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A Tipping Point for Digital Account Opening

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Today's Presenters



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Today's Agenda

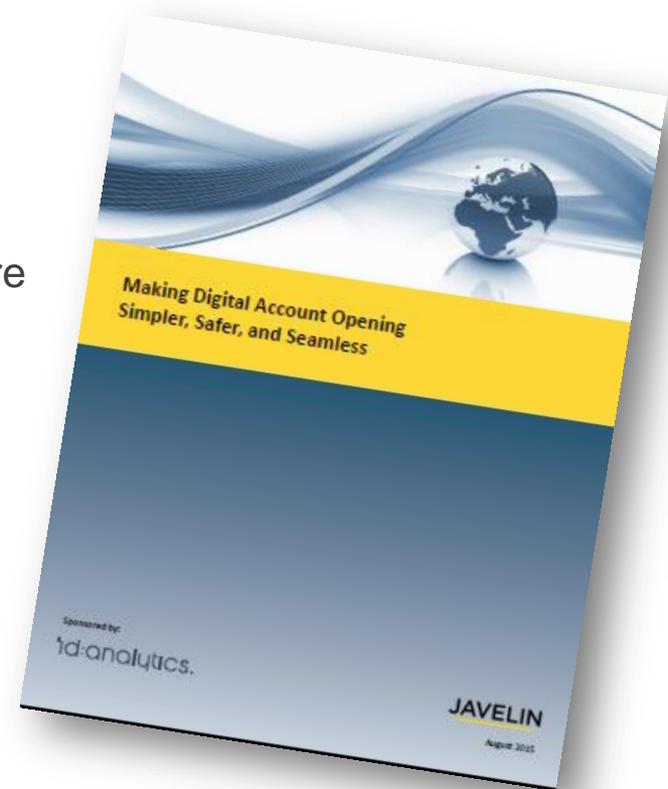
Use Digital Account Opening to Target Your Most Profitable Customers

Combat the Coming Surge in Fraud

JAVELIN Recommendations

Digital Account Opening Has Never Been More Critical – or More Challenging

Solutions to Solve Today's Challenges





Digital Account Opening Has Never Been More Critical – or More Challenging

Consumers Preferences Reaching a Tipping Point

If consumers who intend to open a accounts have their way, they will submit their applications in a digital channel.

CHECKING APPLICANTS



70% would prefer to apply in digital channels

CREDIT CARD APPLICANTS



80% would prefer to apply in digital channels

The Digital Account Opening Process Must Be...



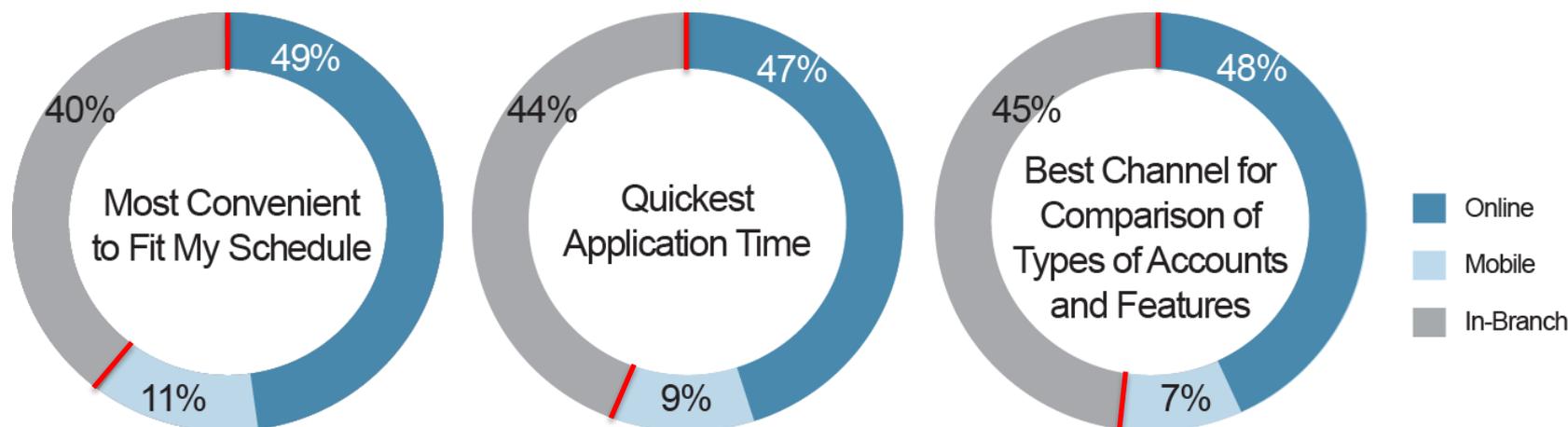
- **Fast and simple**
- **Integrated in an omnichannel strategy**
- **Secure**

Job 1: Live Up to Consumer Expectations

Consumers Give Digital Channels the Edge Over Branches for Convenience and Speed

More than half of consumers said applying online or on a mobile device would have three advantages over applying at a branch.

