

Driving Primacy with Next Generation Personalization

AMERICAN BANKER.
DIGITAL BANKING



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Pinwheel



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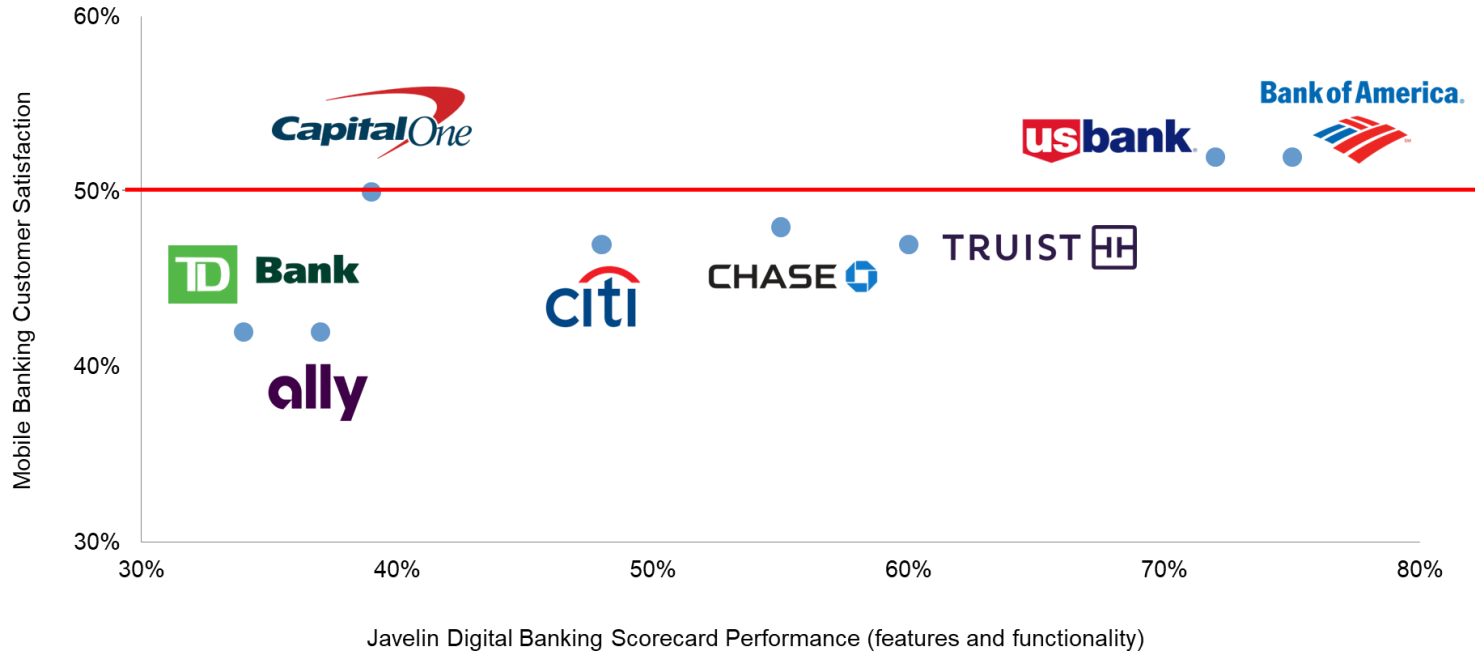
Chief Digital and Client Experience Officer
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Emmett Higdon

Director, Digital Banking
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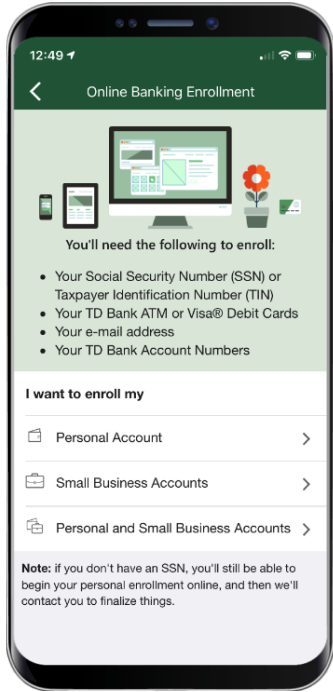
Mobile Banking Struggles to Deliver Satisfying, Personalized Experiences



