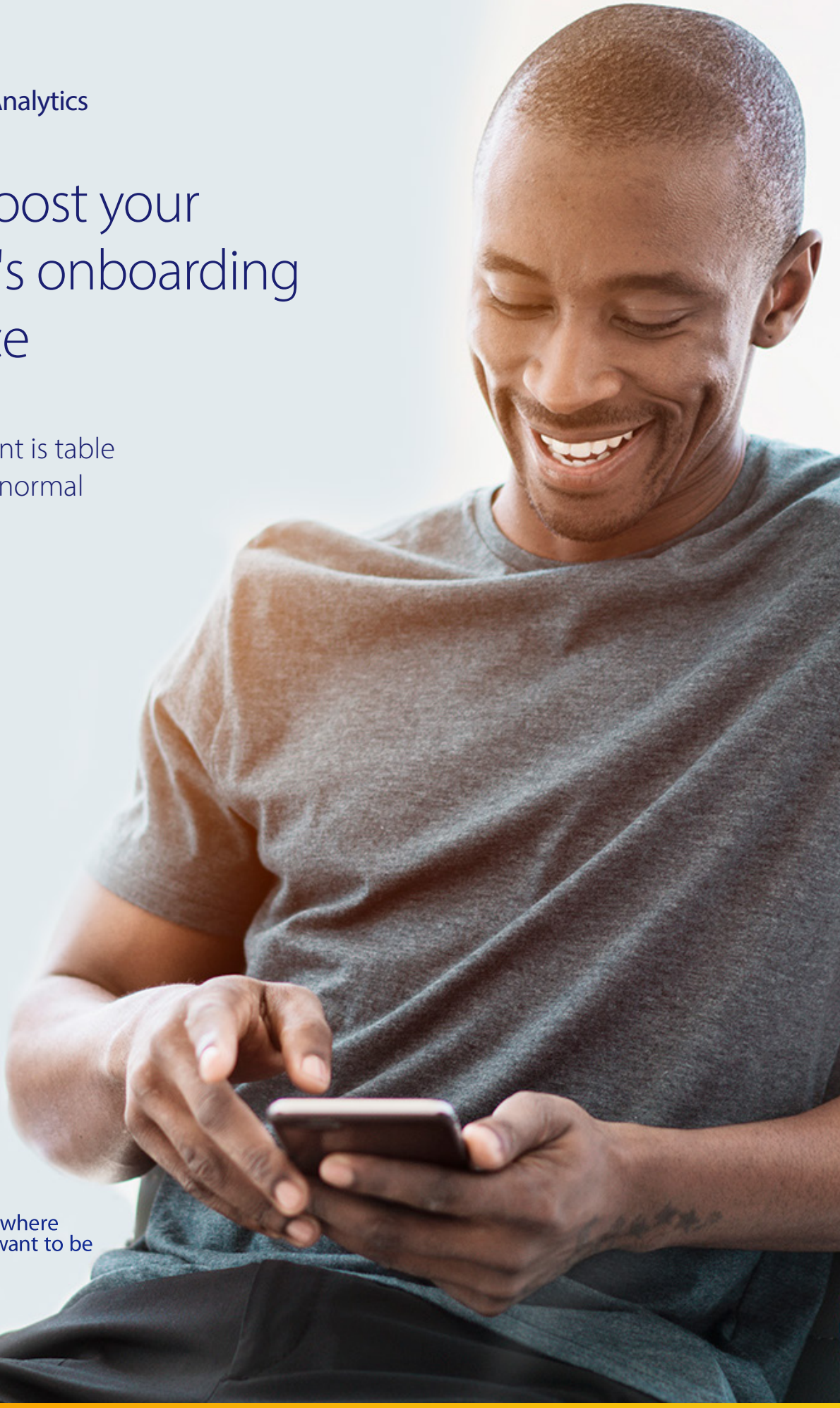
