McKinsey & Company

Banking Practice

How to stand out from the crowd

German Retail Banking Snapshot 2025

2 No second chance to make a good impression

Germany's retail banking customers are more digital and engaged than ever—offering banks a real opportunity to discover new revenue streams and strengthen customer relationships. Mobile interactions dominate, yet only a few German banks have been able to translate digital touchpoints into actual sales. International comparison shows clear avenues for improvement, particularly in digital sales via online and mobile channels and building conversational capabilities.

To seize the opportunity, banks in Germany and Austria need a step change, whereby they shift from digital servicing to digital sales with scalable, mobile-first sales journeys, digital advisory, and seamless mobile orchestration of branches.

This chapter draws on insights generated through Finalta[1] by McKinsey and the McKinsey Retail Banking Survey 2025.[2]
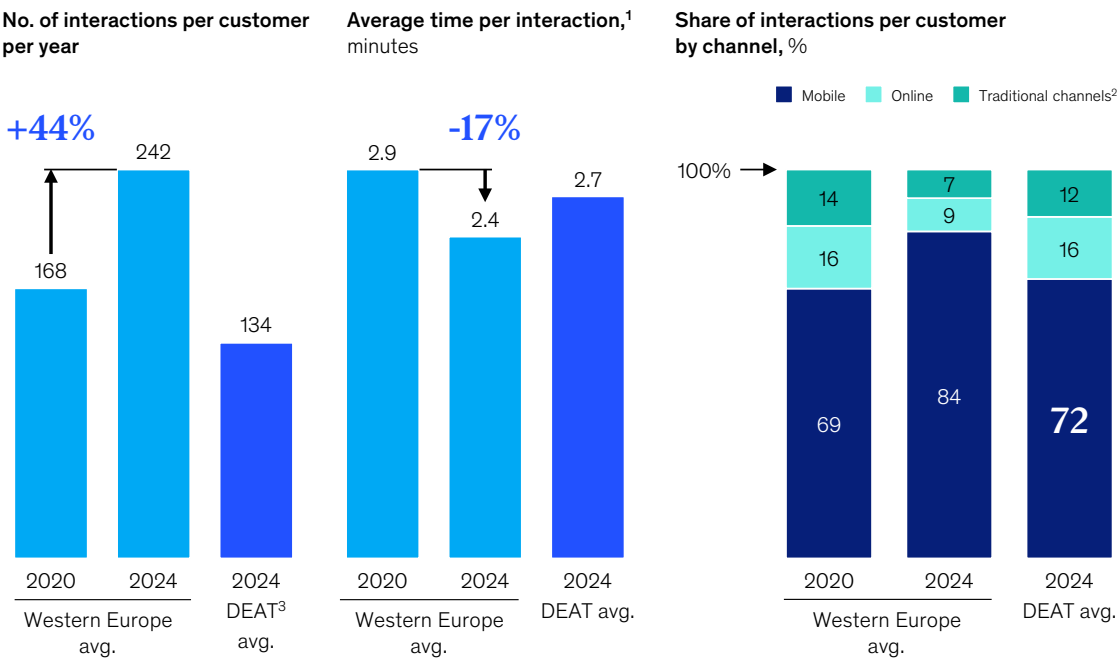
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[1] Finalta is McKinsey's proprietary benchmarking asset and the world's largest benchmarking provider, delivering performance insights for 300+ financial institutions across 50+ countries, based on 20+ years of experience. Using standardized data sourced from banks and insurers—and exclusively accessible in full only to participating institutions—Finalta enables peer comparisons, identifies performance gaps, and highlights best practices.

[2] The McKinsey Retail Banking Survey is a proprietary, consumer-driven asset capturing detailed insights on banking behaviors, attitudes, and product needs across Germany, based on ~3,000 respondents. It enables granular micro-segmentation, mapping of revenue opportunities, and identification of unmet customer needs—helping banks create targeted value propositions, refine product features, and strengthen go-to-market strategies.