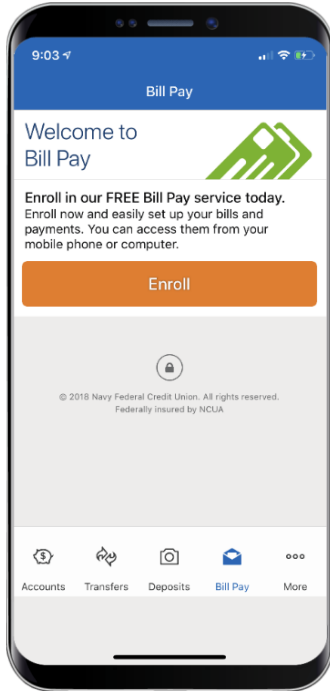
Source: Javelin Strategy and Research, 2023

Ease of Use Drives 36% of Mobile Banking Satisfaction

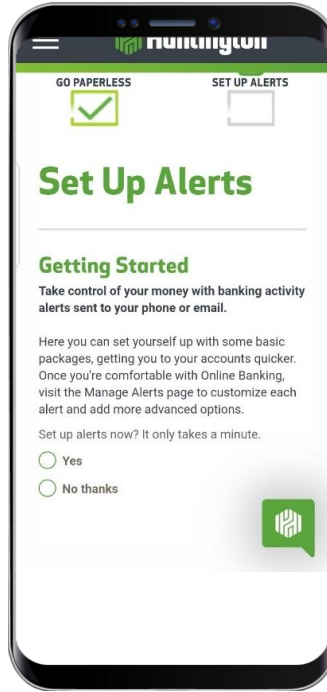
Online Banking



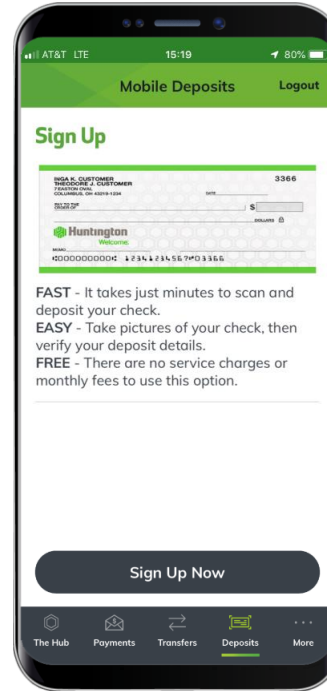
Bill Payment



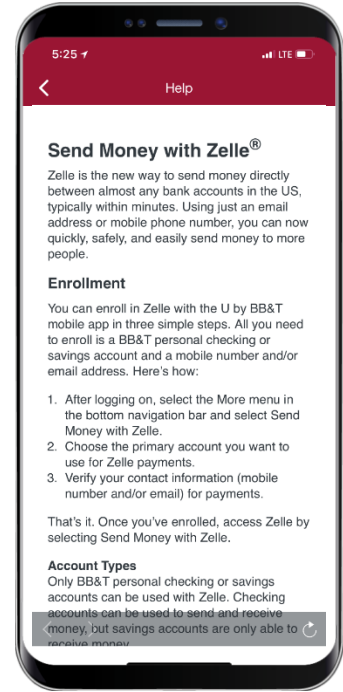
Alerts



Mobile Deposit

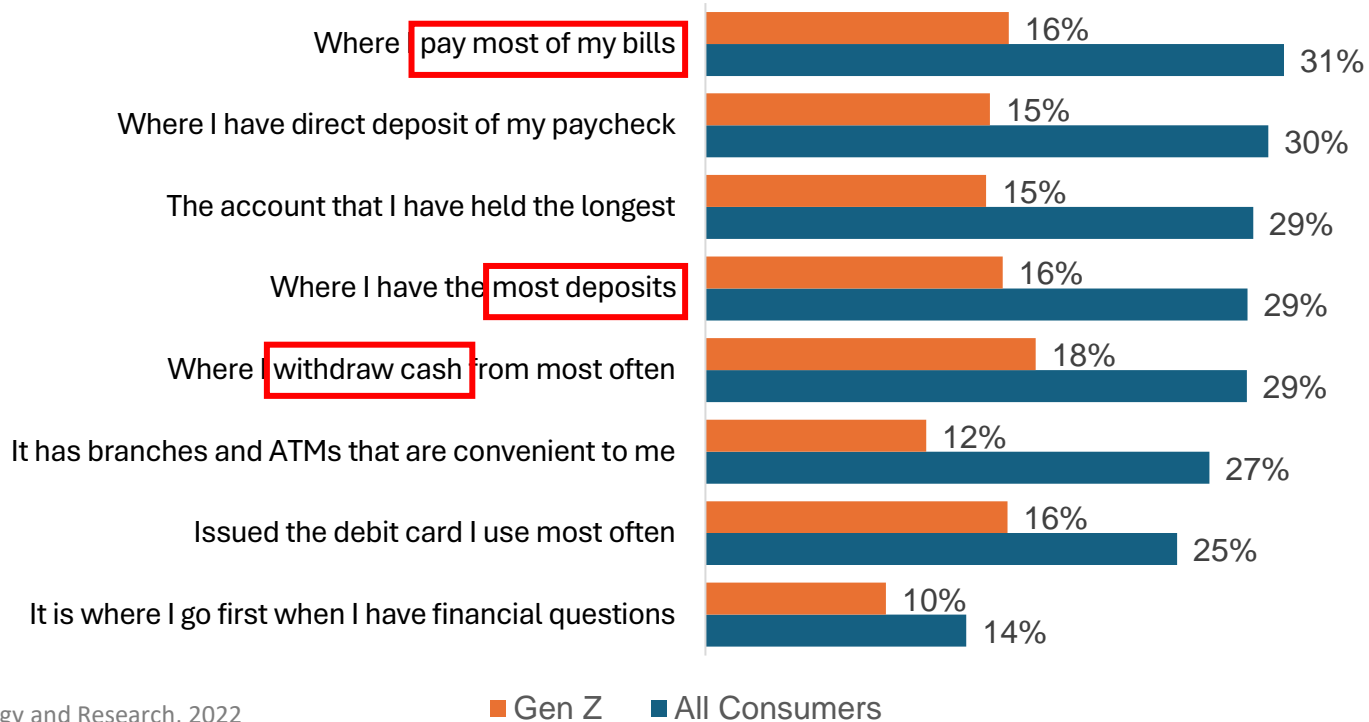


Zelle®



“Primary Bank” Perceptions Are Changing

Gen Z’s Definition Based Heavily on Transactional Interactions



Source: Javelin Strategy and Research, 2022

