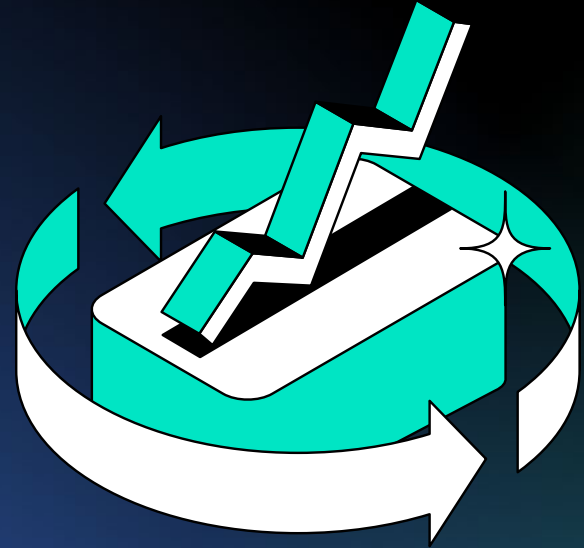




MoneyLion®

SUPERCHARGE ACQUISITION WITH FINANCIAL MARKETPLACES



ENGINE
By MoneyLion

Engine Insights

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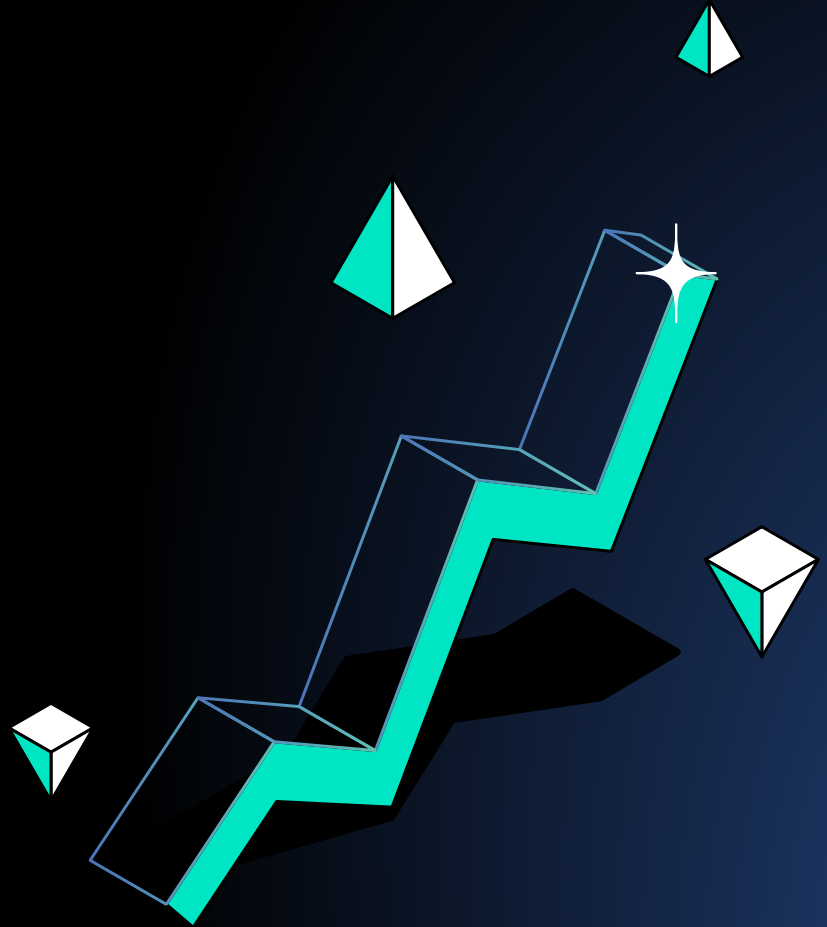
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Introduction

In the pursuit of new acquisition channels, many product providers are turning to financial marketplaces as viable distribution partners. They allow financial institutions (FIs) to exponentially increase the visibility and consideration of their products, scale their offerings effectively, and expand acquisition efforts to reach consumers not yet within their Ideal Customer Profile (ICP).

