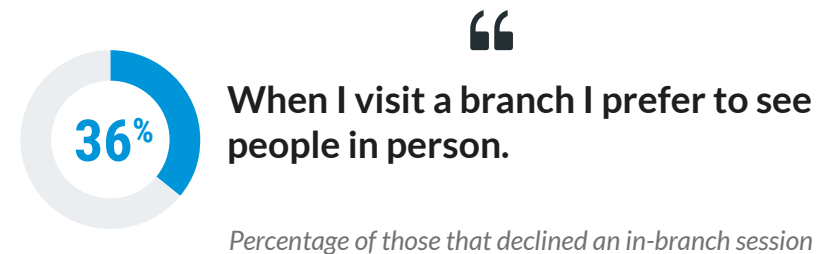
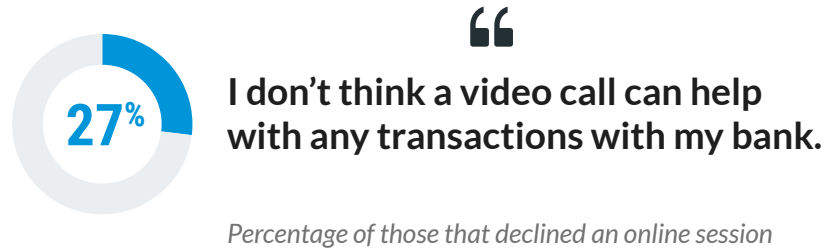
In-branch and online video banking have comparable acceptance ratios in most areas.

European countries lag behind the U.S. in acceptance, and France is behind Great Britain and Germany.



## Only a minority of consumers rejected video banking.

The reasons they've done so are insightful and demonstrate that most of them could still be willing to use it in the future.



The main reasons people did not join a video banking session were:



**They thought it could not have helped with the specific transaction they were carrying out.**



**They did not want to spend time trying something new.**

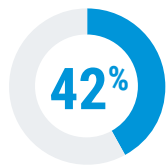


**They felt they did not have the required equipment (internet connection or device) for online video banking.**

## Driving first use of video banking is essential for adoption.

Consumers who have used video banking are likely to do so again. The willingness to use video banking is much lower for those who never had a chance to experience it.

### Online Video Banking



Newcomers willing to use

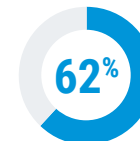


Existing users willing to use again

### Online Banking Penetration\*



UK



France



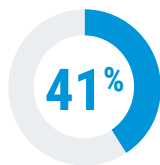
Germany



U.S.

Compared to online banking penetration, a 42% willingness to use online video banking by those who have never tried it so far is actually quite a significant number.

### In-Branch Video Banking



Newcomers willing to use



Existing users willing to use again



### U.S. Consumers Lead the Pack



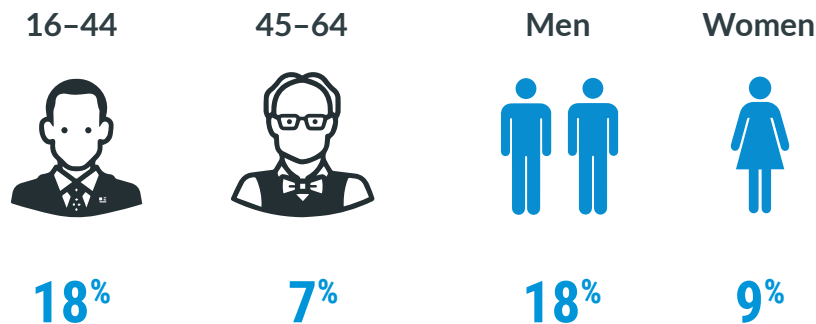
Over 50% of newcomers would be willing to use both online and in-branch video banking.

## 5 Video Banking Is for Everyone

There is a misconception that only specific individuals are likely to use video banking. In fact, virtually all individuals regardless of age, gender, socioeconomic status, or working status are similarly likely to be willing to use video banking.