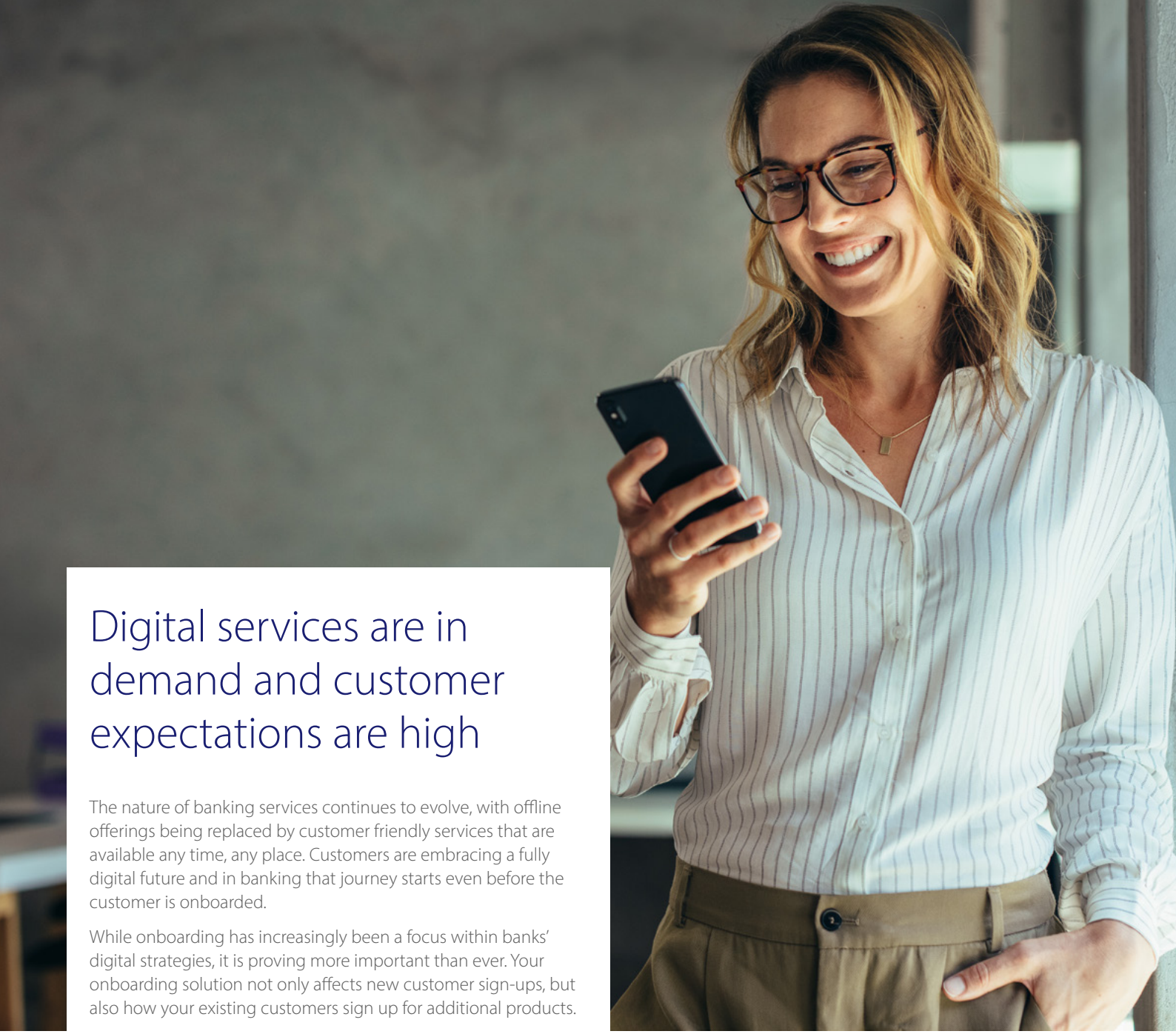
Visa Consulting & Analytics