Customers are spending more time than ever with their bank

Although customers are spending more time with their banks than ever before, they are doing so differently. Their interactions are notably shorter, more fragmented, and overwhelmingly mobile. Finalta by McKinsey suggests that over 72% of all customer interactions in Germany and Austria in 2024 took place via mobile channels, illuminating how longer branch and phone conversations are giving way to quick, digital touchpoints.
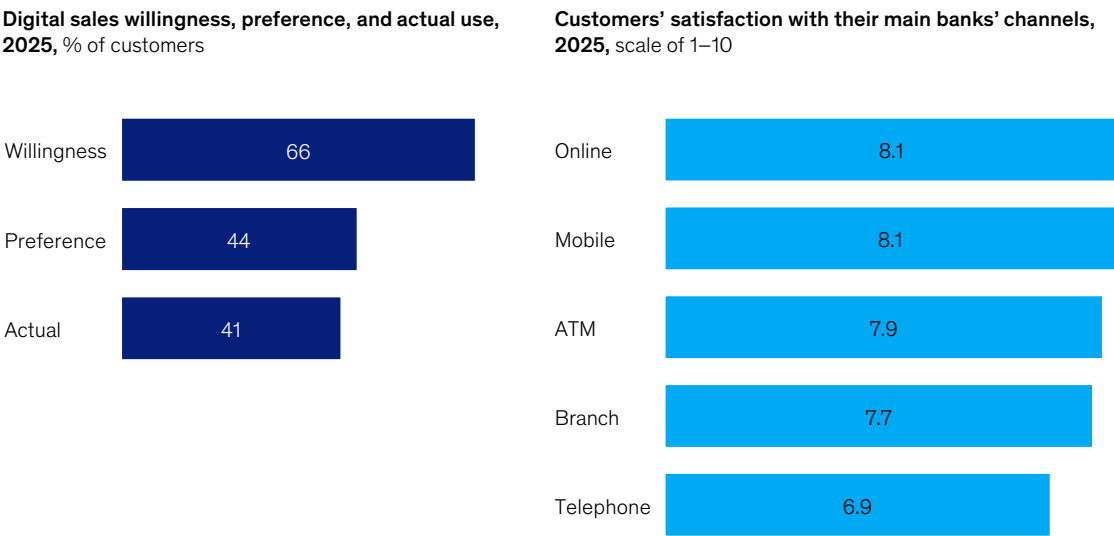
Exhibit 2.1

No. of interactions per customer per year

+44%

168	242	134
2020	2024	2024 DEAT[3]
Western Europe avg.		avg.

Average time per interaction,[1] minutes

-17%

2.9	2.4	2.7
2020	2024	2024
Western Europe avg.		DEAT avg.

Share of interactions per customer by channel, %

■ Mobile ■ Online ■ Traditional channels[2]

100% →

	2020 Western Europe avg.	2024	2024 DEAT avg.
Traditional channels	14	7	12
Online	16	9	16
Mobile	69	84	**72**

1. Assuming constant interaction times per channel over a timed period.
2. Branch, telephone, ATM.
3. Germany and Austria.

Source: Finalta by McKinsey

With this new type of customer interaction, every moment counts—and there's rarely a second chance to make a good impression. This requires banks to design mobile and online journeys around engagement— not functionality—to turn touchpoints into real connections that surface customer needs, trigger relevant offers, and build lasting relationships. This means using every interaction to recognize intent, offer relevant content proactively, and respond in real time.

In Germany and Austria, the challenge extends beyond managing shorter digital interactions to actively increasing the frequency and quality of customer touchpoints. With 134 interactions per customer per year, the region remains below levels of Western European peers back in 2020. For banks in Germany and Austria, this means they must become even more proactive, using smart notifications to steer customers toward digital channels and trigger relevant offers.

Who would have thought—the German customer is digital already

While German customers are embracing mobile and online as their primary banking channels, banks fall behind. According to the McKinsey Retail Banking Survey, 66% of customers are willing to buy banking products digitally, and German customers are already more satisfied with digital channels than with traditional channels. However, German retail banks have managed to transfer only 41% of actual sales to digital channels, pointing to a widening intent-to-conversion gap.