Some institutions may be missing an opportunity to offer their services to a larger customer/member base.

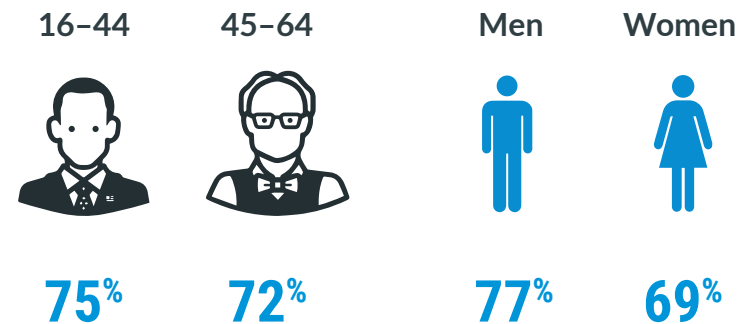
The invitation ratios to video banking sessions are significantly higher for these categories:



Individuals aged 16-44 are invited **almost three times more** than people aged 45-64

Men are invited **two times more** than women

The acceptance ratio of video banking is not significantly higher for these categories:





“We were thinking that those that may be a little more experienced in life may resist it a little more. But the feedback we got is: “Oh yeah, no problem, I video chat with my grandkids all the time!”

- Derek Williams, COO, BluCurrent Credit Union



“JM Associates FCU is projecting that, in the near future, more than 75% of all member interaction will be through our contact center that is built around video banking.”

*- Jim Ryan, President, JM Associates Federal Credit Union*



## 5 Recommendation

### Don't Be Shy.

#### Communicate, communicate, communicate!

Like any new technology, video banking is going through an adoption curve. We are still in the early days, and being clear about the availability of the service and its benefits is essential to accelerate adoption.

Internal communication and training help ensure that staff offers the service each time it can add value.

Last but not least, anybody can and will adopt video banking. Why not offer it to your entire customer/member base?

# 6

INSIGHT #6

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## Five Tips for Developing Your Video Banking Strategy

# Virtually any financial institution can take advantage of this extremely promising channel.

Consider how you could leverage video banking. Here's a summary of our five key recommendations:

- 1. Get the ball rolling now:** Starting the process earlier rather than later is key to gaining a competitive advantage.
- 2. Favor a holistic approach:** You should evaluate video banking's potential contribution to all your lines of business and to all types of transactions.
- 3. Don't forget to measure:** Defining KPIs and implementing the tools to measure them is key to fine-tuning a video banking service and making it successful.
- 4. Look for a platform, not just a video communication solution:** Carefully select a technology vendor that has proven experience and will be able to adapt to your business workflows.
- 5. Don't be shy:** Video banking can probably be used by a broader customer/member base than you think. Don't hesitate to offer it to a larger population.



## Interested in learning more?

Contact Vidyo to get more information.

[CONTACT VIDYO](#)

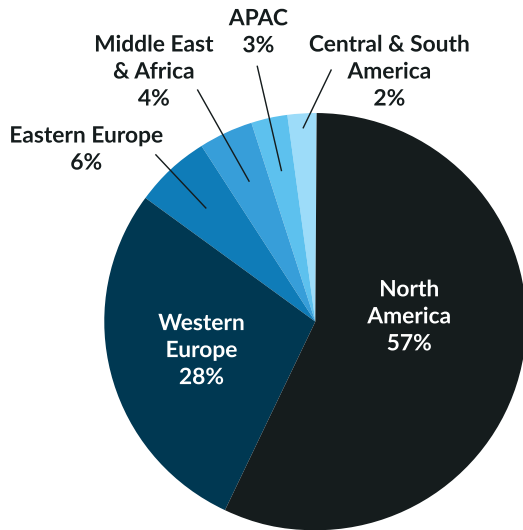


A woman with short dark hair, wearing a dark blazer over a white collared shirt, is shown in profile from the chest up. She is looking towards the right, where a laptop is open. The laptop screen displays a video conference with four participants in a 2x2 grid. The background is a blurred office setting with a window. The entire image has a blue color overlay.

