

Bank marketers should start planning open banking educational campaigns

Article

The news: We've already written about [almost half of US consumers saying they're ready for open banking](#), according to the PYMNTS report "Consumer Sentiment About Open Banking

Payments.” But it’s still unclear whether consumers understand what this change entails, suggesting educational campaigns from banks may be in order.

Dive deeper: According to Cornerstone Advisors analyst Ron Shevlin’s analysis in Forbes, consumers may be confused by the following points:

- A Social Science Research Network study called “Open data and API adoption of US banks” seemed to equate open banking with banks’ adoption of APIs. But open banking means much more than this technology for banks and their consumers.
- The widespread interest in open banking payments may not necessarily mean consumers understand the CFPB’s aspirations for open banking overall in the US.

What this means for banks: The financial services industry learned some valuable lessons from the UK—open banking product adoption is low when consumers don’t understand the benefits and implications.

- Though the CFPB is likely to attempt to raise some awareness around open banking, everyday banking customers may still not comprehend what exactly this means for them.

The CFPB hasn’t yet finalized its open banking rule, but this change is on the horizon. Banks that haven’t started figuring out how they’ll educate their customers risk falling behind.

Marketing takeaways: While open banking may give competitors a better opportunity to acquire other banks’ customers, the reverse also applies.

- Banks should consider educational marketing campaigns that target likely customers of their competitors—for example, social media followers of other financial institutions—and highlight the benefits of open banking.
- Such benefits could include how fast and easy it will be to switch banking providers for better offerings—and promoting those offerings.