



Digital Origination And Onboarding

From “How Optimized Checking Account Origination Can Create Relationship Primacy,” a Curinos webinar presented February 7, 2024, featuring Suraya Randawa, head of omnichannel experience, and Andrew Hovet, managing director.

The quality of digital checking-account origination is improving, but a sizable gap remains between digital- and branch-originated relationships: A year after origination, digital balances are up to 10 times lower and digital retention rates are 20% lower.

While banks and credit unions continue to improve their origination journeys, they still need to make significant changes to achieve the mobile-first origination journeys of leading digital players.

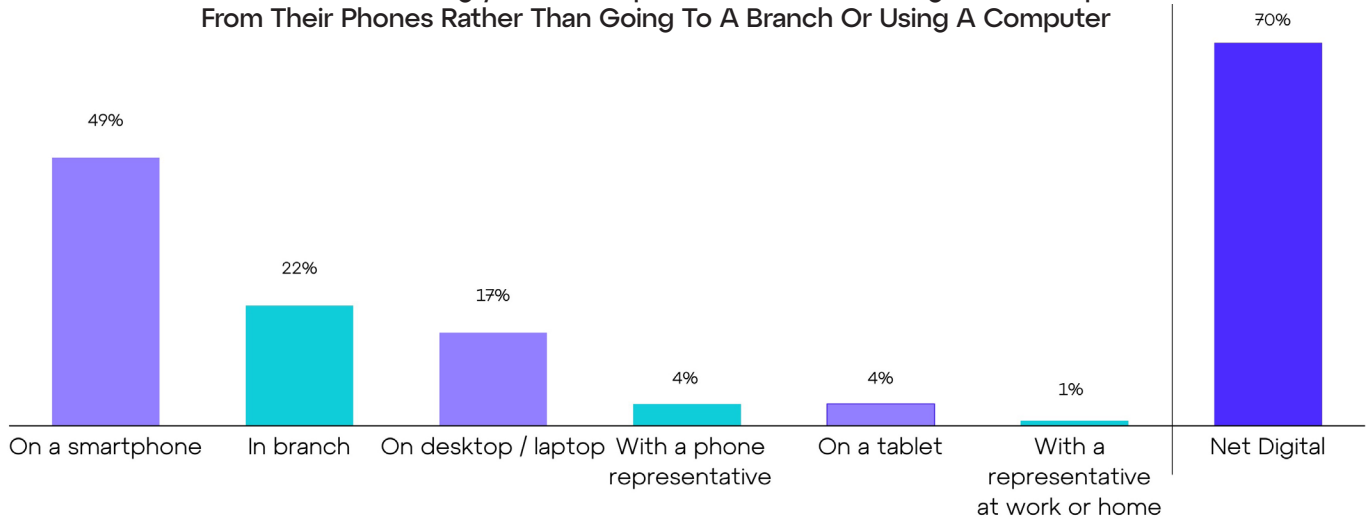
The webinar covered the performance levels for digital checking-account origination and explored how digital origination is evolving to achieve tighter balance security, greater speed and deeper customer engagement.

Here’s what to think about in creating digital customer journeys that maximize engagement while minimizing friction:

Customers Prefer Mobile By A Widening Margin

Digital is the overwhelming preference for opening a checking account, and almost half of consumers say they'd prefer to do so on a smartphone. Fewer than one in four would choose to open their account at the branch. Even desktops, laptops and tablets are losing ground to the ease and convenience of mobile phones.

Consumers Increasingly Want To Open Their New Checking Relationships From Their Phones Rather Than Going To A Branch Or Using A Computer