Expand Reach and Deepen Consideration

Marketplaces offer a broad and diverse range of products, which naturally attracts a wide audience and significantly enhances brand and product exposure. They typically invest heavily in content that helps consumers understand and compare products. This strategy is valued for its perceived neutrality compared to direct advertisements from providers. It is highly appealing to millennials and Gen Z consumers, who prioritize well-informed purchasing decisions. This approach is particularly effective in non-brand search—a usually costly and inefficient acquisition channel for providers—which can be optimized through partnerships with marketplaces that include these providers in their campaigns.

Marketplaces aim to reach consumers effectively by using data-driven insights from shopping activities and transactions within their ecosystem, often outperforming traditional financial providers. They boost product awareness by presenting relevant and informative content during critical moments of a consumer's shopping journey, thereby influencing shopping intent and fostering customer loyalty.

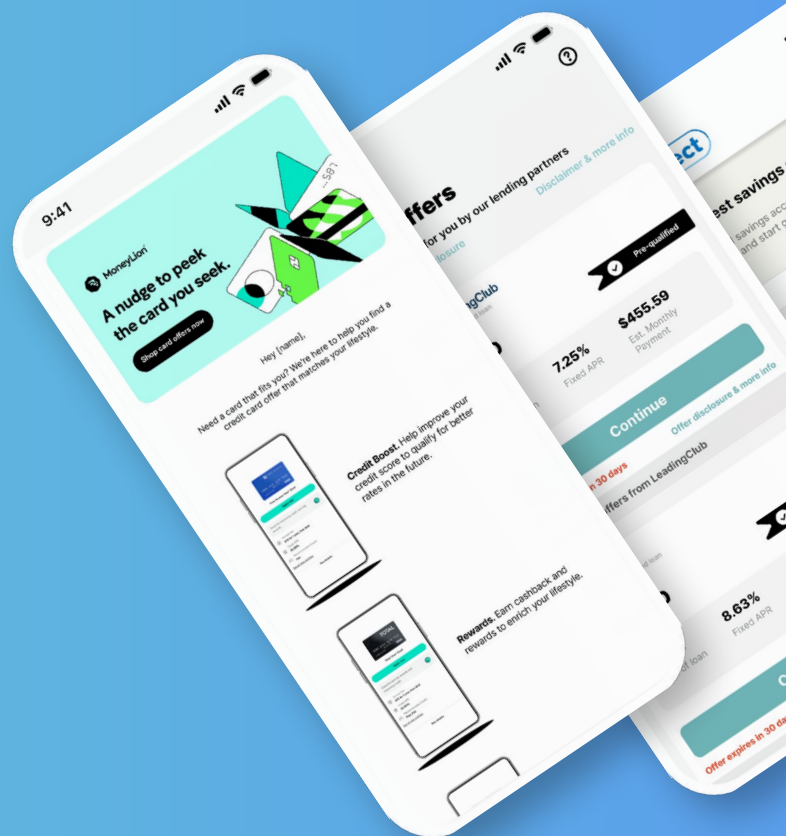
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This is a win-win for our enterprise partners because they are getting 'vetted' consumers who have shown they have the ability, willingness and 'skill' to pay back those loans. We're bringing that to a segment of the population that previously did not have access to it."

Dee Choubey

Co-Founder and CEO,
MoneyLion

Source: 'MoneyLion: On a Mission to Become the Expedia of Financial Services', PYMNTS



Increase Funnel Efficiency by Moving Decisioning Model Upstream

FIs face a fundamental marketing efficiency problem: they incur high Customer Acquisition Costs (CAC) to attract consumers who are then rejected by their underwriting models. This acquisition inefficiency is unavoidable at scale because product providers rarely have enough data to make firm offers of credit across all of their acquisition channels upfront.

