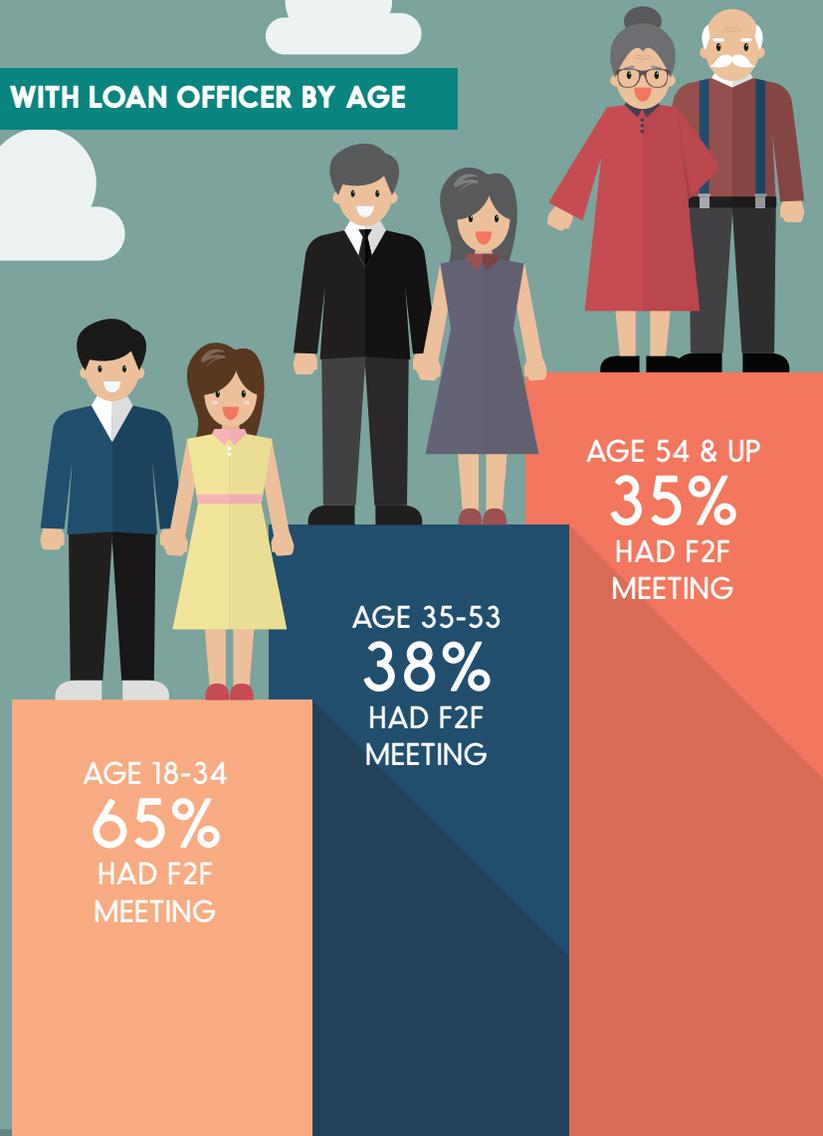




Even in Digital Era, Collaboration and Human Interaction Have a Role

By Sarah Volling

MEETING WITH LOAN OFFICER BY AGE



Source: 2016 Mortgage Cadence/Accenture Research borrower survey

There's no doubt digital is here to stay, and the mortgage industry is no exception.

Borrowers are no longer satisfied with the cumbersome mortgage process of the past and are demanding the same streamlined, digital process that they experience in other consumer transactions.

Given rising digital demand, we might assume that borrowers want automated decisions and all-digital communication channels. But according to our recent borrower survey, it's not that simple.

In the fall of 2016, Mortgage Cadence teamed up with Accenture Research to survey a diverse set of borrowers on their desires and expectations regarding the origination process. Responses were received from more than 1,500 borrowers of a variety of ages and origination types (including first mortgage, refinance, and HELOC borrowers).

The survey's findings concerning human interaction and collaboration throughout the origination process were not as straightforward as prevailing industry sentiment may suggest.

In fact, the younger generation, thought to be the most reliant on digital channels, was found to be the age group most likely to meet with a loan officer in-person. In fact, 65% of respondents age 18 to 34 met with a loan officer during the process, while only 38% of those age 35 to 53, and 35% of those age 55 and older took this same action.

Whether or not they met with their loan officer in-person, 82% of borrowers across all age groups said that an in-person meeting with a loan officer is important. And many who didn't have a face-to-face meeting with their loan officer said they wished they had.

WORKING IN TANDEM

The survey also analyzed borrowers who said they felt "uncertain" or "nervous" during the origination process and then felt more certain and less nervous after the process was complete. This group of borrowers was more likely to have used non-digital channels of some sort, whether those were an in-person meeting or a phone call with a loan officer.

These findings suggest that traditional assumptions surrounding digital and human interaction throughout the origination process need to be re-examined.

Just as digital is here to stay, so too are collaboration and human interaction—not as separate entities, but as two concepts that must work in tandem to satisfy member expectations.

What does that look like for credit unions, and how can they adapt the idea of collaboration to the digital era?

Doing this the right way involves tapping into the segment of the market that we have termed the "Curious Customer"—those interested in some, but not all, aspects of automation.

In the survey these customers make up the majority (58%) of the market. They are willing to experiment with digital channels, but they also rec-

ognize the value and assurance that comes with human-based interaction and judgment calls.

In order to satisfy all segments of the market, the survey results suggest a reasonable balance between automation and human interaction needs to be established.

More of one does not necessarily mean less of the other; embracing the elements of digital convenience that members are excited about, like e-closing, electronic document processing, and chat bots, does not mean that meetings and phone calls with loan officers, or other types of human interaction, should be eliminated.

Instead, embracing digital change while still recognizing the importance of offering face-to-face collaboration and education enables credit unions to remain relevant, while also providing a variety of options to satisfy expectations and meet members where they are. ▲



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Sarah Volling is the Marketing Lead for Mortgage Cadence, an Accenture Company. Beginning her career with the company in 2008, she now oversees the marketing department, strengthening brand identity through thought leadership, industry participation and guerrilla marketing. Prior to joining Mortgage Cadence, Volling earned her Bachelor's Degree in Communication from the University of Colorado.