

Survey Results: Coronavirus and the State of Banking Innovation

March 2020

About us

Based in New York, INV Fintech runs a startup partnership program and works with financial institutions to build or enhance their innovation capabilities.

Introduction

Given the significant challenges we're facing with the ongoing Coronavirus Pandemic, [INV Fintech](#) and [Bank Innovation](#) conducted a brief survey from March 18th to March 25th to gauge industry sentiment and understand practices going forward.

This report summarizes our findings.

Our survey garnered participation from 110 industry players, including:



45 financial institutions

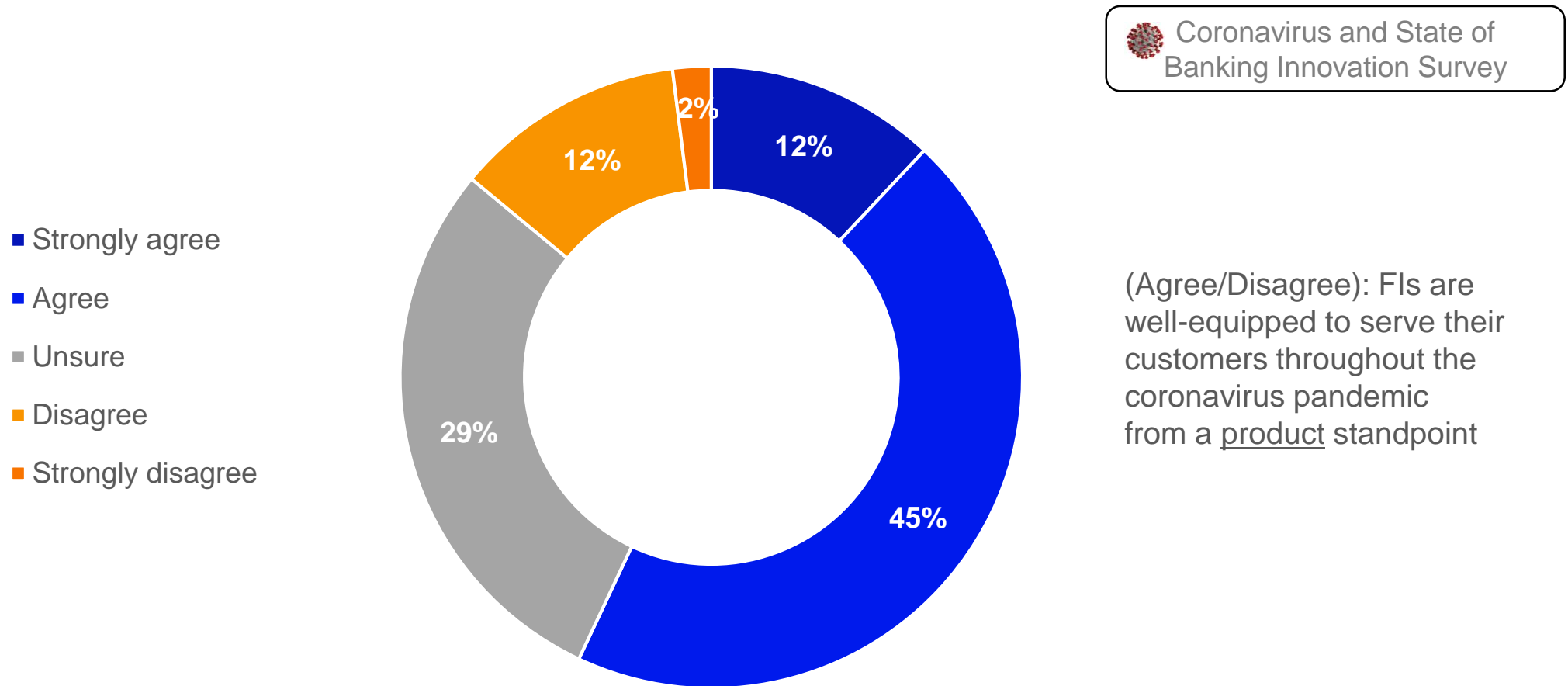


25 fintech startups



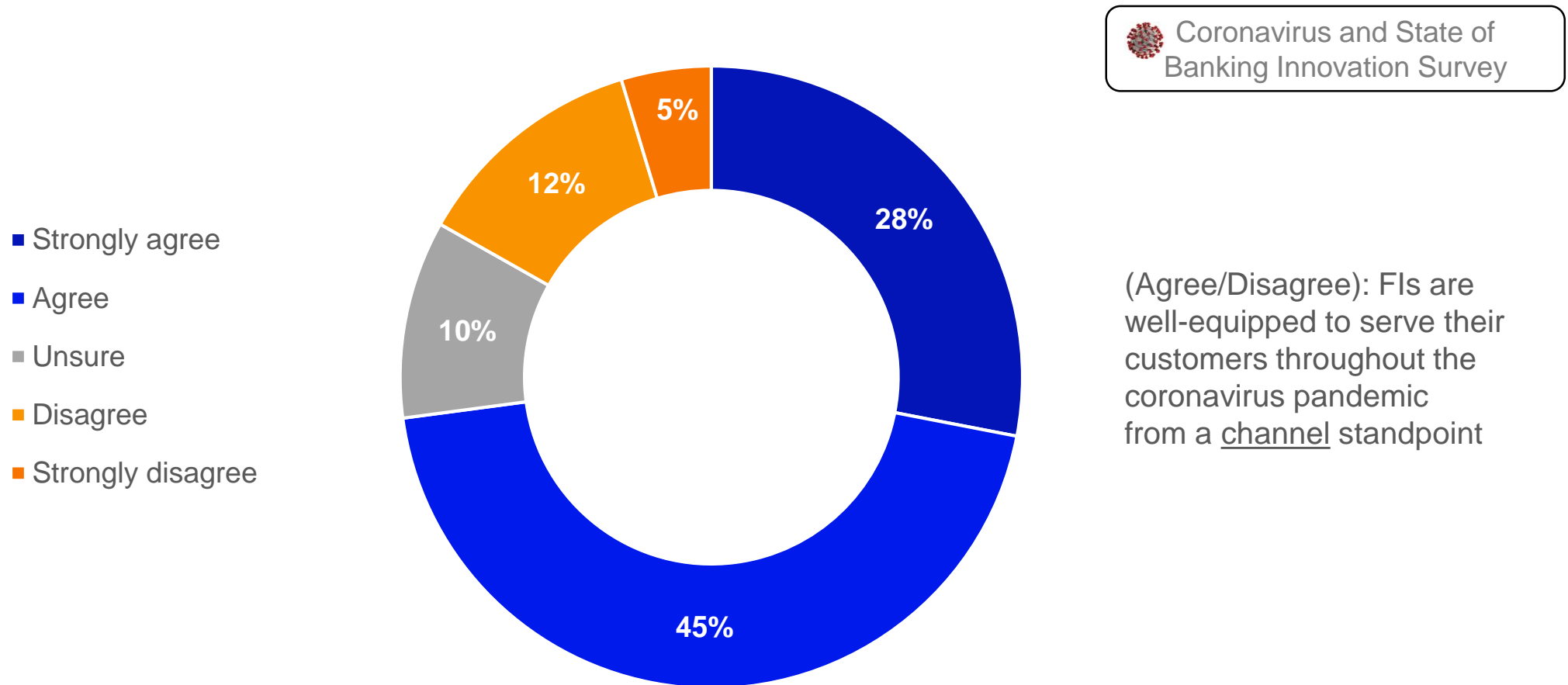
40 VCs, consultants, and industry advisors

57% of respondents believe FIs have adequate products to serve customers throughout pandemic...