According to a [recent survey](#), the financial services sector has the third-highest combined CAC at \$784, closely behind higher education and real estate.

Marketplaces equipped with advanced technology to qualify and match consumers at the top of the sales funnel can significantly enhance funnel performance for FIs. Hosted modeling is increasingly recognized as a solution to address inefficiencies in the funnel. Moreover, by focusing on decision points, FIs can influence consumers early in the shopping journey and align them with suitable offers later on, all while ensuring a seamless user experience.

Optimizing the integration of decision-making within the funnel extends beyond simply where the decisioning model is located; it also involves

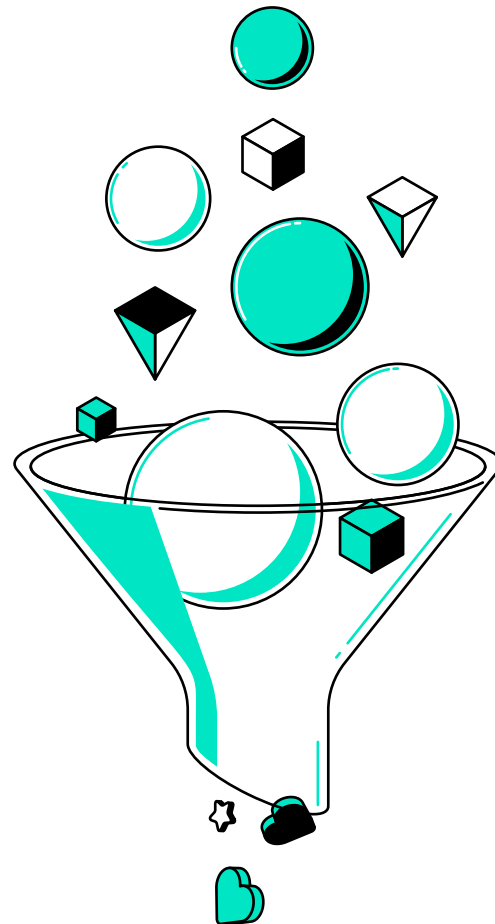
considerations such as the use of alternative data for filtering, such as cash flow data. For example, studies have shown a strong correlation between loan performance and banking data, including savings account balances, bill payment history, and overdraft usage.

Based on a survey conducted by the CFPB focusing on people with credit scores under 720,

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Consumers with positive self-reported cash flow outperform by 20 percent or more, depending on the cash flow proxy used.

Source: *'Looking at credit scores only tells part of the story – cashflow data may tell another part'*



Remain Competitive by Making Informed Decisions

Entering marketplaces presents your products alongside competitors, providing consumers with alternative options. While this proximity may seem like a risk of product cannibalization, the benefits can outweigh the risks if you partner with the right marketplaces. Marketplaces offer product providers broader data sets that can be leveraged for pricing, product development, and re-engagement efforts.

