



# Digital banking through the eyes of Gen Y and Gen Z





## It's no secret that the pace of digital adoption is at an all time high.

Whilst many would say 'we saw this coming a mile away', the reality is that many companies are still playing catch up - and with varying levels of success. But in this ever-evolving digital world, it's our technology natives, the Millennials and Generation Z (Gen Z), who arguably yield the most power.

From 'in real time' to 'on-demand', Millennials and Gen Z share an ultimate desire to control their own destiny. While it's easy to see how this shapes consumer trends (ergo Netflix), it's less obvious how this desire can be addressed from an essential communications and user experience perspective.

When it comes to banking this 4.2 billion strong customer base is drawn to digital channels and exceptional online experiences. They want their banks to work with them, keep pace with their evolving needs, and care about the things that are important to them. But technology isn't the be all and end all - they also value human transactions with staff they can easily relate to.

And while their desire for control makes them the perfect candidates for a digital first approach, it also makes them hyper aware of their privacy, online security and the power of trust.



Yep, you guessed it!

## Mobile dominates device preference

Mobile is the way of the future for banks when it comes to meeting the needs of their younger customers.

Half of the Millennial & Gen Z customers we surveyed stated they prefer mobile over any other platform when it comes to consuming communications from their banking provider.

### Millennials

**50%**

When receiving digital communications on their mobile, **59%** prefer this to be via email, and **34%** would prefer to receive communications via an app.

### Gen Z

**48%**

Surprisingly, Gen Z's preference for mobile is not as high as Millennials. When using a mobile device, **53%** prefer email communications while **42%** prefer in-app communications.

## Who wore it better?

Neither generation believe that their provider communicates better via digital formats - so there's plenty of room for improvement to ensure they're creating clear, engaging communications to ensure better comprehension rates.

## Mail or Gmail

With fraud, scams and identity theft occurring around the world, younger consumers think that they are better protected using digital communications - more than double Boomers (20%) and four times Silent Gen (11%).





# Millennial

1981 - 1996

My generation makes up **23%** of the global population (1.8 billion)

I am a diverse and discerning consumer, who is focused on:

- Climbing the corporate ladder
- Investing in the share market and digital currencies
- Building a nest egg
- Purchasing a home
- Getting married and starting a family

While I wasn't born with a digital device in my hand, I grew up in the internet age and have become reliant on technology and the internet to improve my everyday life. I expect companies I deal with to also use technology to make my life easier.

# Gen Z

1997 - 2012

My generation makes up **32%** of the global population (2.47 billion)

I am still figuring out my likes and dislikes, and am focused on:

- Completing primary/secondary/tertiary education
- Getting my first job
- Moving out of home
- Saving for the future

I am a hyper-connected, digital native. I don't remember a time without the internet or digital devices, and I feel lost without my smart phone in my hand. My phone is my connection to my world, and I expect companies to be my partner in life.





Millennials		Gen Z
<b>51%</b> Banks must work hard to meet demand for digital, with only <b>37%</b> of Millennials currently receiving digital communications from their bank.	<b>I want to shift to “digital only” communications in next 12 months</b>  There is a great opportunity for banking providers to improve their customer communications to cater to these expanding younger customer bases.	<b>42%</b>
<b>72%</b>	<b>It was my choice to switch to digital communications</b>	<b>57%</b>  <b>43%</b> of Gen Z felt they were forced to switch to digital comms rather than it being their choice
<b>63%</b> While less Millennials use their bank’s app, they still value the mobile experience, with <b>52%</b> of them choosing to use in-app messaging when communications are unclear.	<b>I only use the app from my bank</b>	<b>80%</b>  These digital natives need to increase efficiency and reduce effort required to get their personal banking tasks done
<b>70%</b>	<b>I am happy to receive documents digitally that are legally required to be delivered in paper format</b>  As time progresses, we may see a change in legislation to meet the preferences of digitally-minded customers.	<b>57%</b>
<b>77%</b> Millennials have more experience with essential communications than Gen Z, showing why they place more value on them	<b>I value essential communications</b>  The value both generations place on essential communications will grow, as they mature.	<b>56%</b>
<b>61%</b>	<b>I’m comfortable with my bank tracking my read/open/click activity</b>	<b>44%</b>  Gen Z consumers appear to highly value their privacy when it comes to digital tracking





# Why are good communications essential?

**53%** of Millennials and **41%** of Gen Z say they would switch banks if communications were continuously difficult to understand.

Personal Banking providers are at an inflection point. Having historically prioritised the needs of older generations, providers need to switch focus to serving the needs of the future. With Millennials and Gen Z set to inherit record levels of wealth, providing a great customer experience and clear communications via a seamless user experience is key to winning and keeping their business.

An effective customer experience strategy will need more than just clear communications. Communications must also be relevant and consider people's preferences, life stages and levels of financial literacy. For many Millennials and Gen Z, it may be the first time they're receiving certain communications from their banks and need help understanding what the communication is for and what action they need to take.

Despite having their individual preferences, to keep up with this group banks must recognise the importance of creating an approach that meets users where and when they want and through the channels that they've selected. And with digital-only banks just a click away, Millennials and Gen Z are more likely than any other generation to take their business elsewhere if the experience provided doesn't grow with their evolving expectations.





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