

# THE COVID-19 PANDEMIC HAS ACCELERATED THE ADOPTION OF DIGITAL BANKING AND CREDIT UNIONS ARE READY!

Credit Unions are adapting to meet the banking needs of their members.



## AMERICANS ARE FINALLY TRANSITIONING TO ALMOST ALL DIGITAL BANKING

By: Allan R. Kirby

There's no question Covid-19 along with the forced closures of bank branches during the early days of the pandemic forced many of us to transition very quickly to all-digital banking.

What we are starting to see however is people from all age groups, not just the younger tech-savvy Generations leveraging digital banking such as mobile apps to achieve their banking needs.

***"After COVID-19, using fintech to manage money will be the new normal: 73% of Americans agree!" Plaid Survey.***

### BANKING WITH ELTROPY

Eltropy enables Credit Unions to communicate with members over Text Messaging in a secure way.



This accelerated digital transition will continue to displace branches as the main focal point of doing financial business. There will still be branches however we will likely see smaller, highly customer-centric branches that will resemble more like an apple store more than a traditional branch bank moving forward.

Plaid working with The Harris Poll recently surveyed Americans to understand how people are using fintech and what the lasting impact it might have on financial services after the pandemic. What they found was Americans have transitioned to digital banking and many now feel their financial needs can be met without going into a physical bank branch. Additionally, this shift in behavior towards the adoption of fintech will likely be permanent and the new norm for consumers for years to come.

***"I can manage my money without going into a bank branch: 80% of Americans agree!" Plaid Survey***

The survey points out that more than 56% of respondents say they could never go back to a world of bank branches and paper statements. This means credit unions will need to adjust to the new norm, however as I pointed out with a credit union I dealt with, they have what it takes to provide a seamless modern omnichannel digital approach.

### **Great Digital Omni-Channel approach with my Credit Union:**

Recently when I opened an account with a credit union, I was surprised by their new model branch which was a small customer-centric branch. No long lines, engaging staff, and an ability to work digitally with them. The credit union removed many barriers because they seamlessly utilize social media such as Facebook, their website, and brick and mortar locations to provide a complete customer experience. One good example was just getting in touch with the branch. It was incredibly simple, just a message through Facebook. It took me just a minute or two to set up meetings with a branch associate. This is a different experience than the one I had with a major bank where I had to call and ended up being routed to their national service desk and they of course could not help me.

Secondly, all the paperwork was done electronically and in some cases, I could e-sign with DocuSign. So no need to go to the branch, wait and sign like I used to. One other aspect is contrary to what I have seen and read, I find the credit unions mobile app as well as online banking easy to use and meet all my needs. I have only needed to go into the branch once in the past year because of their new digital approach to banking.

***"Those who used fintech during COVID found that it saved them time (57%), saved them money (42%), and reduced the stress or fear of managing their money (37%)." Plaid Survey***

Customer experiences, good or bad do matter, which is why I gave my credit union a five-star review while I gave my major bank such a bad review which is not good. This is because a 2015 BrightLocal [survey](#) found 92% of consumers now read online reviews (vs. 88% in 2014) and 40% of consumers form an opinion by reading just 1-3 reviews. So good customer engagement and support need to be a top priority for financial institutions and judging from my credit union, they are doing a great job.



**Private Tech is Helping:**

The great news is, we are now seeing credit unions working on adopting solutions with technology companies to help provide high-quality digital services. One such company that is helping is [Eltropy](#). Eltropy helps credit unions by facilitating, through their text messaging technology, loan applications, debt payments reminders, and status on loan applications. Their technology also allows for secure e-signing while also maintaining a high level of security. As a result, Eltropy has successfully integrated its technology into dozens of credit unions across the country with great results.

Incidentally, I just renewed my mortgage through an app and could even e-sign all the documentation. I never had to enter a branch. I absolutely loved this and applaud credit unions and private industry alike who are focused on integrating high-quality technology that helps credit unions engage members efficiently. I also love the fact that even though I utilize social media for most of my transactions, the staff at the credit union do know who I am! I still have issues trying to work with a major bank through their messaging system and of course, they do not know me.

**Final thoughts:**

Contrary to what I have read from several analysts, credit unions are adapting to the new digital reality. I can only cite one example through my experience dealing with a credit union however the point is clear; Credit unions are developing great digital banking strategies along with a new omnichannel approach to customer relations. Private companies such as Eltropy are working hard to help these credit unions facilitate those changes to finally provide a fully integrated digital banking experience.

**What is Digital Banking?** Digital banking involves automating all aspects of the banking experience. By developing a technology-based ecosystem for customers, there is no need to conduct financial transactions at the branch or even an ATM. Digital banking also allows customers to save time and reduce costs because they can conduct their business anywhere at any time.



## About the Author

Allan has graduated from several universities in Economics, Computer Science, Business Administration and General Studies as well as a college graduate in Management. Allan has over 20 years of multi-functional experience in accounting, data processing and dissemination, data analytics, IT project management, client relations, service delivery and strategic planning. Allan is the Founder and Editor of Mysmallbank.com

**Disclosure:** mysmallbank.com nor the author received any compensation from the companies for this article. The article is our opinion only and is written to help readers learn more about credit unions and technology. Consider this as basic information only and always visit a credit union to learn about the products and services offered in the areas where you live.

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## HOW DOES DIGITAL BANKING WORK

Digital Banking works by providing customers the ability to deposit and transfer money, pay bills, access accounts, update basic information and apply for consumer loans using various mediums such as desktop computers, mobile devices as well as ATM machines. Additionally, digital banking allows customers to set up appointments and discuss other products and services through social media, text, email, and other forms of communications seamlessly while at work, at home, or on vacation.