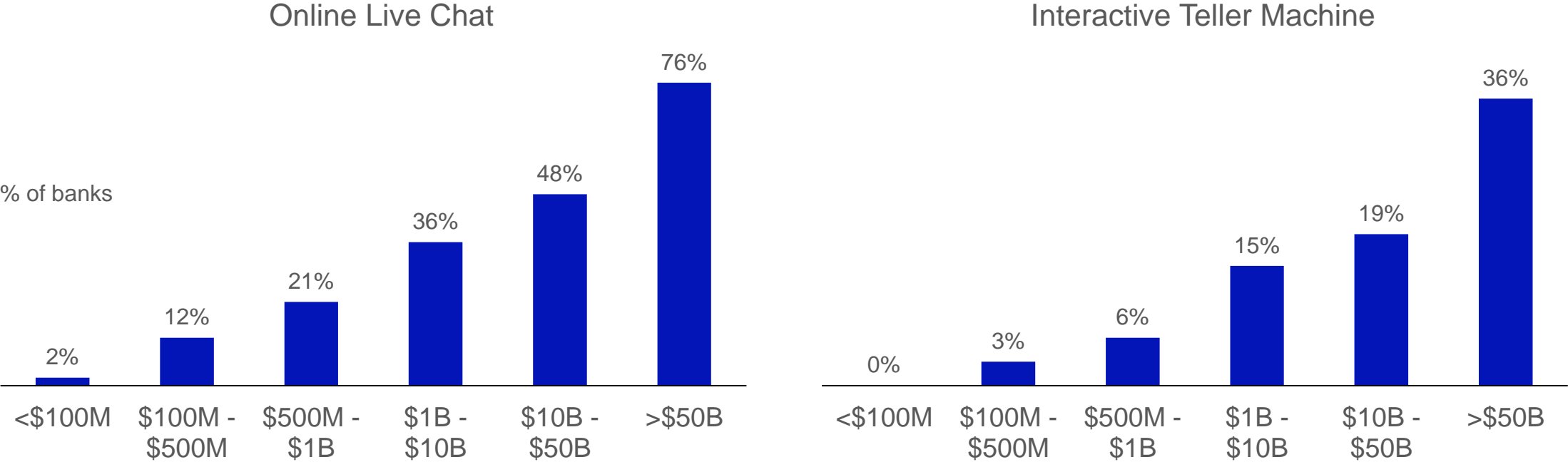
Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

... and 73% believe FIs have adequate channels



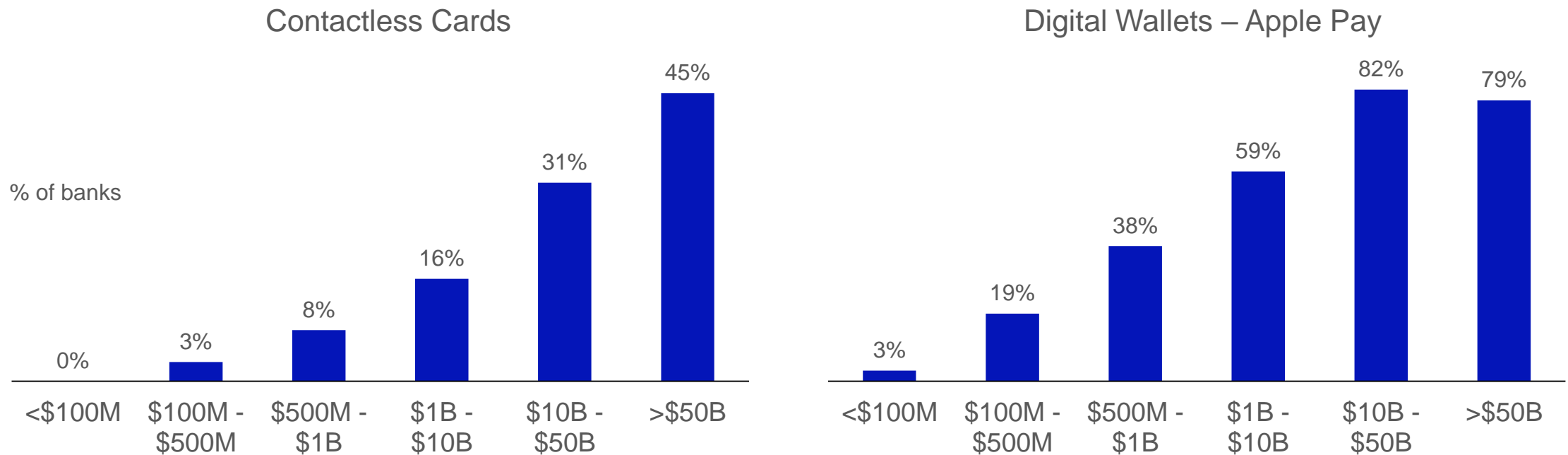
Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

However, banks across the asset spectrum have opportunities to better service customers...