Exhibit 2.2

Digital sales willingness, preference, and actual use, 2025, % of customers

Willingness	66
Preference	44
Actual	41

Customers' satisfaction with their main banks' channels, 2025, scale of 1–10

Online	8.1
Mobile	8.1
ATM	7.9
Branch	7.7
Telephone	6.9

Source: Finalta by McKinsey; McKinsey Retail banking Survey 2025

To bridge this gap, banks must recalibrate their digital strategies—evolving from a focus on basic digital servicing to proactive digital sales. It's no longer sufficient for customers to merely check their account balances online; digital channels must empower them to seamlessly apply for loans, initiate savings plans, and access tailored financial solutions. By doing so, banks can fully harness the potential of their digital platforms while meeting the growing expectations of their increasingly tech-savvy customers.
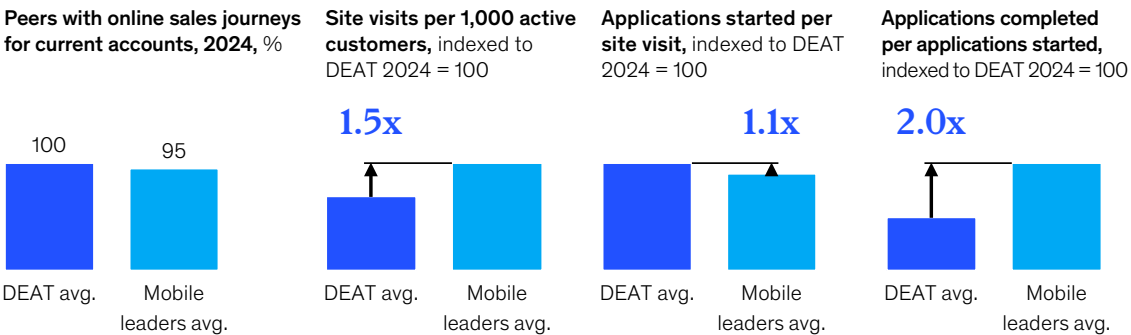
2 in 10

German and Austrian banks offer in-app end-to-end sales journeys, eliminating the need for customers to switch channels

Error 404: Mobile sales not found

Understanding the weaker outcomes in the digital sales of German and Austrian banks requires a closer look at online and mobile performance. Finalta by McKinsey highlights that while all German and Austrian banks have online sales journeys in place, only a select few succeed in effectively converting customers. A key challenge is the completion of applications initiated by customers, where German and Austrian banks fall behind mobile-first leaders. Despite customers being online and ready to buy, these sales journeys frequently fail to translate their intent, leaving significant opportunities untapped.

Exhibit 2.3

Peers with online sales journeys for current accounts, 2024, %

DEAT avg.	Mobile leaders avg.
100	95

Site visits per 1,000 active customers, indexed to DEAT 2024 = 100

1.5x

DEAT avg. — Mobile leaders avg.

Applications started per site visit, indexed to DEAT 2024 = 100

1.1x

DEAT avg. — Mobile leaders avg.

Applications completed per applications started, indexed to DEAT 2024 = 100

2.0x

DEAT avg. — Mobile leaders avg.

Source: Finalta by McKinsey

The picture is quite different in mobile: only 20% of banks in Germany and Austria provide seamless, end-to-end sales journeys within their apps that require no channel switching, compared to 79% among leading mobile-first banks. Moreover, while many German and Austrian banks are focused on building foundational capabilities, industry leaders are already moving ahead, optimizing their offerings with advanced features such as chat support, pre-filled forms for new-to-bank customers, and shortened flows for returning customers. These advanced capabilities are, unfortunately, highly underutilized in Germany and Austria to the point where they cannot yet be effectively benchmarked due to low adoption rates.

To turn digital channels into true sales engines, banks in Germany and Austria must thus eliminate friction in online funnels and build end-to-end in-app journeys—leveraging features like smart pre-fills, chat support, and streamlined forms.

