**Customer Onboarding
in Retail Banking:**

How to Create Digital Experiences That Convert and Delight

fintechOS

Meet our speakers

Andrei Ratiu
Associate Partner
EY Romania

Przemysław Wyszyńsk
Head of CEE, Russia &
CIS, Communications API
Vonage

Catalin Dediu
VP, Product Management
FintechOS

Todi Pruteanu
VP, Ecosystem
FintechOS

Topics

- Who are the retail customers?

- The impact of COVID-19 on consumer behavior

- An overview of the CEE region

- How the future banking should look for customers

Andrei Ratiu
Asociate Partner
EY Romania

Who are the retail customers?
Examples of client dimensions that are relevant for (digital) retail banking

Demographics & Wages

- Rural population **>** Urban population

- Min and average monthly wage salary **< EUR 700** and **< EUR 1,600**

- Disposal annual income per family **< EUR 10,000**

- Average no of working adults per household **< 2**

Education

- **Less than 30% of population between 25 – 54 years** have tertiary educational attainment

- **Still poor financial literacy** to make well-informed financial decisions

Spending behavior

- **Young adults** - more into technology and fashion spending

- **Middle aged consumers** - more on personal effects, recreation and culture

- **65+** the most oriented towards health and finance

Saving behavior

- **< than 25% of the monthly income** is saved

- In 2020 **more retail customer save for unforeseen situations**

Internet & mobile banking

- Usage increasing in: **number of transactions, value and customers**

- CEE **Online banking penetration ranges between 12% and 80%**

Banked vs unbanked

- **Countries** in our region with **unbanked population between 25 – 35%**

Who are the retail customers?

Financial activities* performed by individuals over the internet revealed that some CEE countries still lagging behind other Euro area countries leaving room for significant improvement

Leader countries (2019)

|				
24% ISL	**19%** NO	**17%** SWE	**15%** UK	• took a loan from banks or other financial providers
49% UK	**45%** EE	**38%** IE	**37%** NL	• bought or renewed existing insurance policies, including those offered as a package together with another service (e.g. travel insurance offered together with a plane ticket)
26% SWE	**16%** FI	**16%** NO	**11%** UK	• bought or sold shares, bonds, funds or other investment services

Average EU27 (2019)

|	
3%	• took a loan from banks or other financial providers over the internet
11%	• bought or renewed existing insurance policies, including those offered as a package together with another service (e.g. travel insurance offered together with a plane ticket)
4%	• bought or sold shares, bonds, funds or other investment services

Laggard countries (2019)

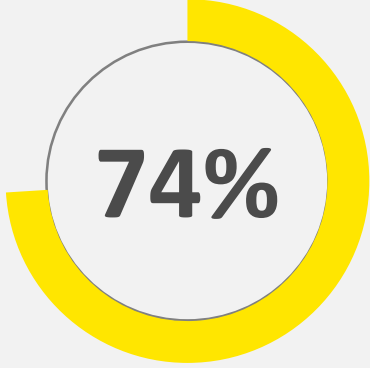|				
1% RO	**1%** BG	**1%** PL	**1%** HT	• took a loan from banks or other financial providers
1% RO	**1%** HR	**1%** SRB	**1%** AL	• bought or renewed existing insurance policies, including those offered as a package together with another service (e.g. travel insurance offered together with a plane ticket)
2% RO	**1%** CZ	**1%** PL	**1%** HT	• bought or sold shares, bonds, funds or other investment services

EY Future Consumer Index shows that COVID-19 has had an unprecedented impact on the consumer behavior…
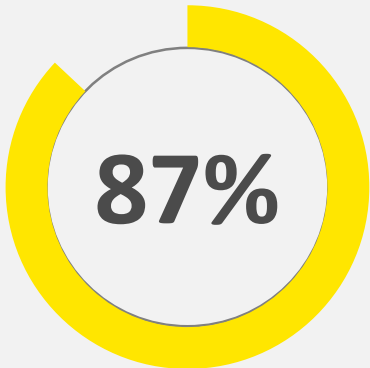
87% Concerned about their **family**
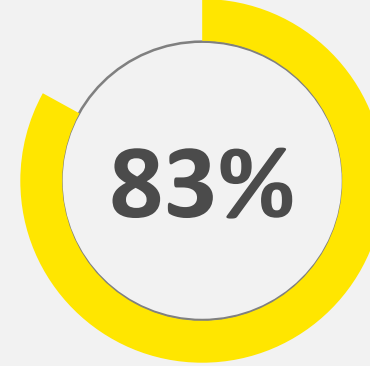
Concerned about their **freedoms** **83%**
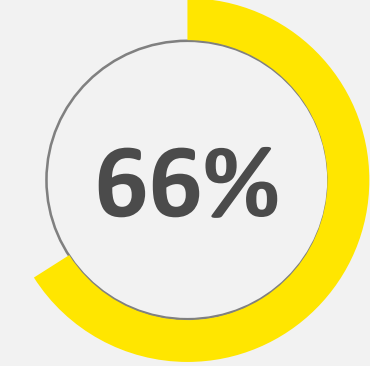
66% Concerned about their **job**