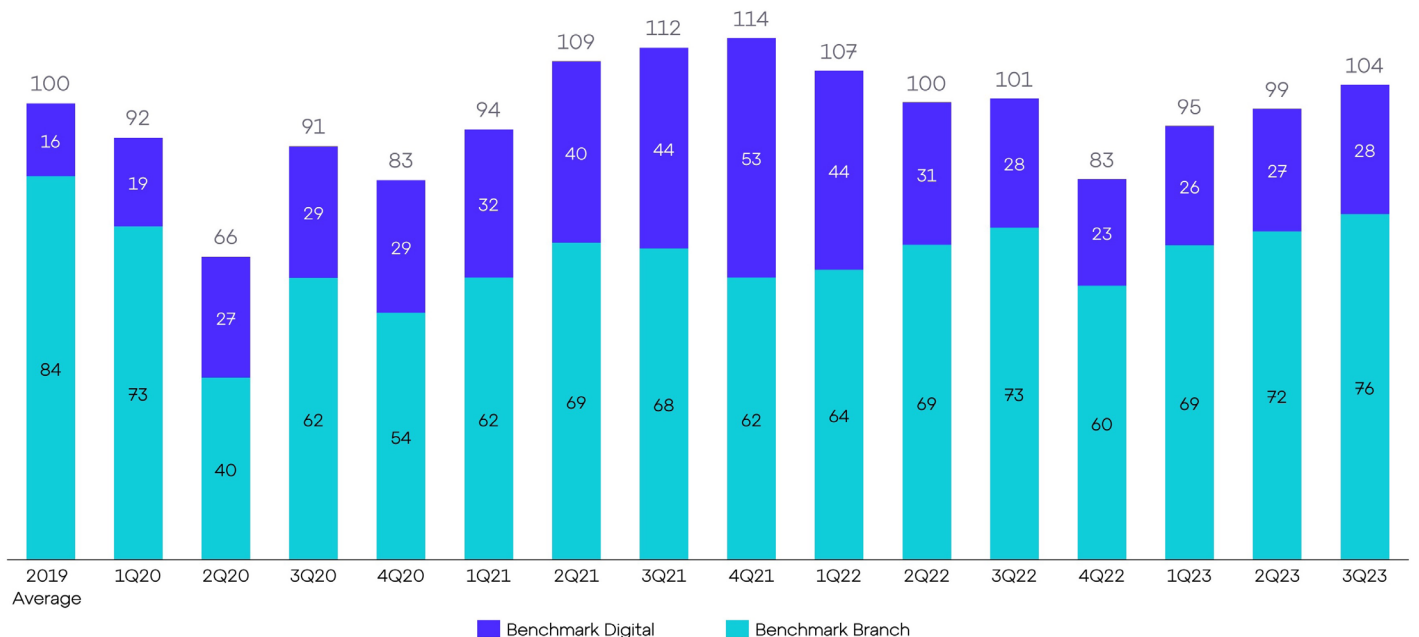
Source: Curinos Customer Knowledge | U.S. Shopper Survey 2019/2023 | Q49: How would you prefer to open a new checking account?

But The Digital Tide Hasn't Lifted All Boats

Digital originations surged during the pandemic and have since moderated, but they're well above pre-Covid levels. Still, the preferential and actual shift to digital hasn't translated into a greater volume of new checking accounts. Q3 '23 account openings were only marginally higher than they were pre-pandemic. And while consumers may say they prefer digital, three out of every four checking accounts are still opened at the branch.

Even With The Increase In Digital Origination, The Aggregate Acquisition Levels Are No Higher Than Pre-Pandemic

Checking Customer Acquisition By Channel (Indexed To 2019)



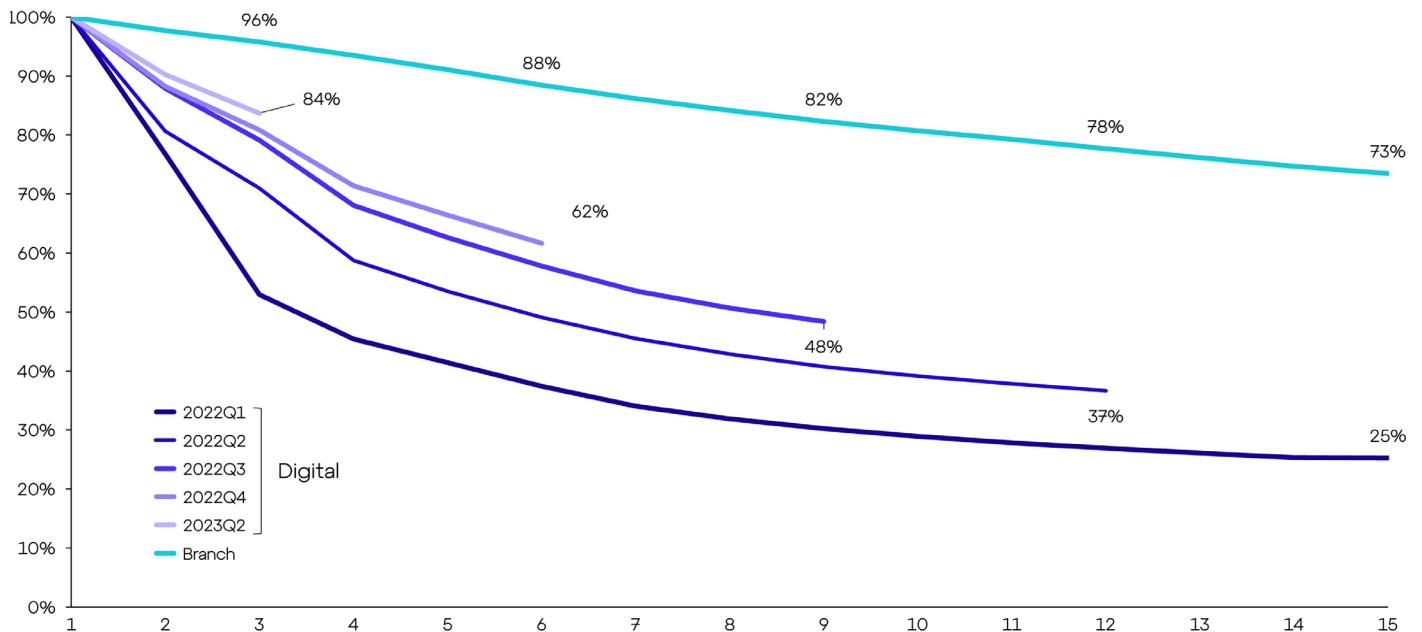
Source: Curinos Distribution Analyzer — Digital