■ Gen Z ■ All Consumers

Understanding the Journey from Transactional to Proactive, Personalized Banking

Javelin Mobile Banking Maturity Path

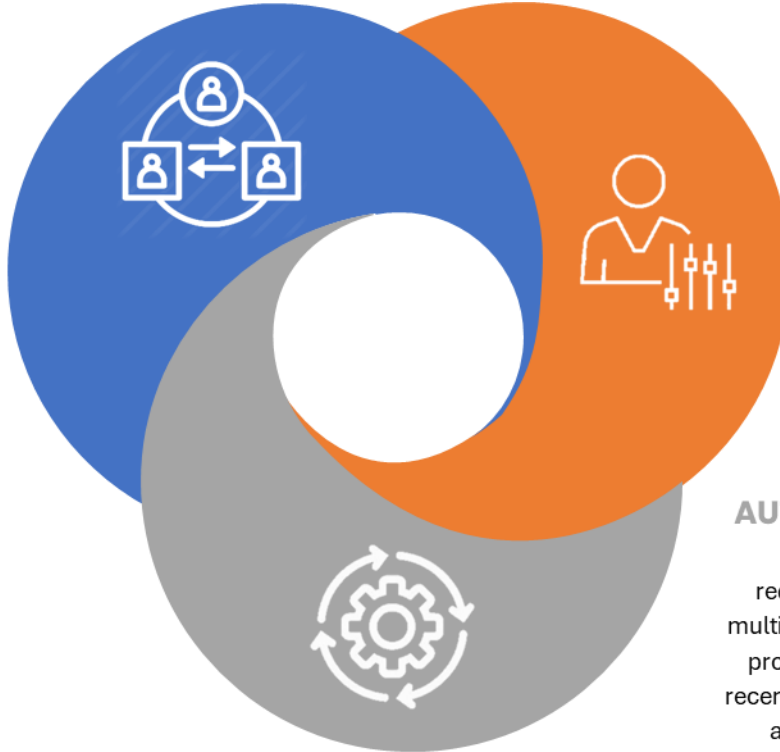


Source: Javelin Strategy & Research, 2021

Key Drivers of Mobile Banking Maturity

ENGAGEMENT

Generating greater mobile app engagement hinges on brief, compelling interactions, gamification, and rewards to generate the same release of endorphins from a smart financial move as from someone “hearting” your most recent picture of your dog on social media.