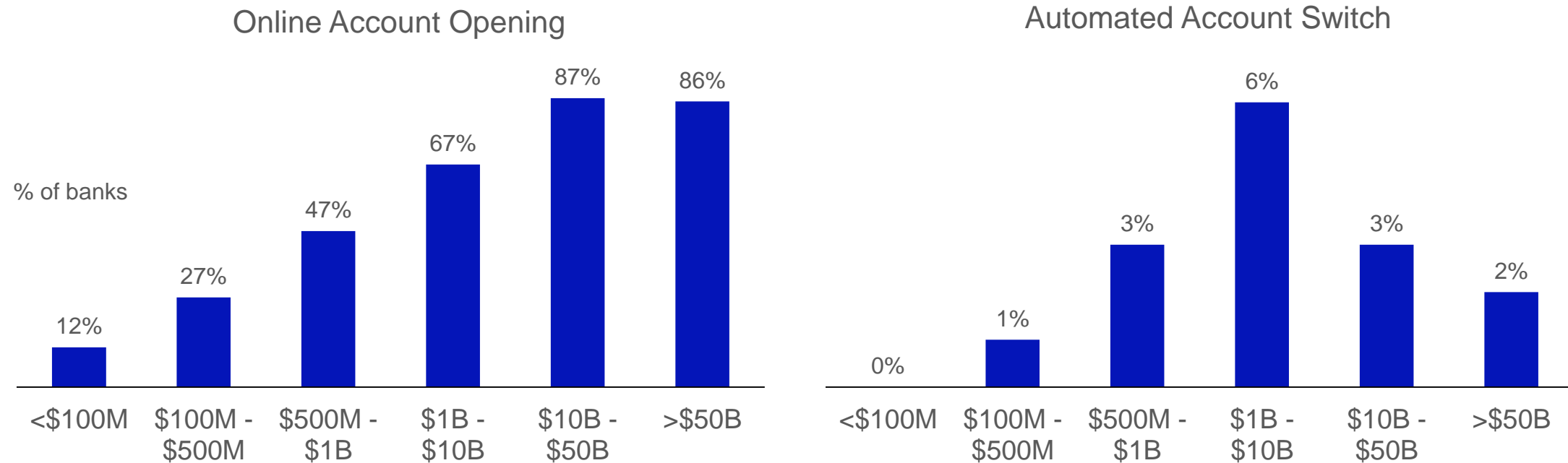
Source: FI Navigator data, as of January 31st 2020

... provide frictionless payments options...



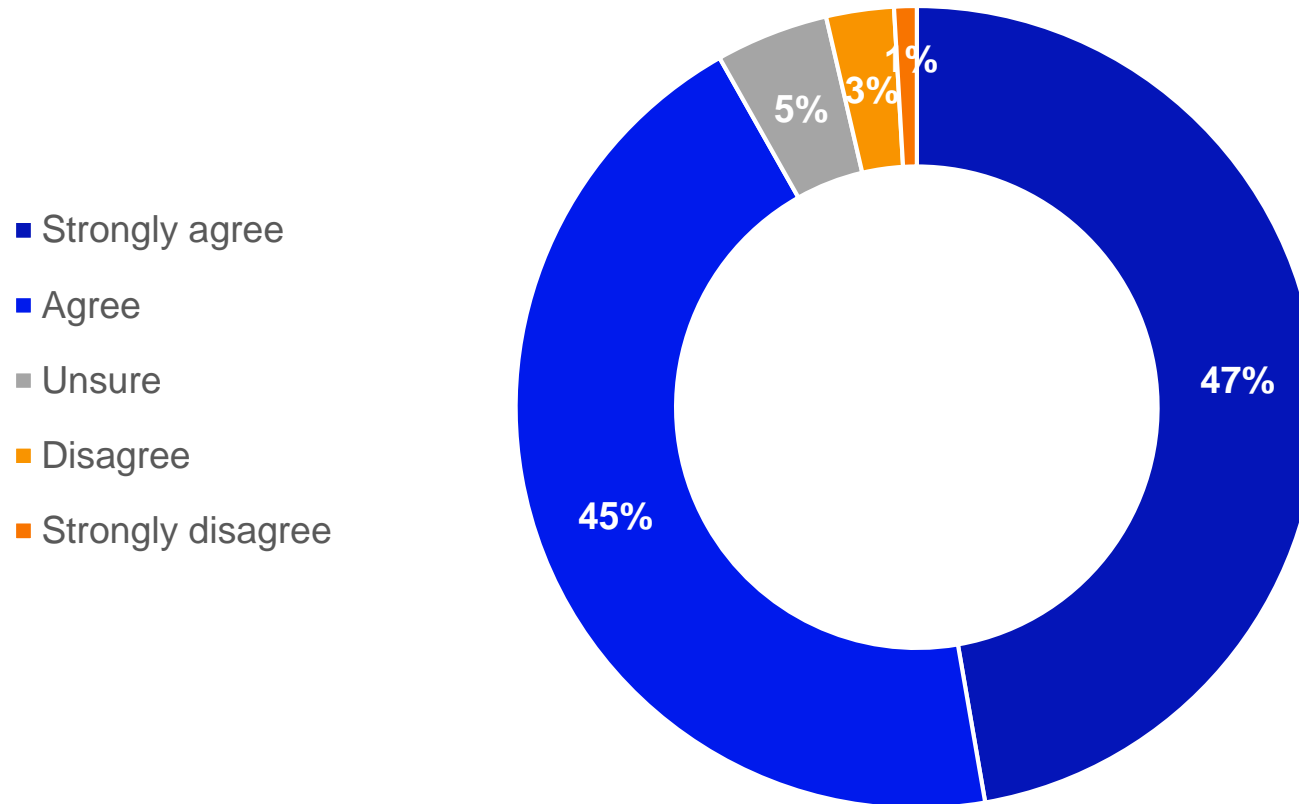
Source: FI Navigator data, as of January 31st 2020