How to boost your customer's onboarding experience

Digital engagement is table stakes in the new normal



VISA everywhere you want to be



Digital services are in demand and customer expectations are high

The nature of banking services continues to evolve, with offline offerings being replaced by customer friendly services that are available any time, any place. Customers are embracing a fully digital future and in banking that journey starts even before the customer is onboarded.

While onboarding has increasingly been a focus within banks' digital strategies, it is proving more important than ever. Your onboarding solution not only affects new customer sign-ups, but also how your existing customers sign up for additional products.

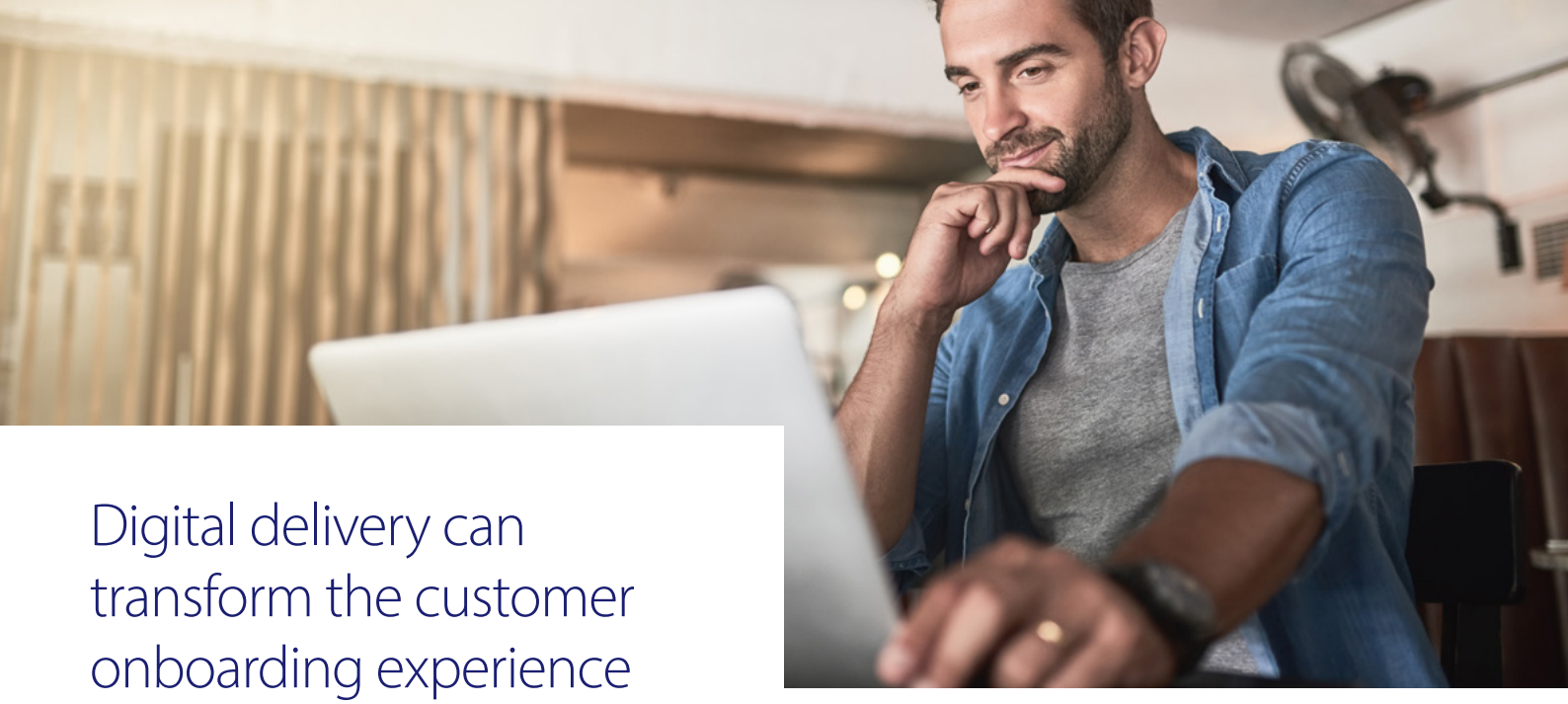
Visa research into how digital onboarding best practices increase customer satisfaction, **shows customers onboarded in this way are more engaged, are likely to transact more across channels and geographies, and contribute greater profitability**[1]. This increased customer value is driven in part by innovative propositions, such as instant issuance of payment credentials and increased payment options, that can only be delivered in a digital world.