PERSONALIZATION

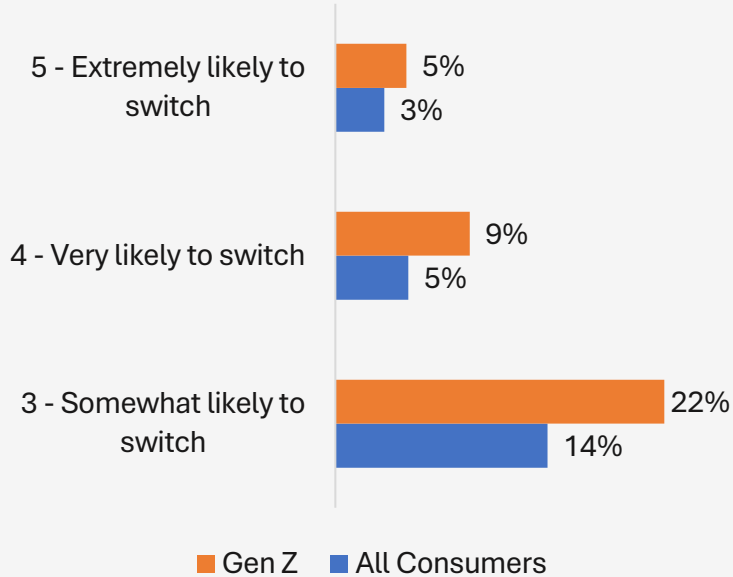
As banks progress through the Maturity Path, the depth of customer data required to deliver richer, more engaging experiences rises exponentially with each phase. The value to the customer of this pivot rises as rapidly as the data required to deliver such insights.

AUTOMATION

Automation must reduce the effort required by mobile bankers to conduct multiple-step transactions, apply for new products, or gain some insight into their recent activity and behavior. Today, these activities require significant input and effort—limiting their appeal and use.

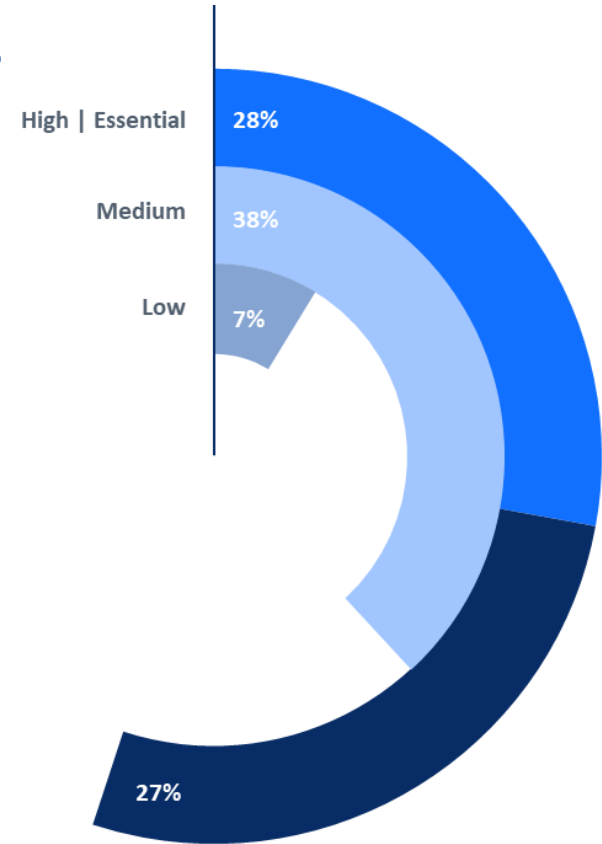
Source: Javelin Strategy and Research, 2021

How likely are you to switch primary banks in the next 12 months?



