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The Digital Loyalty Dividend:

Turning User Experience into Engagement and Growth

For decades, your financial institution has built its reputation on trust, personal service, and community presence. But in today's digital-first economy, loyalty is no longer won at the branch—it's secured on the screen. Your mobile app and online banking platform have become the primary ways users experience your institution.

Increasingly, users expect their digital banking experience to match the simplicity and sophistication of the apps they use every day, from Amazon and Apple to Netflix and Uber. This shift creates both a challenge and an opportunity for you. Your account holders expect digital interactions to be as intuitive, personalized, and seamless as ordering a ride or streaming music. When those expectations aren't met, account holders can, and frequently do, move their business to a different financial institution. At the same time, the rise of artificial intelligence (AI) is reshaping how your account holders interact with technology, creating new possibilities—and new concerns—around personalization, automation, and trust in financial services.

As a leader guiding your institution forward, this paper will help you understand why user experience has become your most critical differentiator in a digital-first world and explore how your institution can meet today's account holders' expectations.

The Experience Imperative in Banking

Your account holders no longer think of banking as a visit to a physical location. Now, it is a digital experience that happens on a screen throughout the month. For many account holders, your app has become the main point of connection, making the digital experience the new gateway to your brand.

A recent Motley Fool consumer survey underscores the stakes: 76% of respondents said they would switch financial institutions for a better digital banking experience. This is a clear warning sign for community financial institutions that the experience you deliver to account holders is no longer a "nice-to-have"—it's a primary driver of retention.

At the same time, this shift in consumer expectations presents a powerful opportunity. By elevating your digital experience, you can reduce attrition, while also strengthening engagement and expanding your relationship with account holders. Those who feel your app is as simple and seamless as the best consumer apps are far more likely to explore additional products and services.

The bottom line? Your digital experience is now your most important competitive advantage.

The New Mobile Standard

Mobile is driving the momentum behind today's digital banking experiences. According to the American Bankers Association, 55% of U.S. consumers now use banking apps on their mobile devices as their primary method of managing bank accounts, surpassing branch visits, ATMs, calls, and online banking channels. Likewise, nearly half of banked households (48.3%) identify mobile as their main channel for account access.

Mobile continues to gain momentum across generations. CoinLaw reports that 78% of millennials and Gen Z consumers (ages 18–34) now rely on mobile as their primary banking channel.

This growing reliance on mobile and digital touchpoints shows no signs of slowing. Recent estimates put the number of U.S. digital banking users at nearly 217 million in 2025, a powerful reminder that the industry's future depends on delivering exceptional online and mobile experiences.

This level of engagement has also reshaped expectations. If consumers can book a ride, stream a film, or order dinner with a quick interaction on their mobile device, they expect opening a CD, making a transfer, or applying for a loan to feel just as smooth.

Based on their experiences as consumers, business owners also require intuitive, easy-to-use banking solutions that allow them to spend less time banking and more time running their business. Fifty percent of businesses consider it a requirement for financial institutions to provide solutions tailored to them, according to Datos Insights, and small businesses in particular demand purpose-built digital banking designed to meet their unique needs.

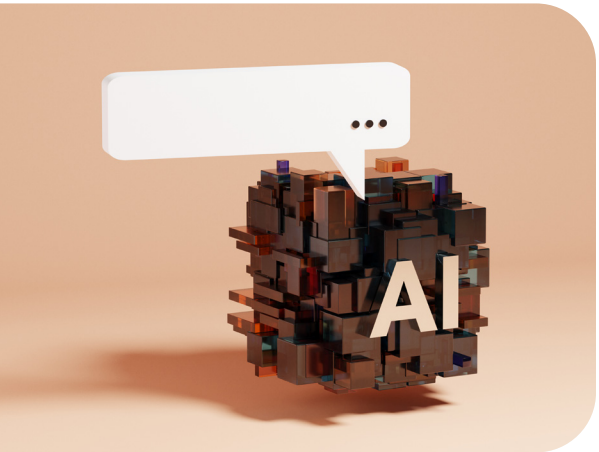
For example, as you expand the payment options available to your business account holders, the complexity increases. To support businesses, you should build additional guidance, contextual help, and simplified workflows into the mobile user experience to break down complex banking processes and industry-specific terminology.

Failure to meet those expectations can erode trust in your digital banking app, and by extension, your financial institution. For example, research from J.D. Power shows that while many institutions' foundational digital experience is strong, few are delivering personalized or differentiated experiences that stand out.

In short, your mobile banking solution must move beyond being simply functional. It must feel polished, personalized, and effortless. Users expect the same speed, design, and confidence from their banking app that they get from their favorite consumer apps. To keep their business, you must focus on meeting their expectations with design excellence, convenience, and the level of trust that they demand.

78% of millennials and Gen Z consumers (ages 18–34) **now rely on mobile as their primary banking channel.**

Source: CoinLaw



How AI is Reshaping Digital Banking

Small, no longer theoretical, AI has quickly become part of everyday life. Whether asking Alexa a question, using ChatGPT to draft a message, or seeing personalized suggestions in a shopping app, consumers are now accustomed to the speed, prediction, and convenience that AI provides.