Concerned about their **finances** **78%**

74% Changing the **way they shop**
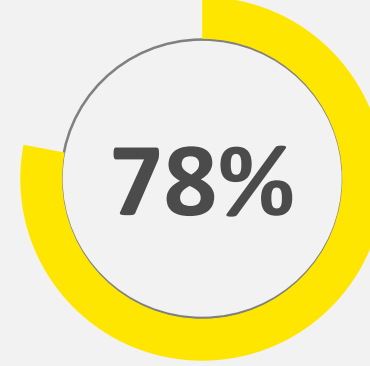
Changing the **products they buy** **57%**

35% Purchasing only the **essentials**
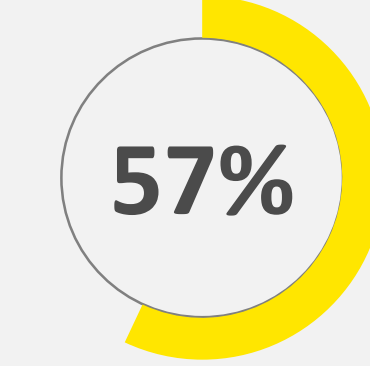
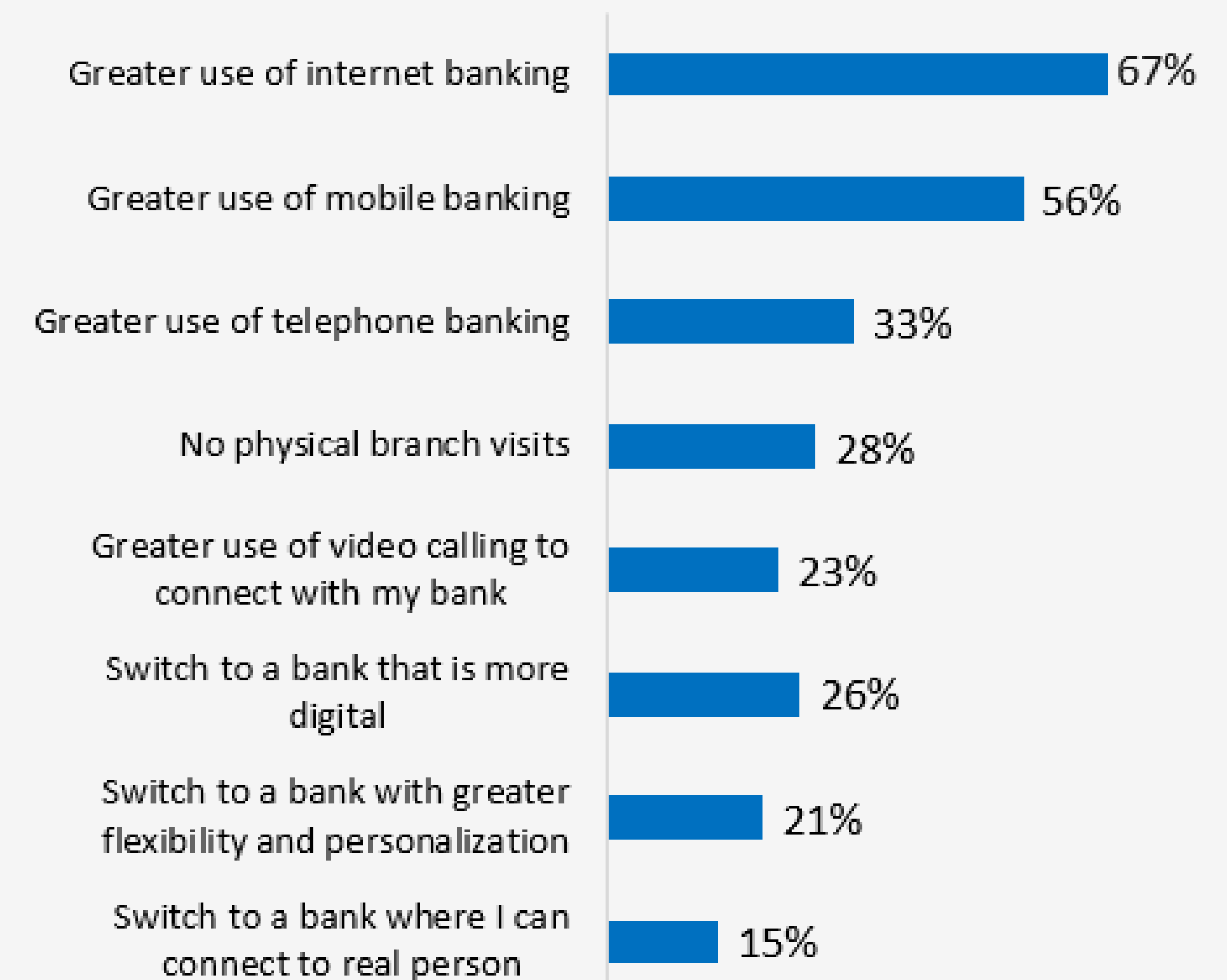# …increasing demand for digital do-it-yourself solutions while customers still require assisted services for relevant activities…