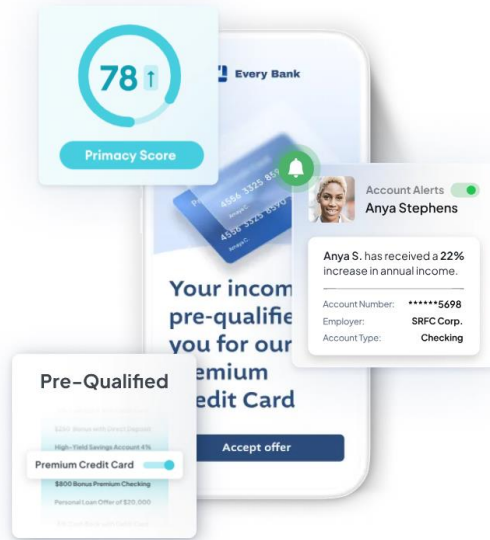
May 2024 n = 8333
Base: Digitally active primary banking customers
Source: Javelin Strategy and Research, 2024

How important is it to be able to switch your direct deposit easily during account opening?



Source: Savanta Consumer Study

Payroll Data Provides Deeper Customer Insights



Employment Data



- Employee name and address
- Date of birth
- Employment status (full-time, part-time, contract, active, terminated, etc.)
- Type of income (salary, hourly, etc.)
- Job title
- Hire date
- Months of employment
- Employer description and address

Sources: Javelin Strategy & Research, 2023

Money In



- Gross income
- Net income
- Annual income
- Pay cycle
- Year-to-date income
- Hourly income and net hourly rate
- Timesheet entries (paid, unpaid, or scheduled)
- Hours worked that will be paid in the following pay cycle
- Overtime
- Bonuses
- Allocated tips

Money Out



- Tax withholding, current period and year to date (federal and state, Social Security and Medicare, etc.)
- Health care deductions
- HSA and FSA contributions
- Insurance benefit payments (life, disability, pet, etc.)
- Retirement contributions (401(k)s, etc.)

TRADITIONAL PRIMARY MILESTONES

- 1 Switch the direct deposit

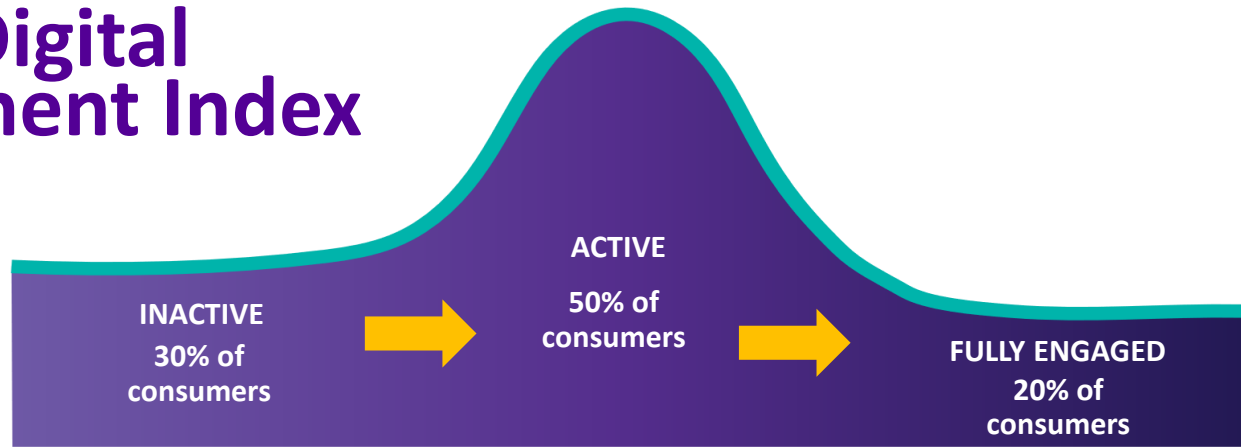
- 2 Enroll customers in online banking

- 3 Establish a debit PIN

TODAY'S ONBOARDING PRIORITIES

- ✓ Switch the direct deposit
- ✓ Engage personal finance features
- ✓ Switch over bill pay
- ✓ Dominate the digital wallet
- ✓ Switch over subscriptions
- ✓ Win pole position for P2P
- ✓ Deepen digital habits
- ✓ Position FI as a financial partner
- ✓ Cross-sell credit card
- ✓ Aggregate external accounts
- ✓ Participate in rewards programs
- ✓ Fire up alerts and notifications