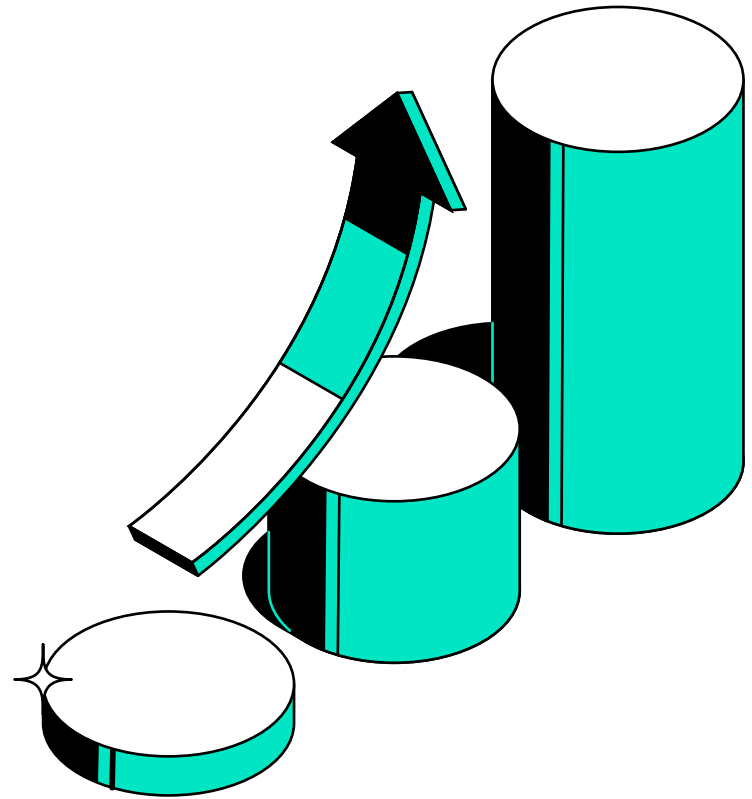
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If we don't cannibalize ourselves, someone else will.

- Steve Jobs

Firstly, marketplaces serve as a testing ground to compare your offers against competitors and gauge audience resonance. Secondly, identifying affinities between your product offerings and the partner sites can inform you about audience engagement and, for conversions, the personas now part of your customer base. Lastly, by gaining full funnel transparency from your marketplace partners, you can conduct deeper cohort analyses that influence your product roadmap and future offerings.

In essence, understanding how competitors position their benefits and their impact on consumers, along with tested CX/UX improvements, can enhance conversion rates. Regularly monitoring market trends and consumer interests ensures that your strategies remain relevant and effective.



Summary

The marketplace model benefits all parties involved. Consumers gain access to a wider selection of products, while product providers achieve increased visibility, competitive insights, and access to a targeted audience.

However, not all marketplaces are the same. Product providers must evaluate each partner closely to ensure they not only increase their consumer reach and customer acquisition but also manage the intricacies of privacy and compliance. Leveraging data-

driven insights is paramount for marketplaces to deliver optimal matching and personalization to consumers. We recommend another whitepaper from the [Engine Insights](#) series, '[5 Fundamentals of a Financial Marketplace](#),' where the authors delve into the key elements to evaluate when selecting your marketplace partners.

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MoneyLion's evolution has come at a time when the neobank model itself has been forced to change to survive, and the marketplace concept has been validated by MoneyLion's earnings, which show that 80 million customer inquiries had been made through the first three months of 2024 alone, surging 130% from a year ago.

Source: 'MoneyLion: On a Mission to Become the Expedia of Financial Services', PYMNTS

To learn about how **MoneyLion** is powering financial marketplaces and connecting financial products to best of breed financial marketplaces, visit engine.moneylion.com



About MoneyLion

MoneyLion is a leader in financial technology powering the next generation of personalized products and content, with a top consumer finance super app, a premier embedded finance platform for enterprise businesses and a world-class media arm. MoneyLion's mission is to give everyone the power to make their best financial decisions. We pride ourselves on serving the many, not the few; providing confidence through guidance, choice, and personalization; and shortening the distance to an informed action. In our go-to money app for consumers, we deliver curated content on finance and related topics, through a tailored feed that engages people to learn and share. People take control of their finances with our innovative financial products and marketplace - including our full-fledged suite of features to save, borrow, spend, and invest - seamlessly bringing together the best offers and content from MoneyLion and our 1,100+ Enterprise Partner network, together in one experience.

MoneyLion's enterprise technology provides the definitive search engine and marketplace for financial products, enabling any company to add embedded finance to their business, with advanced AI-backed data and tools through our platform and API. Established in 2013, MoneyLion connects millions of people with the financial products and content they need, when and where they need it.

For more information about MoneyLion, please visit www.moneylion.com.

For information about Engine by MoneyLion for enterprise businesses, please visit engine.moneylion.com.

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