1. Most convenient to my schedule
2. Quickest application time
3. Best channel for comparing accounts and features



Account Opening on Mobile Devices Jumped 60%

The volume of accounts opened on smartphones and tablets rocketed from 2013 to 2014, led by:



Mortgages
+72%



Auto loans
+72%



Major credit cards
+64%



Checking
+61%



Use Digital Account Opening to Target Your Most Profitable Customers

Moneyhawks[®] Are Digital Account Opening Pioneers

Moneyhawks opened **32%** of the nine depository, loan, or investment accounts opened in the past year



2 in 3 intend to open checking, saving, or credit card accounts

They control **72%** of the deposits held by consumers who are likely to switch FIs in the coming year

3 in 4 opened an account in the past year using online (45%) or mobile channels (30%)

Emergents, Traditionalists Comprise 3 in 4 Consumers

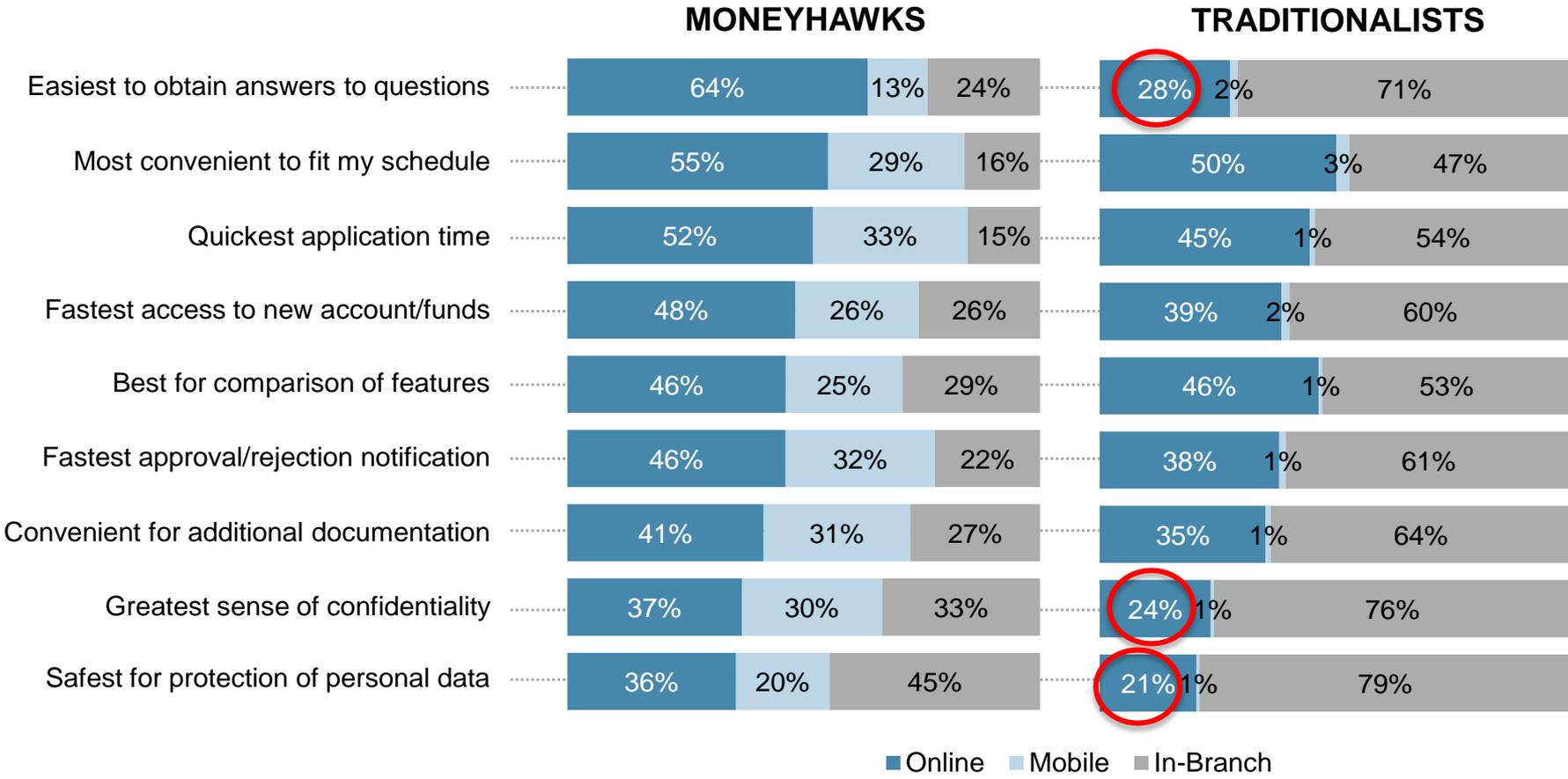


Mobile-minded Emergents opened **45%** of accounts in 2014 and are critical to future revenue growth