In this paper, **Visa Consulting & Analytics (VCA)** provides insights and best practices from the world of onboarding. To bring to life what consumers expect when digitally onboarding and highlight what is possible, we have undertaken market research.

We use this research to:

- Analyze current onboarding experiences provided by banks,
- Assess customer sentiment towards those experiences, and
- Determine best practices that will delight the customer.

1. Visa Digital Onboarding Benchmarking Study, Central and Eastern Europe, July 2020.

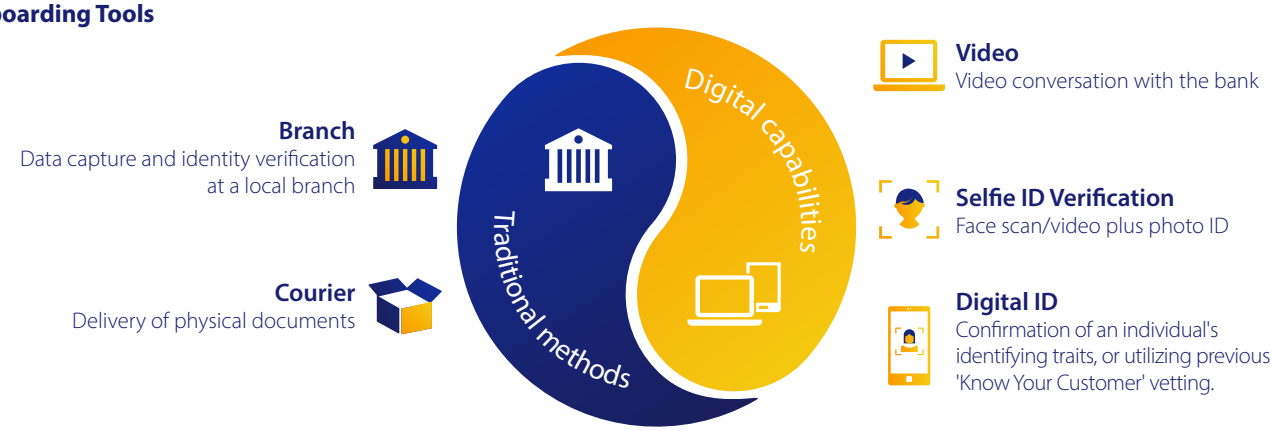


Digital delivery can transform the customer onboarding experience

The onboarding journey starts from the initial moment of customer interest in your offering, to the time when they can start to use their account. Making this journey as simple and seamless as possible for the customer will drive engagement during the early days of the relationship.

When assessing the onboarding journey that a new customer experiences, whether applying for a transactional account, another product, or a new feature of an existing product, each stage of the process needs to be evaluated. Capturing the data required and verifying the customer's identity has traditionally been done through face-to-face or mail channels, whereas digital capabilities give you the opportunity to deliver the experience your customers want.

Onboarding Tools



There are three broad classifications for onboarding models:

1. Traditional

Journeys that start and finish in the offline channel (branch, courier).

2. Digitalized

Journeys based on the traditional model with one or more digital interventions.

3. Digital

Journeys built from scratch that are fully digital from beginning to end.

Today, many banks still largely rely on traditional channels for onboarding, but we are seeing a shift to digitalized experiences, where traditional and digital journeys are integrated in response to customer demands for more flexible options. Customer identification and/or data capture is increasingly being done digitally and being built into existing traditional journeys.

Fully digital customer journeys are most common among newer players who can start from scratch when defining their customer experience. However, we are slowly seeing incumbent banks starting to totally rethink the customer journey and design fully digital onboarding solutions.