Javelin Digital Engagement Index



Accounts Held

2.5

2.8

3.5

Daily Debit Daily Use

16%

29%

40%

Likely to Recommend

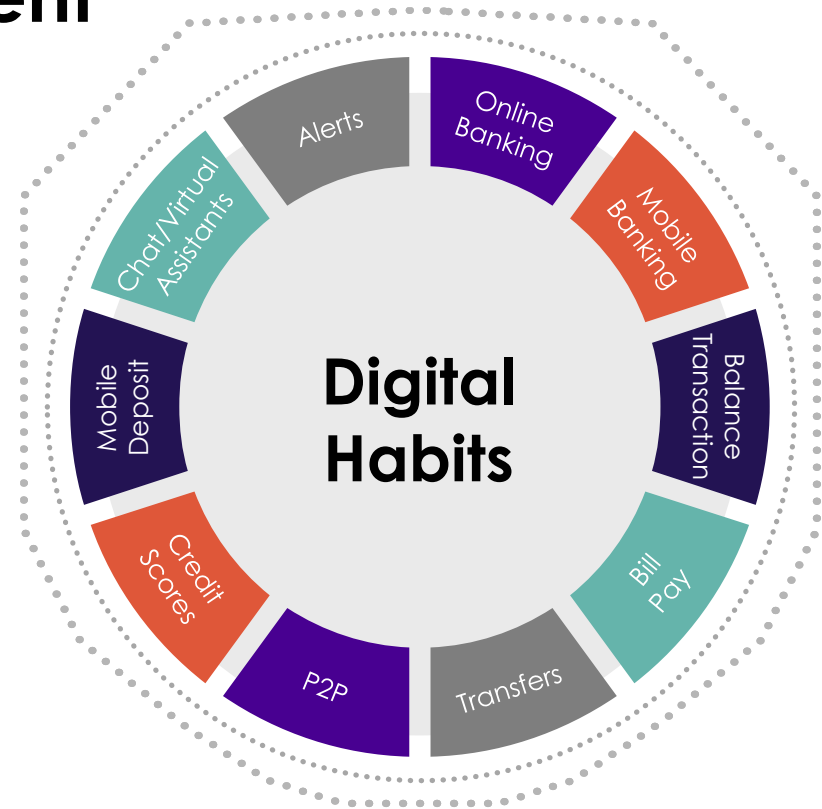
47%



51%

60%

Deepen digital habits to expand the foundation of engagement


- **Employ a multifaceted approach** that incorporates digital nudges and financial incentives.
- **Provide digital tours** in the banking app to showcase tools that will save time and provide a consolidated view of their finances.
- **Leverage in-app alerts** and notifications to emphasize personal value and actionable insight.
- **Provide incentives** such as fee waivers, rates, and rewards to motivate accountholders to adopt digital habits.




 **Becca R.** 

Employer: TechSphere
 Next payment date: 02/22/24
 AVG monthly income: \$7,239.81
 Employment Status: Full-Time Salary

Annual estimated income: **\$188,235**


78 

Primacy Score



 **ALERT:** New external account funded


[Review Transactions](#)





Direct Deposit Allocation

Competitive Insights

Your Bank	<div style="width: 86%;"></div> 86%
External Savings Account	<div style="width: 9%;"></div> 9%
External Brokerage Account	<div style="width: 5%;"></div> 5%

 **Jason Lin**
Pre-Qualified Credit Card

\$25,000 Credit Limit

 **24%** 

Direct Deposit Enrollment Rate

Total income

\$3,324


Loan risk



Low

Allocation Amount

▲ 9% since 00/31/2024


67%




 **High Allocation Percentage**

Dawn L.

Income increased **22%** in the last 31 days.