Exhibit 2.4

Share of peers with mobile app sales journeys for current accounts,[1] 2024, %

DEAT avg.	Mobile leaders avg.
20	79

Share of mobile leaders with each capability, 2024, %

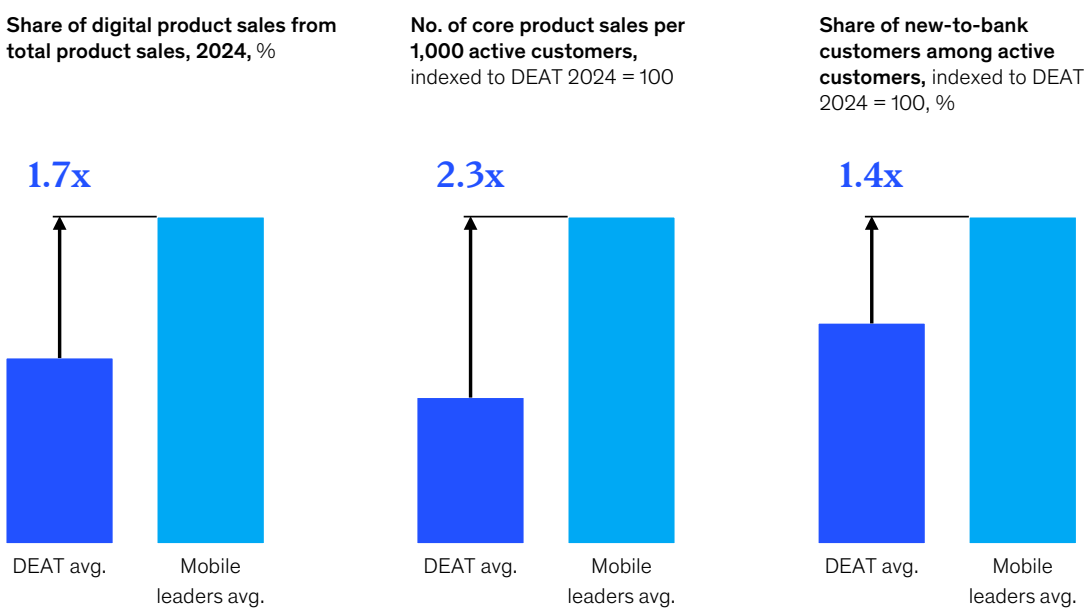|	
Shorter application forms for existing customers	71
Prepopulation of known details for new-to-bank customers	53
Chat support during application	30
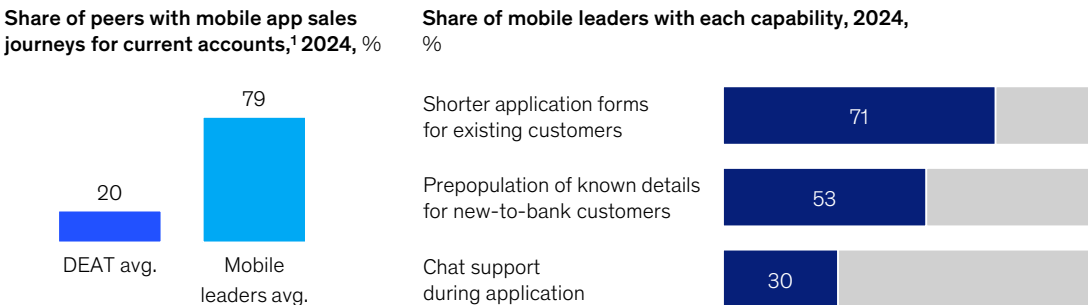
1. Pre-log-in, straight-through process.

Source: Finalta by McKinsey

Mobile leadership fuels growth beyond the screen

Digital leaders aren't just ahead—they're setting the pace: top performers close 1.7 times more sales digitally than banks in Germany and Austria. The gap is no longer just about technology—it's about outcomes.

Exhibit 2.5

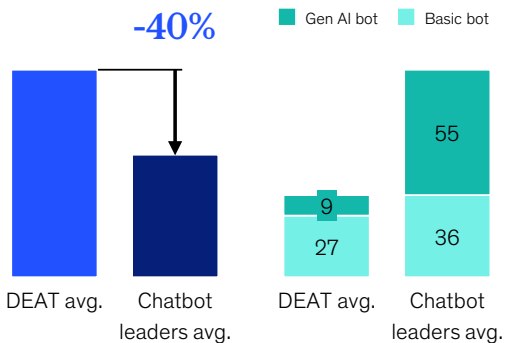**Share of digital product sales from total product sales, 2024,** %

No. of core product sales per 1,000 active customers, indexed to DEAT 2024 = 100

Share of new-to-bank customers among active customers, indexed to DEAT 2024 = 100, %

1.7x

2.3x

1.4x

DEAT avg. Mobile leaders avg.

DEAT avg. Mobile leaders avg.

DEAT avg. Mobile leaders avg.

Source: Finalta by McKinsey

Not only do mobile leaders lead on digital metrics, they also translate digital performance into higher core product sales per 1,000 active customers and new-to-bank customer acquisition. This underscores how digital intent becomes measurable growth as soon as capabilities are in place. Therefore, to keep pace with, and move ahead of, these mobile leaders, German and Austrian banks need to act decisively and take action without delay.

Adding the human touch without the human

Exhibit 2.6

Share of chatbot sessions transferred to agent, 2024, indexed to DEAT = 100, %

-40%

DEAT avg.

Chatbot leaders avg.