Research shows that a mature digital journey increases customer satisfaction

We analyzed the best global practices and carried out in-depth studies in over 70 different onboarding journeys provided by top-tier banks[2]. For each onboarding journey, the customer was asked a number of questions about their experience, allowing each journey to be defined and the level of customer satisfaction assessed.

While examples of all three onboarding models were found, traditional journeys were the most common and digital journeys the hardest to find.

Customers were very enthusiastic about the benefits that fully digital onboarding solutions provided. The ability to complete everything securely online at a time convenient to them and be able to use their account straightaway by transacting online and making transfers, proved to be extremely attractive. Customers had many reasons why they would prefer a digital onboarding solution, including its speed, convenience and transparency, when compared to traditional methods. An onboarding process that is smooth, intuitive and fully digitally enabled also gives the bank an opportunity to drive engagement from the get-go, by enabling usage (e.g. card on file, digital issuance) from the very moment the customer is onboarded, driving stickiness and reducing the chance for dormancy or attrition through taking a comprehensive, customer-centric approach that focuses on convenience.

"Online (is my choice), but only when I can do everything online, without the need for confirmation in the branch or courier visits – these activities together extend the process of setting up an account."

"A very important condition for setting up an online account is that the account is opened as soon as possible. It is natural for me that within a few hours I should be able to use the account."

2. Visa Digital Onboarding Benchmarking Study, Central and Eastern Europe, July 2020.

Be guided by five key principles when designing your digital onboarding solution

Through our research, we identified some key success factors that, if used when shaping your proposition, will enhance your customer's satisfaction during their initial dealings with your organization. Customers are ready and waiting for a fully digital future, but what you offer them must not only provide them with time savings, but also encourage them to use their account to the full in the early days. Integrating the placement of their card credentials online and in their mobile, as part of the onboarding journey, will help to quickly build customer engagement.

Your digital onboarding solution should ideally meet the following five key principles:

1. Optimized Process

- **Limit the onboarding journey time** to less than 10 minutes
- **Avoid repetition,** with each piece of data only being asked for once

2. Simplified Customer Journey

- **Communicate simply and concisely** at every stage of the process
- **Use meaningful and complementary graphics** that when combined with the text provide a stronger message
- **Be open with the customer,** clearly showing what is required from them

3. Seamless User Experience

- **Provide access to well trained customer support people** to address any problems immediately
- **Facilitate an omni-channel process;** ensure the application can be continued in another channel should problems occur

4. Use Technological Capabilities

- **Deliver the ability to onboard in one session,** from interest to usage
- **Integrate early usage features,** such as digital issuance, card-on-file and e-wallet provisioning, online merchant sign up e.g. Netflix

5. Cutting Edge Security

- **Introduce a layered and well informed security policy** to protect the customer.
- **Language** is of utmost important when outlining a security policy, **so simplicity and easy to follow nomenclature** is key to capturing consumer trust
- **Access to customer service should be mentioned** and clear pathways to **resolution** should also be highlighted whether is via live agent, phone call or email

By structuring your digital onboarding solution to deliver what your customers want, you will allow them to start using your services straightaway, increasing your chances of success.

Adopt process best practices to improve the digital onboarding experience for your customers

Through researching the views of customers regarding their digital onboarding journeys, we have been able to identify 18 different process best practices. By incorporating these into your offering, you are much more likely to improve customer engagement, streamline your onboarding process and ensure that your customer can start using their account straightaway.