37%: The sheer number of Traditionalists makes them necessary for widespread adoption of emerging technology such as account opening, mobile deposit, and mobile banking

Traditionalists Harbor Misgivings About Digital Channels





Combat the Coming Surge in Fraud

2016 Is a Rebuilding Year for Fraudsters

- EMV transition will force fraudsters to redeploy resources
- Card-not-present fraud volume will grow
- Some crooks will shift to taking over accounts
- New-account fraud will surge



Breaches Have Exposed Historic Amounts of Data



New-Account Fraud Is Hard to Do, It's But Costly

New account fraud by the numbers (2014)



\$2 billion
total cost



720,000
victims



\$3,200
average fraud
loss

\$780
median fraud loss



\$400
average consumer
cost



25 hours
average hours to
resolve fraud



JAVELIN Recommendations

JAVELIN Recommendations

1

Build an integrated omnichannel process that focuses on consumer choice

2

Rely less on personal information to verify identities

3

Satisfy the digital-first consumer

4

Focus on engagement before cross-selling

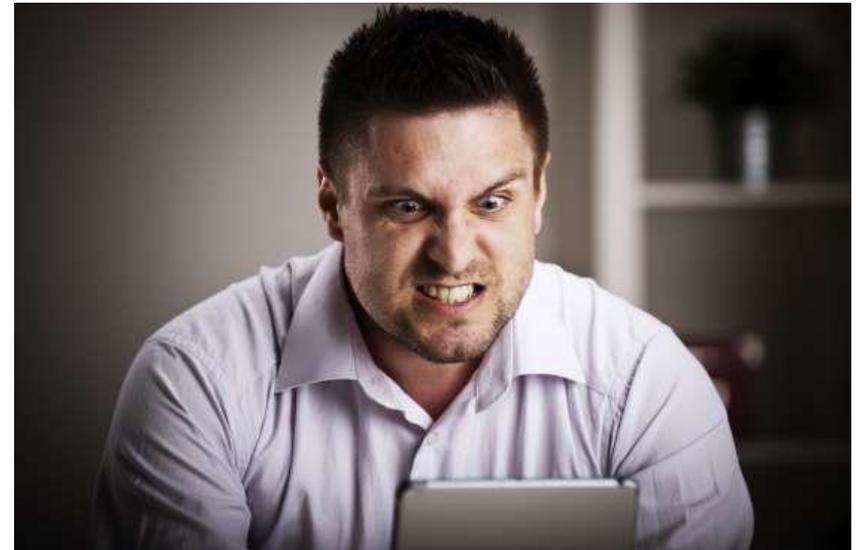
Solutions to Solve Today's Challenges



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Vice President
Innovation and New Ventures

Positive digital experience is more than a responsive web page

**Consumers expect a process that is specifically designed
for each channel**



**Few enterprises make changes to digital processes,
forcing consumers into tedious procedures**

ID Connect increases conversion rates while protecting all parties from fraud

What it is:

- Gives consumers a fast and accurate enrollment experience on internet-connected devices
- Allows consumers to provide a limited amount of PII to complete enrollment/application
- Enables PII to be captured through various means, including photo identification

What it does:

- Increases conversion with easy enrollment process
- Confirms applicant via a user-friendly verification process
- Allows enterprises to grow their business safely

Why it's better

Frictionless Experience

Enables enterprises to give consumers a delightful mobile experience

Verifies Identity

Authenticates who the applicant says they are through a quick, user-friendly verification process

ID Connect's flexible configurations fit challenges facing today's enterprises

Increase productivity by allowing sales team to focus on selling



Empower consumers to use their digital devices in a user-friendly manner



Create a positive interaction between enterprise and consumer to increase new account and service enrollment

ID Connect Resolution simplifies digital enrollment while minimizing risk



Consumer provides limited PII

- First and last name
- Last 4 digits of SSN



Verify remaining PII using ID Network®

- Resolve identity to complete risk assessment
- Allow consumer to update information to complete enrollment

Benefits

- Provide frictionless experience for the consumer and additional fraud protection for your company
- Leverage reputation of internet connected device
- Authenticate consumer with fast and easy verification process

ID Connect Photo uses government-issued ID to create fast, simple in-person enrollment experience



Capture government issued ID

- Device used by your employee
- Consumer device

Populate PII automatically

- Verify identity in face-to-face transaction
- Allow consumer to modify

Securely store data

- On demand reporting
- Future recall capability to aid in fraud remediation

Benefits

- Complete enrollment faster and with higher accuracy
- Photo capture can be used for in person identification and for investigating potential consumer fraud
- Delight consumer and make employees more productive while reducing abandonment

Questions?



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Copy of webinar slide deck? Email marketing@javelinstrategy.com

Download whitepaper: <http://hub.idanalytics.com/digitalaccountopening>

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