

is your financial institution the epicenter of activity for your accountholders?

3 Digital Banking Features Can Help Get You There

The competitive landscape of the banking industry has undergone monumental changes over the last several years, and banks and credit unions are no longer the only major players in the game.

Fintechs, big techs, neobanks, and other industry disruptors have made their way into the marketplace with a high-tech, digital focus, and community and regional financial institutions – the lifeblood of Main Street America – are at a crossroads. To remain competitive, these traditional financial institutions must adapt to the digital transformation taking place, or risk losing their share of wallet – and their accountholders.

Fortunately, many banks and credit unions are ready to fight the good fight.

In a survey of more than 100 bank and credit union CEOs representing financial institutions ranging in asset size from \$500 million to \$10+ billion, 39% of respondents said adding digital products and features is one of the most important strategic priorities for their institutions.¹ Additionally, an overwhelming majority of respondents – 79% – said their bank or credit union plans to increase technology spend over the next two years, with digital banking being one of their highest investment priorities.²



It's clear that traditional community and regional financial institutions recognize that embracing technology is key to remaining relevant and effectively serving the evolving needs of their accountholders. But when it comes to investing in technology, exactly which digital features should these organizations adopt?

determine what your accountholders want

In today's digitally driven society, consumers want simplicity, speed, and convenience in all of their online interactions.

Whether it's shopping at a favorite retailer, ordering dinner from a restaurant around the corner (or across town), booking flights and hotels for a weekend getaway, or depositing a check into a bank account, people expect a quick, seamless digital experience. And they often look to the many financial apps on their phones, tablets, and computers to get the experience they want. In fact, the average Millennial family has 30 to 40 financial relationships!³

Having their money and assets spread across so many different accounts leads to fragmentation for consumers, making it difficult for them to get a clear, comprehensive picture of their finances.

When your accountholders don't have complete insight into their financial lives, it means you don't have that insight, either –making it more challenging for you to provide the personalized guidance, recommendations, and offers that would benefit them most.

gather the pieces

An estimated 88% of U.S. consumers use digital apps and services to manage their finances.⁴ So, to best serve your accountholders, you must meet them where they are: inside your digital app.

Consumers are looking for easy, convenient ways to manage their finances and check balances and transaction history – not just for their banking accounts, but for all of their accounts. So, what can you do to help your accountholders meet these needs?

You can start by offering tools for external account aggregation, personal finance management (PFM), and transaction enrichment.



An estimated 88% of U.S. consumers use digital apps and services to manage their finances.

External Account Aggregation

Account aggregation (the process of gathering financial data from many sources and putting it into one location) is becoming increasingly important to consumers. In a report from Plaid, 76% of consumers said the ability to connect their accounts to apps and services was a top consideration in choosing a bank.⁵

External account aggregation helps accountholders securely connect to third-party fintech providers as needed, and aggregate data from outside accounts into the main banking experience.⁶

Then, instead of logging into multiple apps, accountholders only need to log in to one app to see their entire financial picture. If external account aggregation is a feature you offer, that “one app” your accountholders turn to can be yours.

Aggregation capabilities are good for your institution, as well.

You know that the average consumer has potentially dozens of financial relationships, but you can't compete with those other entities if you don't know who they are. External account aggregation gives you visibility into your accountholders' spending and banking habits, as well as insight into who they're interacting with, so you can compete more effectively for their business.

Personal Finance Management

PFM uses advances in technology to help consumers navigate their everyday finances, and encompasses a wide range of financial tools and apps.⁷ These tools make it easier for consumers to perform financial management tasks like monitoring day-to-day spending, automating savings, tracking bill due dates and payments, and creating budgets.

PFM tools give consumers valuable insight into their financial lives, helping them make informed money-related decisions and giving them an opportunity build or improve their financial health.

If your financial institution offers PFM functionality within your digital app, your accountholders will be less likely to seek these services elsewhere.

Transaction Enrichment

Businesses generate large amounts of transaction data that often appears as unintelligible letters, numbers, and symbols on consumer-facing communications. But transaction enrichment



External account aggregation helps accountholders securely connect to third-party fintech providers as needed, and aggregate data from outside accounts into the main banking experience.

adds information like brand names, categories, and logos to raw data from various transaction types (payments, transfers, debits) to make the information easy to read and understand.⁸

Your digital banking app should not only be functional, but easy to use and visually appealing, as well. With transaction enrichment capabilities built into your digital experience, you'll be able to give your accountholders the information they need in an actionable, easy-to-read format.

bring all the pieces together

Your accountholders are searching for the best tools to help them navigate the financial management process. The problem is that those tools aren't always in the same place.

But they can be.

As part of their strategy to help community and regional financial institutions become the financial hub for their accountholders, Jack Henry™ has made external account connection, PFM functionality, and transaction enrichment available in its digital banking platform.

It's time to position your financial institution at the center of your accountholders' financial lives. In a digitally driven banking landscape being overrun by industry disruptors, Jack Henry can help you make your digital banking app the go-to resource for your accountholders.

create limitless possibilities

[Learn more](#) about our digital banking capabilities, or [connect with our Digital Experience Team](#).

For more information about Jack Henry, visit jackhenry.com.

sources

1. Jack Henry, *Jack Henry Survey Finds Community and Regional Financial Institution CEOs are Steadily Focused on Growing Loans, Efficiencies and Digital Services*, Press Release, accessed February 17, 2023.
2. *Jack Henry Survey Finds Community and Regional Financial Institution CEOs are Steadily Focused on Growing Loans, Efficiencies and Digital Services*.
3. Ron Shevlin, *America's Shadow Financial Lives: Why Banks Don't Know Jack (or Jill)*, Forbes, accessed February 15, 2023.
4. *The Fintech Effect: Fintech's Mass Adoption Moment*, Plaid, accessed February 15, 2023.
5. *The Fintech Effect: Fintech's Mass Adoption Moment*
6. *3 Ways to Level Up Your Digital Banking*, Jack Henry, accessed February 16, 2023.
7. David McMillin, *Sick of Spreadsheets? Here's Everything You Need to Know About Personal Financial Management (PFM)*, Bankrate, accessed February 16, 2023.
8. *How Is Transaction Data Enriched?* LinkedIn: Triple, accessed February 15, 2023.