Digital Onboarding Best Practices

Improve Customer Engagement	Streamline the Onboarding Process	Enable Immediate Account Access
Communicate simply and concisely	Inform the customer of the documents required	Virtual card issued for immediate use
Use informal language	Present Terms & Conditions and Declarations in a meaningful way	Activate online banking
One question per screen format	Use a fully digital '*Know Your Customer*' process	Immediate addition of the card to a digital wallet
A "task bar" to show where the customer is in the journey	Minimize manual data entry	Immediate choice of card PIN
Use graphics and color	Speed up the process through fully leveraging technology	Provide a delivery date for the physical card
A best-in-class approach to account security	Onboarding time of less than ten minutes	
An additional layer of security		

A good discipline is to benchmark where you are against these best practices. Based on our experience of digital onboarding journeys across the globe, the following is a good guide:

FUNCTIONAL	**Adoption of <7 best practices.** Your digital onboarding journey is barely meeting minimum requirements of your customers.
GOOD	**Adoption of 7 to 10 best practices.** Your digital onboarding journey is good but there are things that you can do to be more attractive to potential customers.
BEST	**Adoption of 11 or more best practices.** You are one of the best performers in your market, giving you a competitive edge.

Getting this first touchpoint with your customers right can be the gateway to a much more profitable relationship, for both you and your customers. Utilizing technology to unlock additional innovation, allows your customers to immediately transact and manage their finances.

Benefits for you and your customers

Delivering a seamless, intuitive digital onboarding experience that makes it easy for customers to provision their payment credentials and embed them in their e-wallets or preferred merchants from inception leads to higher engagement and naturally drives activation and usage from day one. It also allows the bank to deliver better compliance, reduce costs, and deliver innovative solutions immediately. Our research provides a clear and simple message: the rise of digital has raised customers' expectations to have a straightforward, convenient user experience, whether they are opening a bank account or doing their weekly shop online.

When it comes to digital onboarding, the average amount of time after which customers abandon their application is 14 minutes and 20 seconds. Any longer than this, and 55 percent of customers leave the process[3]. If the time taken reaches 20 minutes, 70 percent of customers completely abandon their attempt to open an account.

Therefore, to ensure you attract engaged customers, you need to deliver a digital onboarding experience that is short and straightforward and delights the customer. The learnings and best practices outlined in this paper can be applied to make a real difference in any market in the world.

How Visa can help you

Visa Consulting & Analytics (VCA) can guide you through the successful execution of each of the four steps you need to follow to build the right digital onboarding proposition for your customers.

1. Assessment of Current Solution

- VCA can take an in-depth look at your current onboarding flows, both from a user experience and a processes perspective
- We can also help you navigate any regulatory hurdles and local market legislation

2. Business Case Development/ Impact Analysis

- Develop the business case for change, covering incremental benefits and costs
- Strengthening customer service support to help resolve any issues for users

3. User Experience Design and Research

- Development of a process flow predicated on primary customer research in your market, ensuring the best messaging and communication
- Test prototypes with your customers to refine and adapt to their expectations

4. Solution Development

- VCA can dedicate resources to help you build your onboarding proposition. (Know Your Customer, digital issuance, provisioning)
- Tap into ready-made capabilities for Digital Onboarding through leveraging Visa APIs and Fintech Connect partners

3 Signicat: The Battle to Onboard III - Why has huge investment in digital transformation led to so little change?, 2019. https://ecutechnology.com/wp-content/uploads/2020/04/The-Battle-to-Onboard-III-Signicat.pdf

About Visa Consulting & Analytics

We are a global team of hundreds of payments consultants, digital marketing specialists, data scientists and economists across six continents:

- Our consultants are experts in strategy, product portfolio management, digital, risk and more, with decades of experience in the payments industry.
- Our data scientists are experts in statistics, advanced analytics, and machine learning, with exclusive access to insights from VisaNet, one of the largest payment networks in the world.
- Our economists understand economic conditions impacting consumer spending and provide unique and timely insights into global spending trends.

The combination of our deep payments consulting expertise, our economic intelligence, and our breadth of data, allows us to identify actionable insights and recommendations to enhance your digital onboarding proposition.

We can help you to improve your digital offering and design, sharpen your targeting and acquisition strategy and transform the digital experience your customers receive.

For help addressing any of the questions raised in this paper, please reach out to your Visa Account Executive to schedule time with our Visa Consulting & Analytics team or send an email to **VCA@Visa.com**. You can also visit us at **Visa.com/VCA**.

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