Increased Digital Quantity Hasn't Translated Into Quality

The Achilles heel of digital originations continues to be customer and member relationships of much lower quality. Not only are account balances lower than those originated in branches (if the accounts are funded at all), they degrade quickly and then steadily over time. Consumers say they prefer digital, but accounts with sticky balances are three times more likely to have started with a face-to-face encounter at the branch.

While Retention Rates Have Improved With Improved Fraud Controls, Retention Rates Are Still Significantly Lower Than Branch Originated Relationships

Relationship Retention By Channel



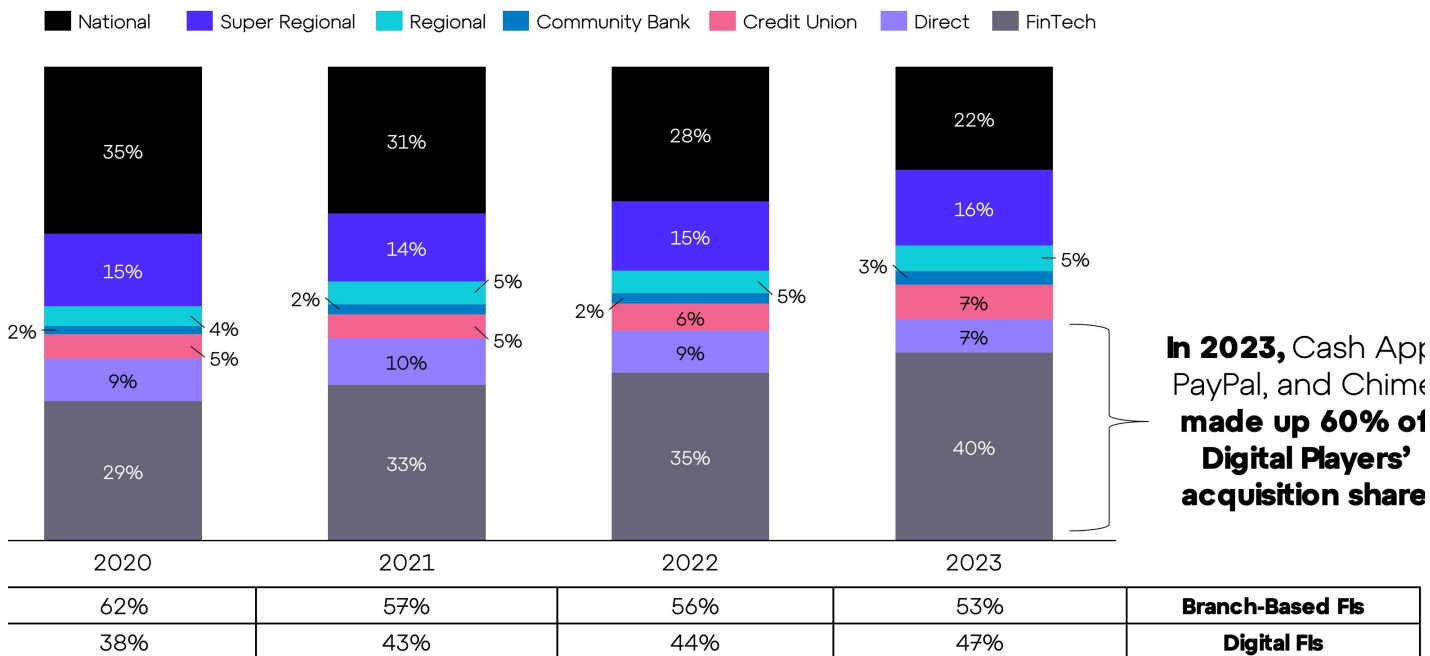
Source: Curinos Distribution Analyzer - Digital