For banks and credit unions, AI represents both a tremendous opportunity and a responsibility. It can enable more personalized insights, proactive alerts, and smarter automation. And, for most community and regional institutions, that opportunity is realized through the partners you choose.

What the Data Shows

Recent research underscores both the promise and the caution surrounding AI in financial services. A 2025 survey revealed a growing comfort level with AI in banking, with 84% of banking consumers saying they would likely switch to a bank that provided timely, relevant advice to improve their financial health, including insights and product recommendations through AI-driven features. Another 2025 survey found that 62% of respondents are open to using AI-powered, personalized account alerts to help them avoid service charges or fees.

At the same time, data privacy remains an important issue, with 80% of consumers believing that data shouldn't be shared if it could put them at risk. To reassure account holders, institutions must commit to greater transparency, control, and human oversight in the way they handle data. Those that prioritize data security and transparency will build trust with account holders and ensure their loyalty.

These findings send a clear message that users are ready for AI-driven experiences, but only when trust, transparency, and value are top considerations.

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Source: Personetics

What This Means for You and Your Digital Banking Provider

As a community or regional institution, your ability to deliver a user experience depends largely on your digital banking partner. It's important to choose a partner that can help you meet rising expectations, using AI responsibly, intelligently, and in ways that improve your account holders' daily interactions.

When evaluating vendors, look for a demonstrated focus on:

1. User Experience Excellence

Your digital provider should demonstrate a broad focus on usability, prioritizing speed, accessibility, and design simplicity. Ask potential partners how they measure and optimize user satisfaction, how quickly they can roll out design improvements, and whether their platforms are mobile-first by design. Also, because digital expectations never stop evolving, choose a partner who treats user experience as an ongoing discipline, continuously gathering user feedback, refining design, and releasing updates that keep your digital channels feeling fresh, secure, and competitive.

2. Human-Centered Design that Drives Digital Engagement

Choose a vendor that designs experiences to balance automation with authentic connection and that uses AI to augment, not replace, the human touch your institution is known for. Incorporating an AI-driven tool, such as a digital support chatbot, enables real-time engagement with users through personalized communication, collaborative interactions, and automated support. But engagement doesn't stop at interaction. Beyond letting account holders simply check balances, a successful platform helps account holders take meaningful financial action. When evaluating vendors, consider how each measures engagement and supports ongoing adoption, from intelligent prompts and personalized insights to cross-sell enablement and behavioral analytics.

3. Purposeful AI, Not Gimmicks

The best solutions apply AI to real account holder needs, such as:

Fraud detection: AI can power a UI that adapts to risk in real time. For example, users might initiate a wire transfer that fits their profile but is slightly unusual. Instead of blocking the transfer, AI can trigger a warning alert, prompting for additional authentication or delivering a message.

Personalized insights: AI allows institutions to be proactive and provide direct utility for users. For example, the technology can be used to analyze users' recurring payments over time, notifying them about anomalies such as a too-high utility bill so they can take immediate action.

Smart alerts: AI can proactively identify problems and forecast scenarios before they happen. For example, when a business wants to view its cash flow, AI can analyze Accounts Payable/Accounts Receivable cycles to predict a shortfall before it happens, or the UI can present a tailored message with an actionable message offering a line of credit to cover the gap.

In general, you should strive to understand where AI lives in the user experience and how it improves specific account holder outcomes. Additionally, look for providers who can demonstrate compliance with key regulations—such as data privacy laws (like GLBA and CCPA), model governance, and fair-lending requirements—along with auditability and responsible data stewardship.

4. Innovation

Your digital partner should have the vision and capacity to evolve alongside account holder expectations. Look for a vendor with a robust roadmap, one that includes continuous product updates aligned with their vision, open APIs for ease of integration with new fintech partners, and a commitment to compliance and accessibility. Seek a technology partner with strong data analytics and AI expertise to help you match—and compete with—the capabilities of larger institutions. Finally, consider how your institution will influence development priorities moving forward.

UX That Builds Loyalty

As the industry shifts towards digital-first engagement, financial institutions that prioritize this channel will be the ones that thrive. Today's consumers have stated they are willing to switch institutions for better digital experiences, and they expect easy-to-use apps and a highly personalized experience. To meet their needs, choose a digital banking partner that can deliver design excellence, purposeful AI, and rapid innovation while safeguarding data and complying with evolving standards. With these pieces in place, your institution can deepen relationships and deliver long-term value to every account holder you serve.

About Apiture

Apiture, now part of CSI, delivers award-winning digital banking solutions to community and regional banks and credit unions, helping them compete with the nation's largest financial institutions. With our API-based consumer, business, digital account opening, and embedded banking solutions as well as a suite of data and marketing tools, we help our clients innovate at the speed required in today's competitive environment. Founded in 2017, Apiture was acquired in October 2025 by CSI, a leading provider of end-to-end financial software and technology.

To learn more, visit www.apiture.com and follow Apiture on LinkedIn.

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