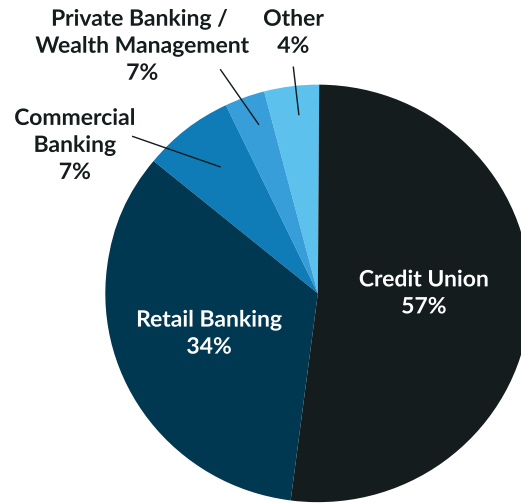
# Respondent Profile

# Financial Services Professional Survey – 288 Respondents

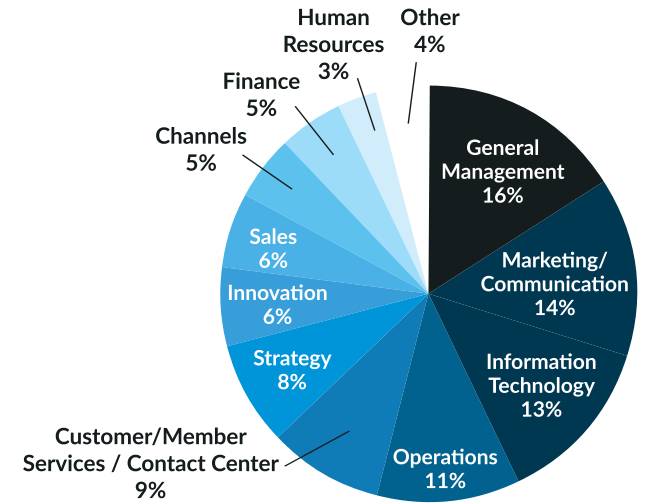
### Geography



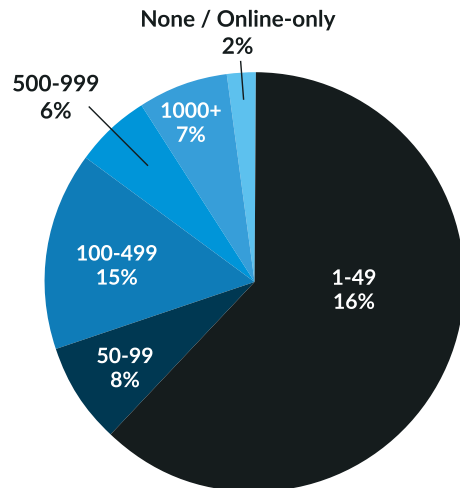
### Primary Business



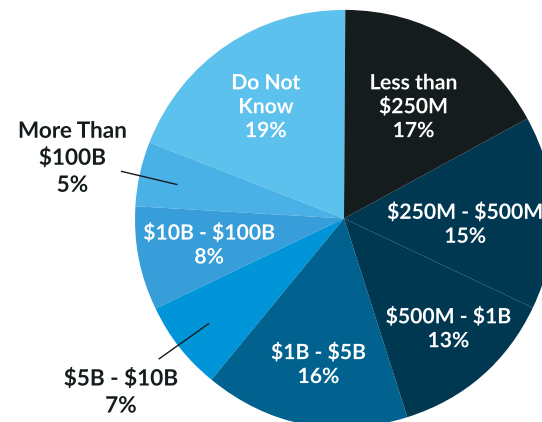
### Department



### Number of Branches

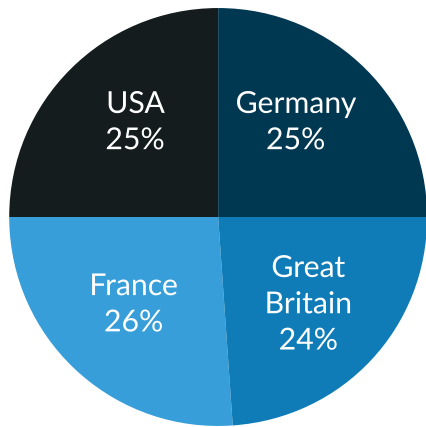


