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Using machine learning to drive e-statement adoption in Consumer Banking

Consumers across the world are consciously and subconsciously changing their daily routines.

The advent of digitization and the resulting remote transformations of COVID-19 have accelerated consumers' migration to online tools and experiences. What was previously accomplished through in-person contact or commerce, as well as even telephone communications, is happening on laptops, tablets and smart phones.

Banking is no outlier in this digital revolution. For a time, due to restrictions and closures, consumer banking relationships moved almost exclusively online and both financial institutions and customers adapted their routines. Now, as the world begins to open back up, we're seeing the shift to digital-first banking remaining firmly in place. Customers are depositing online, moving money online, managing finances online and even communicating with their bank online.

Financial institutions should seize this opportunity to accelerate the abandonment of costly and outdated offline practices. Paper statements, sent monthly to consumers through the mail, is one such practice that can be phased out through

targeted consumer adoption of e-statements. Financial institutions who successfully take advantage of the modern consumer's proclivity for digital experiences can prompt customers to adopt e-statements, reducing expensive paper statement practices as well as their organization's carbon footprint. The surest path toward promoting adoption is through machine learning.

Machine learning efficiently uncovers impactful insights from raw customer data and synthesizes it into actions that can either be automated or packaged for human decision-making. These insights can be retroactive, looking for ways to solve historical challenges that contain complex and data-rich problems. They can also be

future-forward, making predictions about customers based on their past activity as well as the activities of their cohorts.

Financial institutions can utilize machine learning technology to analyze customer data, interpret their behaviors and provide solutions for all of the customer's unique needs and requests. As it pertains to e-statement adoptions, machine learning can look across customer data for behaviors that point to customer tendency for digital-first behavior. For example customers who favor mobile banking to branch or even online banking is a digital-first indicator. Customers who index higher for digital banking logins, who generate online reports, who partake in account aggregation and other financial management tools are all taking advantage of the offers of digital banking. These indicators actually sit at odds with a customer who still accepts paper statements.

Machine Learning can call out this discrepancy to the bank and automate triggered campaigns to the customer, communicating to them the value of, and ease in transitioning to, e-statements. In this model, machine learning and its dependent processes and tools will guide the customer through e-statement enrollment and work with internal bank processes to stop paper statements. The entire opportunity, action and resolution of migrating a customer to e-statements is directly handled by machine learning, removing resource strain from the financial institution.

Financial institutions know they need to meet customer expectations for digital-first experiences. What they might not know is that subconsciously customers want them to anticipate their needs and offer them digital tools that will make their lives easier. E-statement is a piece of that puzzle and machine learning is the key to ensuring success.

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