Share of chatbot type available in mobile app, 2024, %

■ Gen AI bot ■ Basic bot

DEAT avg.
- 9
- 27

Chatbot leaders avg.
- 55
- 36

Actual use of gen AI, %

| In general | 46 |
| For financial tasks | 18 |

Waiting-time sensitivity to switch to gen AI, % gen AI users

■ Interact with gen AI immediately ■ Wait to speak with a person

	Interact with gen AI immediately	Wait to speak with a person
<1 minute	41	59
1-5 minutes	47	53
5-10 minutes	55	45
10-30 minutes	72	28
>30 minutes	71	29
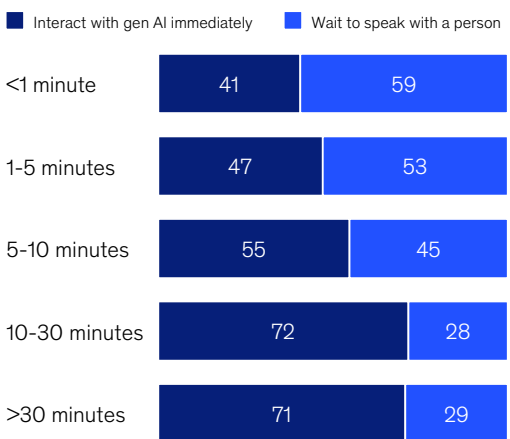
Source: Finalta by McKinsey; 2025 GBAR Global Survey

Conversational tools, such as gen AI-powered chatbots and virtual assistants, are emerging as a strategic lever to reduce friction, enhance customer engagement, and boost digital sales. According to Finalta by McKinsey, leading banks leveraging chatbots in customer service achieve 40% fewer handovers to human agents, reflecting higher resolution quality and seamless orchestration between automated and human support.

The McKinsey Global Banking Annual Review Survey 2025 underscores that customers are increasingly ready to adopt these tools. While only 18% of German customers currently use gen AI for banking, a significant share would be willing to switch to such tools depending on the waiting time to speak with a human agent. Importantly, German customers trust gen AI solutions from their primary bank more than general platforms. However, in practice, many still turn to platforms like ChatGPT, highlighting the low gen AI maturity of banks.

Today, most banks remain focused on basic functionality and service deflection, with only 9% of German and Austrian banks integrating gen AI bots into their mobile applications. This represents a clear call to action: banks need to elevate their offerings, combining the efficiency of AI with a human touch, to transform digital channels into true sales engines and meet rising customer expectations.
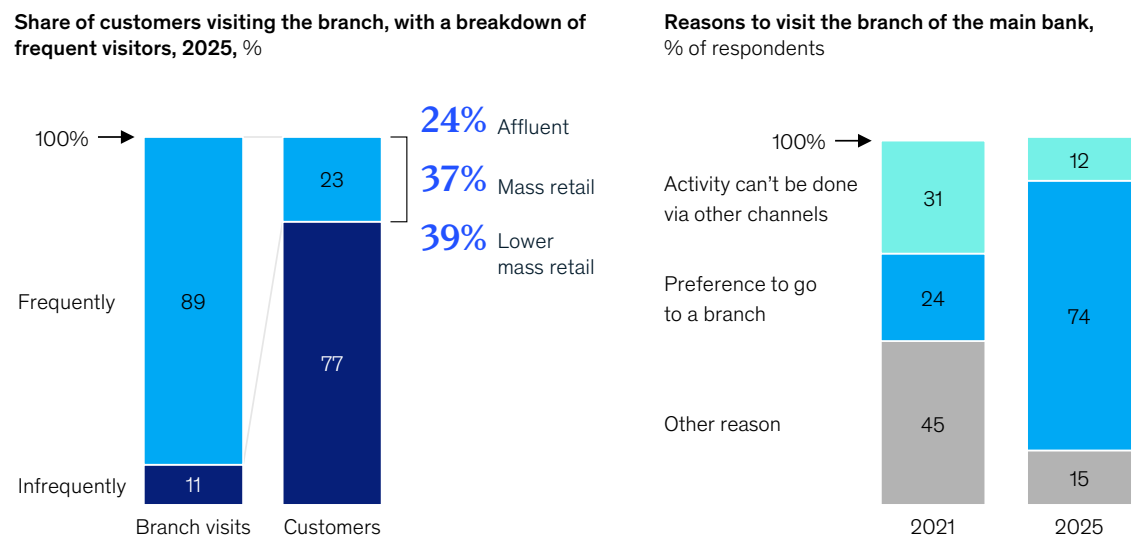
23%

of customers account for
almost all branch visits

Banks aren't meeting the right customers in their branches

Bank branches remain one of the few physical and face-to-face touchpoints for customers, yet only a very limited share of customers actually still visit them. The McKinsey Retail Banking Survey shows that 23% of customers account for 89% of visits, with the majority of customers coming from the lower mass and mass retail segments. Additionally, most branch visits today are motivated by customer preference and not necessity. While 74% of customers say they visit the branch because of personal preference, only 12% say they need to go to the branch because the product or service is not provided via other channels.