 **Pre-Qualified**
As of 2/15/2024

-  Luminary Cashback Card
-  High Yield Savings
-  \$55,000 Personal Loan

Go paperless, enhance security, and **grow your low-cost consumer deposits**

2-3x

direct deposit enrollments vs
paper forms

60-80%

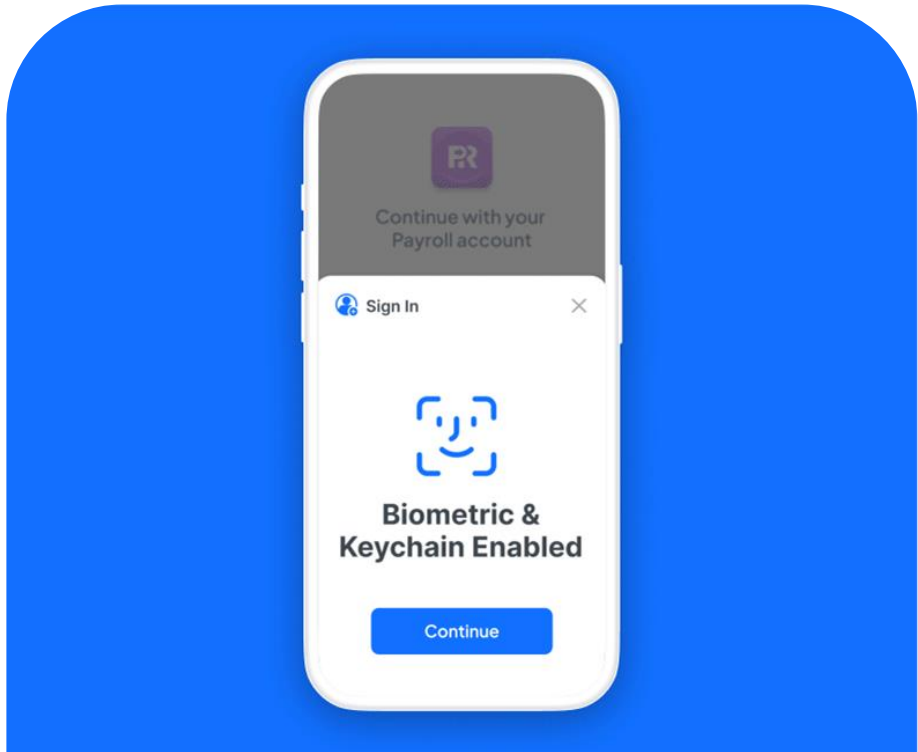
average account balance growth
when enrolled in
direct deposit