New Primary Relationships At Fintechs Are Surging

Fintechs now account for 40% of new banking relationships, up from only 29% three years ago, and three brands — CashApp, PayPal and Chime — accounted for fully 60% of all new fintech and direct-bank relationships. This should be a cause for concern for traditional banks and credit unions. Consumers choosing fintechs generally have lower deposits and are less profitable, but they're worth defending because they help pay for the expensive branch and technology infrastructure required to support all segments.

Traditional Banks Are Losing Share Of New Primary Bank Relationships

Primary Checking Account Opened By Primary Bank Type, By Year



Source: Curinos Customer Knowledge | 2020–2023 U.S. Shopper Survey | Q10: In which year did you open your primary checking account (the checking account you use the most today)? | Note: 2023 includes responses from 2023 Shopper, 2022 includes responses from 2022 and 2023 Shoppers, 2021 includes responses from the 2021, 2022, and 2023 Shoppers, 2020 includes responses from the 2020, 2021, 2022, and 2023 Shoppers | Note: Payment Focused apps (Cash App, PayPal, Venmo) were not included in the shopper as a pre-listed digital choice until 2023. Respondents were able to write in the options as their primary bank in previous shoppers

More Screens, But Fewer Fields Per Screen

Adapting the application process to mobile doesn't mean much if the application experience doesn't also adapt. According to our testing, the completion of applications with minimalist design per screen is up to 60% faster than of those with a standard design — even if it means more screens. Less scrolling and fewer taps per screen make all the difference. The simpler-screen experience keeps users engaged and reduces abandonment.

Focus Applicants On One Input At A Time | Average Speed Test For Checking Account Applications

APPLICATIONS WITH MINIMALIST DESIGN

3
Minutes
26
Seconds

Less scrolling
Fewer clicks or taps
More screens
Fewer fields per screen

What do you do for work?
Again we have to ask, but don't worry this information isn't used to determine eligibility.

Other

Construction

Education

Entertainment

Food Service

Government

Healthcare

Manufacturing

Next

APPLICATIONS WITH STANDARD DESIGN

5
Minutes
27
Seconds

Lower screen count
More fields on one screen
More scrolling
More clicks or taps

Here we will ask about your employment

Which best describes your employment status?
Employed

Who is your employer?
Employer

What is your occupation?
Occupation

What is your primary source of deposits?
Select source

Back Next

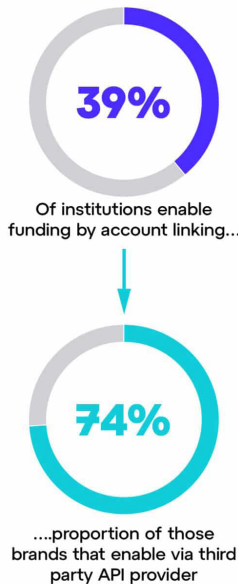
Frequently Asked Questions

Make Them Yours Instantly

How to drive primacy? Turn an applicant into a customer or member as soon as possible, starting with funding. Three-quarters of FIs that provide funding through account linking do so through APIs. Make direct—deposit signup prominent and easy. And how about immediate access to a debit card? These steps drive primacy, and the best chance for primacy is at the very start of the relationship. Don't miss this one-time opportunity.

Drive Primacy As Soon As Possible

FUNDING BY ACCOUNT LINKING



Use AI To Make Every Marketing Path “Ideal”

There's no longer one happy path or singular way to engage and motivate your members and customers. Amid the nearly limitless permutations of offers, messages and touches, AI — via a machine-learning platform — can determine who to touch, what offers to make and the cadence required to elicit favorable action, all in near-real time. Its ability to adapt marketing experiences and effectiveness to each recipient is sharpened by “always-on” learning. With the help of AI, there's never an “ideal” path, only the one that's ideal for each individual.

Scale Your Communications To Your Customers' Multiple Paths

INITIAL ENGAGEMENT Experiment, learn, and adapt with the help of AI

New To Bank Customer Journeys to Primacy Are Anything But Linear

Always-on communication programs
Dynamic experimentation, identify variables and let it run

Content Types	Ask	+	Incentive Types	Micro
	Give			Big Bang
	Tell			Premiums