... and seamless online account opening tools



Source: FI Navigator data, as of January 31st 2020

There is broad consensus that demand for digital will increase post-crisis



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(Agree/Disagree): The Coronavirus Pandemic will drive increasing demand for digital channels, altering customer acquisition and servicing models in banking going forward

Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

Which could result in higher digital adoption across segments and increased digitization/automation at FIs



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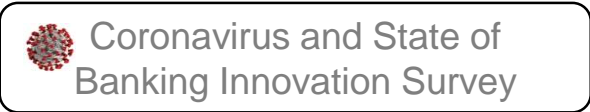
“The shape of the curve of **digital adoption across the age spectrum** will be flattened.”

“As with Check 21 after 9/11, this will provide the **push to automate/digitize** the remaining paper handling services out of the system in a shorter time frame.”

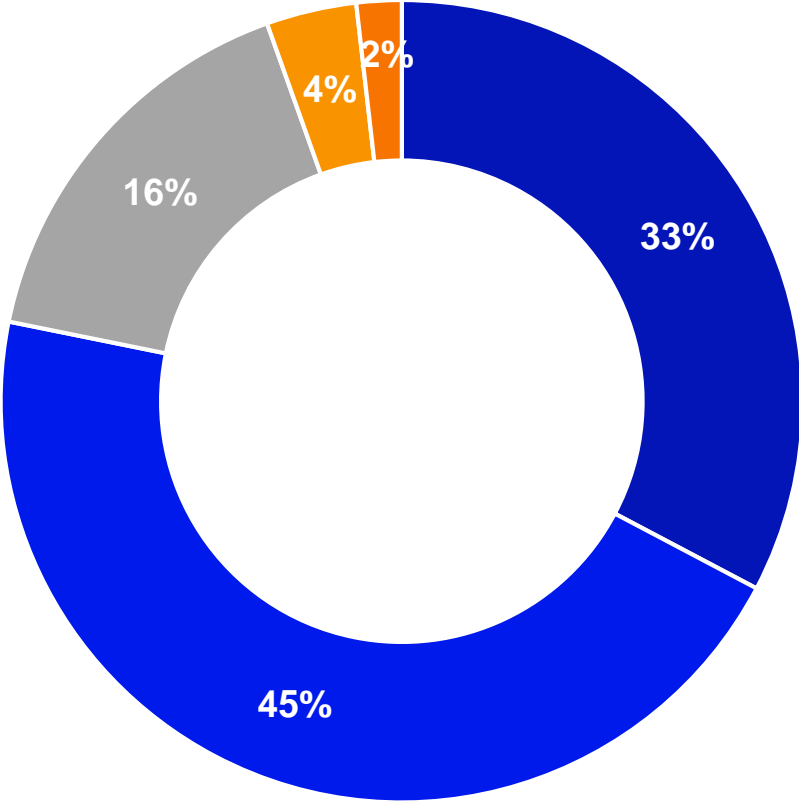
“Customers will be checking balances and shoring up finances regularly – immediately. They will see what they can accomplish and **increase engagement with their FI in digital**. And potentially see that the big banks offer stability and trust in uncertain times.”

Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey.

As a result, 78% believe FIs will increase spend in digital transformation over the next couple years



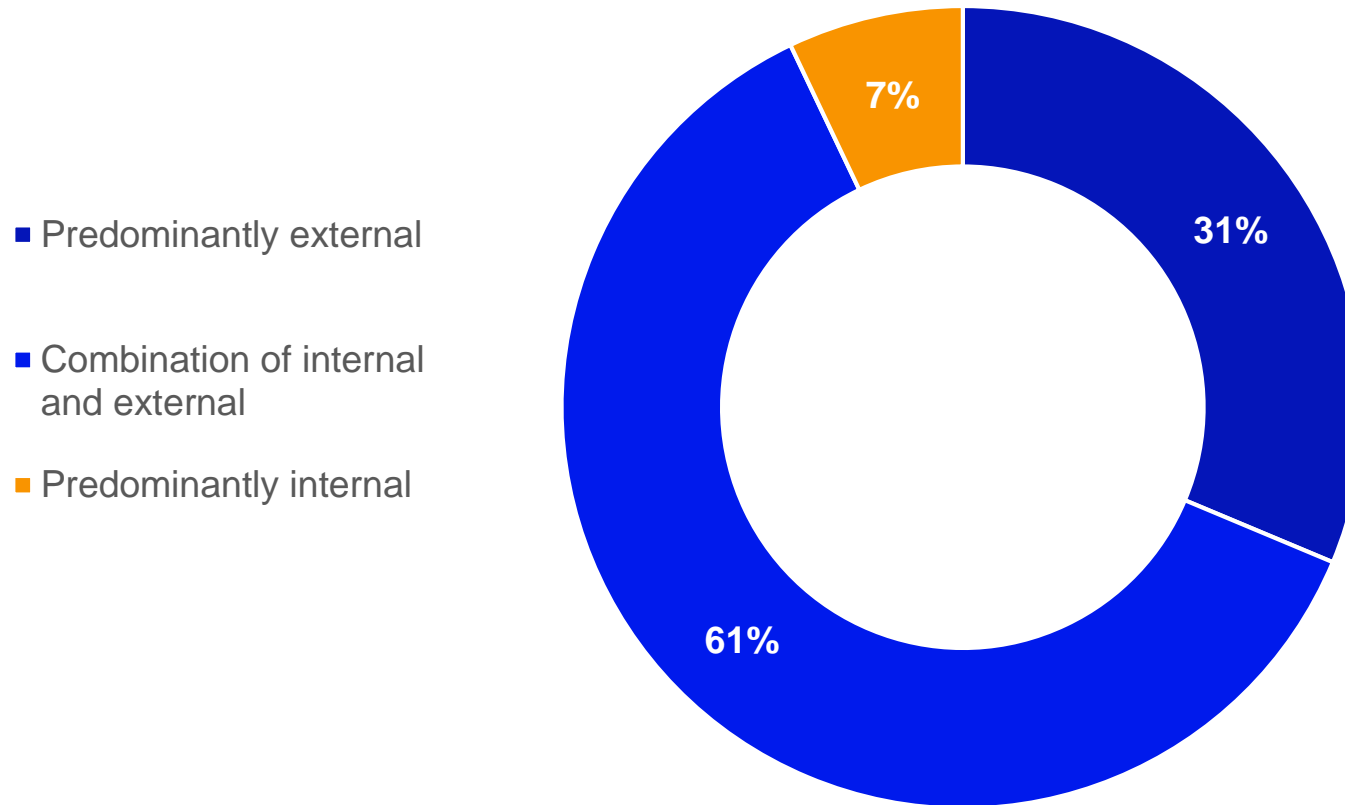
- Significantly increase
- Somewhat increase
- Remain constant
- Somewhat decrease
- Significantly decrease



To what extent do you expect financial institutions will invest in innovation and digital transformation over the next 1 to 2 years in response to the Coronavirus Pandemic?

Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

To innovate, FIs will need to look outside and collaborate with startups and other enablers

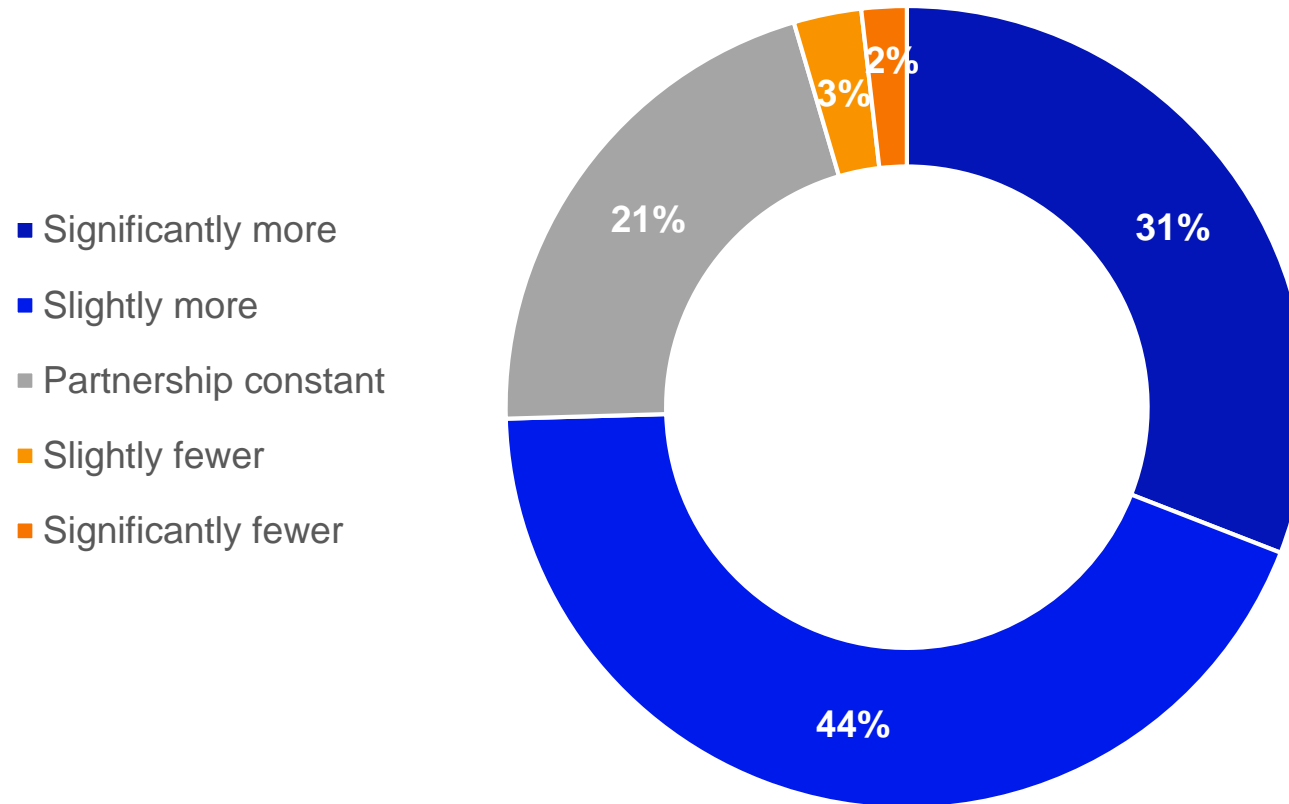


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Which will be the main driver of Innovation for FIs over the next 1 to 2 years as they adapt to evolving customer needs?

Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

This could result in more bank-fintech partnerships going forward



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To what extent do you expect financial institutions will seek to partner/collaborate with fintech startups over the next 1 to 2 years in support of their digital transformation journeys?

Source: INV Fintech 2020 Coronavirus and State of Financial Services Survey. N=110.

Collaboration and a strong & resilient fintech ecosystem are key to overcome these challenges.

Contact us to learn more.

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Thank you.