### Asset Size

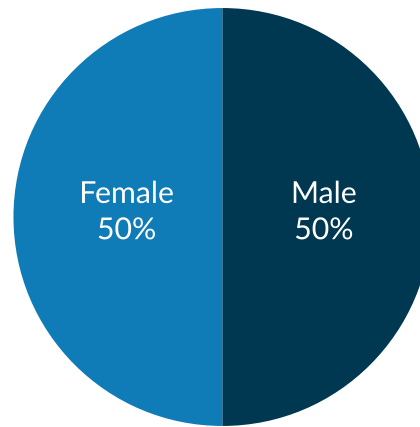


## Consumer Survey – 4,144 Respondents

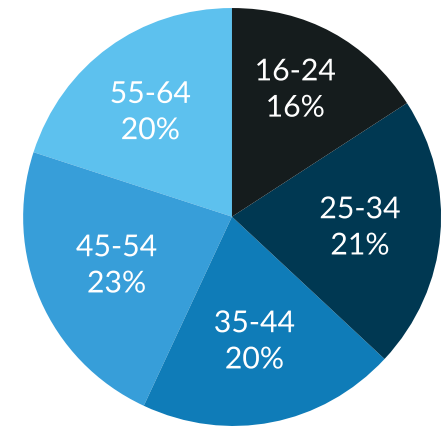
Country



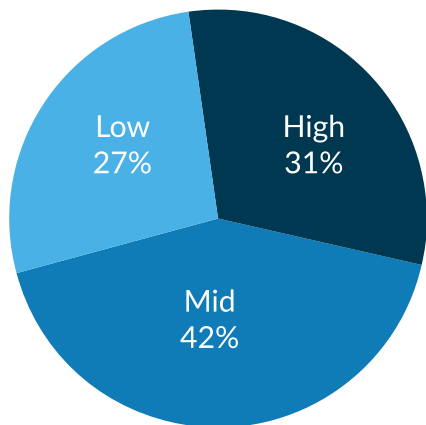
Gender



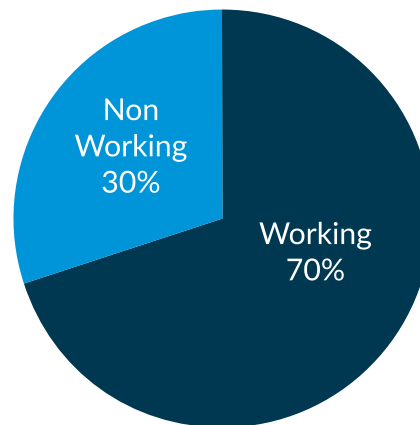
Age



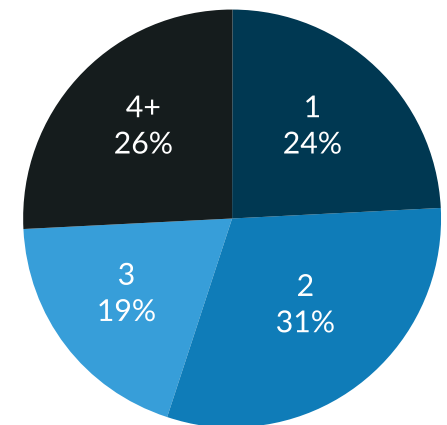
Social Class



Working Status



Household Size





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