Exhibit 2.7

Share of customers visiting the branch, with a breakdown of frequent visitors, 2025, %

Reasons to visit the branch of the main bank, % of respondents

Source: McKinsey Retail Banking Survey 2025

These insights highlight the need for a proactive and strategic steering of branch engagement. The future of financial advice is not branchless; it is rather built on fewer advice-led locations that reflect banks' core strengths and focus on high-value segments and activities. This presents an invaluable opportunity for incumbent banks to enhance their value propositions—not by transforming into direct banks, but by integrating branches into hybrid customer journeys. Branches can focus on providing complex advisory services, while routine interactions are shifted to digital channels.

The opportunity for banks lies in intelligently combining digital capabilities with human expertise—delivered through mobile-orchestrated, seamlessly integrated experiences across channels. This approach enables the creation of personalized, end-to-end customer journeys that not only deepen engagement but also create sustainable value.

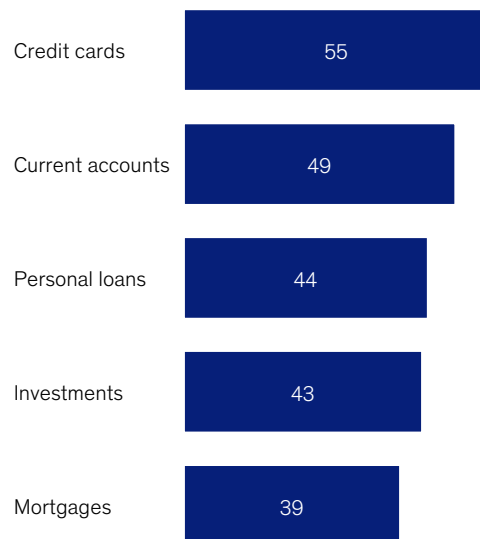# Remote advice is a real alternative to branches

Insights from the McKinsey Retail Banking survey reveal that remote is gaining traction—even among traditionally branch-reliant customer segments. Over 40% of customers who frequently visit branches would be willing to switch to remote advice, and this willingness extends across product types.

For leading banks, remote channels are not just about lowering costs but also delivering high-quality advice for complex products like mortgages, investments, and insurance. Banks that position remote as a core pillar of a hybrid advisory model can have more availability, bolster customer satisfaction, and decrease the lengths of meetings while building stronger, more scalable relationships.

Impact, however, depends on more than just a video feed. Delivering consistent, high-quality remote advice requires robust platforms, integrated scheduling tools, co-browsing capabilities, and seamless handovers to product specialists. When executed well, remote advice doesn't just match the branch experience—it often outperforms it in availability, efficiency, and customer satisfaction.

Exhibit 2.8

Share of customers frequently visiting the branch who would consider remote advice on each topic, %

Potential impact of remote advice

Product	%
Credit cards	55
Current accounts	49
Personal loans	44
Investments	43
Mortgages	39

Meeting duration, minutes — **-45%** — 60 → 35

Customer satisfaction, indexed — **+5%** — 86 → 90

Availability, hours — **+50%** — 9 → 18

Branch / Remote
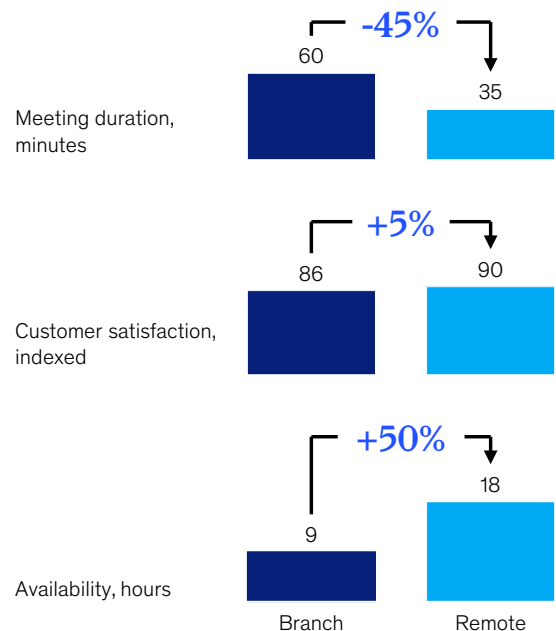
Source: McKinsey Retail Banking Survey 2025

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