20-50%

improvement in direct
deposit enrollments vs
similar solutions

\$946

average account revenue
per year uplift when
enrolled in direct deposit

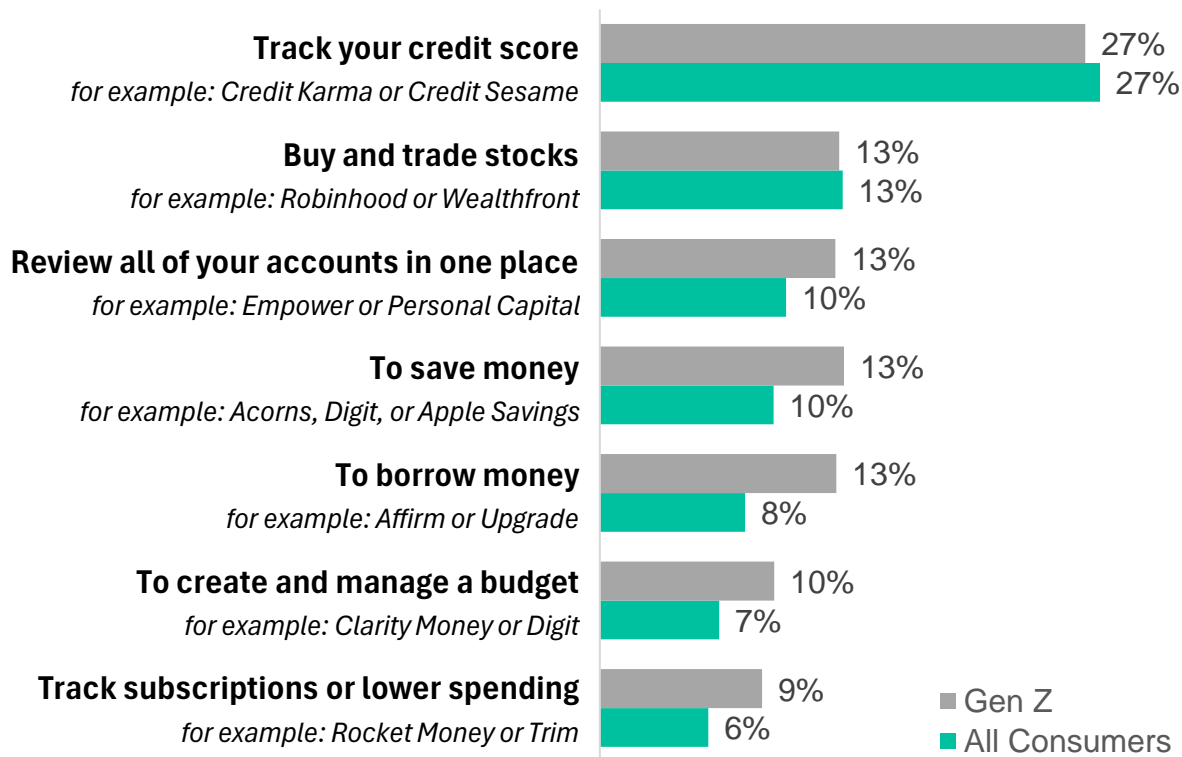


55%

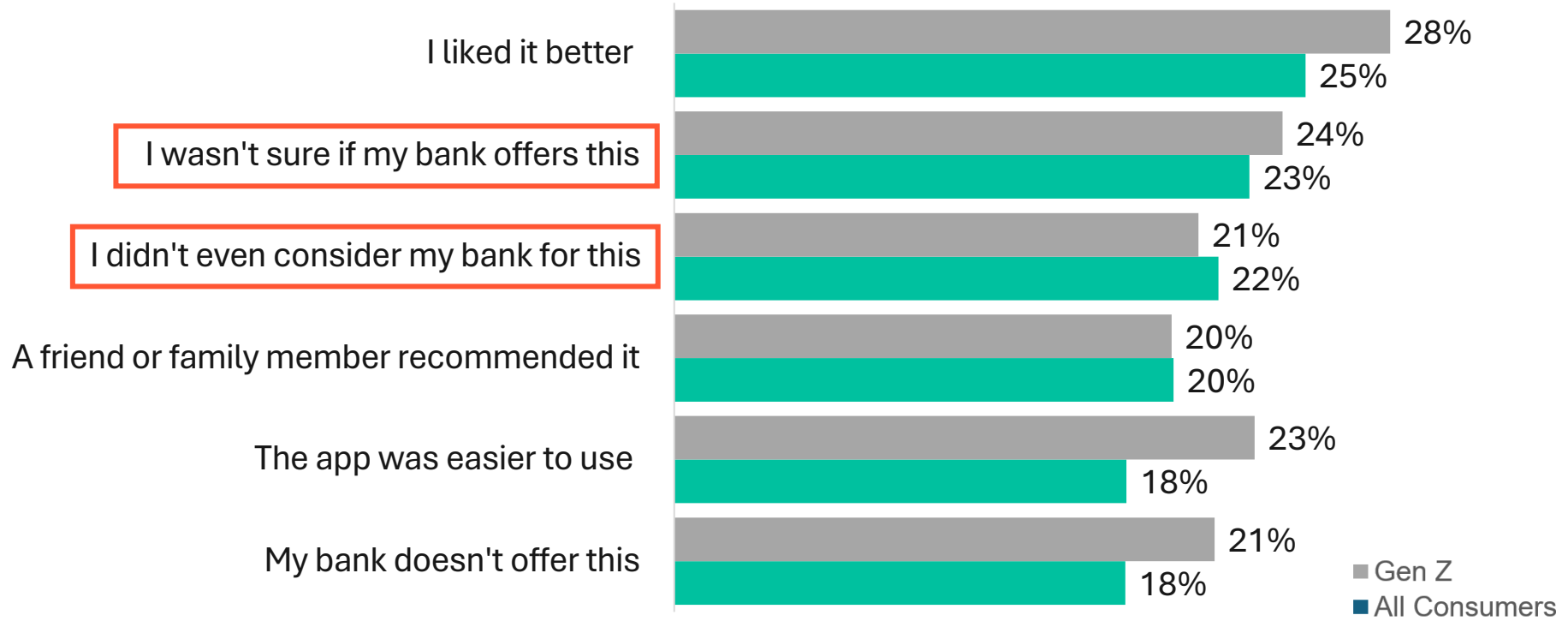
of consumers say they do not get their auto loan, mortgage, credit cards, and brokerage services from the same bank that holds their primary checking account relationship.

Source: Savanta Consumer Study

Have you turned to a provider other than your primary bank for the following services in the past 12 months?



Why did you not consider your primary bank for this need?



banking transformed
white paper
by: Jim Marous


MARCH 2024




 Pinwheel


The Power of Primacy



javelin |  DIGITAL ONBOARDING

Ongoing Onboarding:
The Antidote for Disengaged,
Unprofitable Customers





WHITEPAPER | APRIL 2024

