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Growth

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# NEGLECTING DIGITAL REAL ESTATE COMES AT A REAL COST

Recognizing digital real estate as a multi-dimensional tool is essential to maintaining customer satisfaction.



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## **When banks do not invest adequately in finding ways to foster meaningful digital communication with their accountholders, the costs can be extremely high.**

Consider the challenges faced by Jane, a fictional 35-year-old single mother and nurse at a local hospital whose primary financial relationship is with a local bank.

Jane has multiple deposit accounts and a credit card with the financial institution (FI) and uses online and mobile banking to check balances, pay bills, deposit checks and transfer money between accounts.

Jane wants to buy a house but is not sure how to go about it. She needs to know what she can afford, her mortgage options and how to improve her credit score. She also wants to save for her son's college education and for retirement.

Jane feels that the FI's digital channels are good for basic transactions, but not for complex financial decisions. She does not receive information about mortgages, savings plans or investment products that suit her needs and goals.

Jane would like to talk to one of the FI's financial advisors, but it is hard to schedule an appointment that fits her work and family schedule and she feels intimidated by the formal atmosphere and the paperwork involved.

Dissatisfied with the lack of relevant guidance and advice, she considers switching to another institution. She wonders if a digital-only bank that uses artificial intelligence (AI) and chatbots to provide financial advice and recommendations based on customer profiles, or a large technology company that offers financial products, could better serve her needs.

### **Understanding the Power of Digital Real Estate**

Gen Z consumers like Jane go through similar deliberations every day. They frequently reject stale digital experiences in favor of more-personalized, on-demand digital experiences that meet their expectations.

Digital real estate includes the online spaces and assets that a bank can use to attract, engage and retain customers as well as generate leads, sales and revenue. These platforms offer customers an easy way to access their accounts and conduct transactions. They also provide banks with an opportunity to personalize communications and drive growth. According to *Bankrate*, [43.5%](#) of U.S. consumers identify mobile banking as their primary way to access accounts.

### **The High Costs of Not Using Your Digital Real Estate Effectively**

Far too many banks fail to capitalize on digital real estate to deliver meaningful advice, timely guidance and special offers, missing out on opportunities to increase customer satisfaction, loyalty and profitability. [Only 21% of banking customers](#) say they receive financial guidance from their bank.

Neglecting digital real estate can cost banks in multiple ways:

- Customers can feel ignored or underserved by their bank, eroding trust and loyalty.
- Accountholders can miss valuable educational opportunities to improve their financial

Banks can embrace several best practices to get the most from their digital real estate. They include:

- **Using data and analytics to segment and target customers.** FIs can leverage data on customer demographics, behaviors, preferences, needs and goals to create and send customized offers and messages.
- **Using technology and automation to deliver relevant communication.** Tools such as AI and machine learning, natural language processing and chatbots can help banks pinpoint the optimal time, channel, frequency, tone, content and format for each customer segment and communication objective.
- **Using performance metrics to optimize engagement.** Surveys, ratings, reviews and comments can be combined with clicks and conversions to determine the effectiveness of communication strategies and campaigns. Whatever is measured gets managed and this inevitably leads to better engagement and satisfaction.

Banks that embrace a multi-dimensional approach to their online and mobile banking platforms can turn that digital real estate into a strategic marketing asset for powering growth. **When used effectively, digital real estate can benefit accountholders and the bank alike.**



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Preetha Pulusani is the CEO of DeepTarget, a FinTech company powering the digital communication revolution for credit unions and banks with Growth as a Service™ (GRaaS™) helping financial institutions grow by delivering amazing experiences that result in up to 10x more sales and lasting relationships with their digital users. For more information, visit [www.deeptarget.com](http://www.deeptarget.com).

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