CUSTOMERS MOVE TO DIGITAL INTERACTION (mobile or online)

- While customers may increasingly prefer digital channels in the post-COVID-19 world, they still want **personal contact through telephone or video banking**

- The **preference for digital is evolving**, with customers now preferring digital interactions even for complex transactions over in-person branch visits

- COVID-19 has led to **increasing adoption of digital banking options among all customer segments.**

- **Customers are also expecting their consumer banks to offer services beyond traditional banking** such as financial advisory through digital channels.

- Supporting community and **vulnerable** customers has become table stakes for organisations

CHANGES IN CONSUMERS BANK INTERACTIONS IN LONG TERM BEYOND COVID-19 (% OF RESPONDENTS)

Interaction	%
Greater use of internet banking	67%
Greater use of mobile banking	56%
Greater use of telephone banking	33%
No physical branch visits	28%
Greater use of video calling to connect with my bank	23%
Switch to a bank that is more digital	26%
Switch to a bank with greater flexibility and personalization	21%
Switch to a bank where I can connect to real person	15%

…while at the same time raising the bar in terms of expectations

67% of Customers say their standard for good experiences are higher than ever

80% of Customers say the experience a company provides is as important as its products and services

73% of 18- to 34-year-olds would be willing to buy financial products from tech companies

Consumers are now more comfortable banking on mobile. Nearly two-thirds of smartphone users have at least one financial app on their device.

72% of business buyers expect vendors to personalize the experience to their personal needs

59% of Customers say companies need cutting-edge digital experiences to keep their business. 59% also say they're open to companies using artificial intelligence (AI) to improve their experiences

of the **58%** of customers who desire digital advice from their banks, only **12%** receive that advice today

What we see in our region
Still a gap compared with more advanced countries but significant progress is registered

Banks intensified the digital programs

- **Review behavior** to **build agile digital pipeline and increase share of wallet**

- **Design of journeys also with customer; focus on CX/UX**

- Explore further to **understand better the customers in the digital / internet space**

- **Cooperate with start-up / FinTech**

Online business increases in volume - some examples

- **>** 40% unsecured loans, credit cards, overdrafts

- **>** 50% deposits/savings

- **>** Number of clients onboarded

Cloud has started to considered much more frequent due to volumes and cost and experience with regulators

Move to platforms, orchestrating (omni-channel and personalized) processes together with plug & play and various automation processors

- Still **issues around   capacity and legacy** systems to be addressed

Security & KYC / AML focus both from regulators and banking – hence increasing the complexity of implementations

Expanding from retail onboarding and current account opening

- **Online unsecured lending** (up to implementation)

- Explore **mortgage lending process**

- **Accounts aggregation**

- **Additional products**, including insurance

- **Other functionalities** related self-service or analysis

- **Client data update**

- **Relationship closure**

Expand to / focus on other segments

- **Micro and SME**

- Work with **retailers / e-commerce**

How the future banking should look for customers?

5 key expectation from banks and financial service providers in general that should boost the (digital) retail banking. More advanced progress in Western Europe
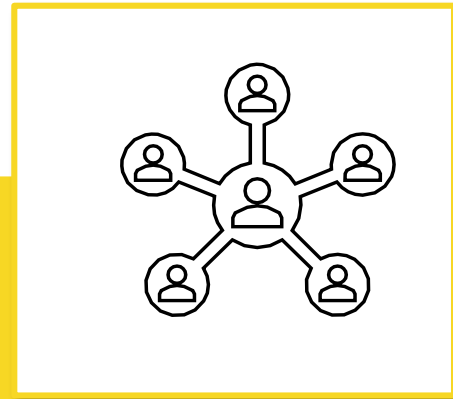
INTEGRATED PROPOSITIONS ADDRESSING CORE NEEDS

Most of consumers expect financial providers to offer propositions addressing core needs not only referred to finance. Consumer look for partners that can support them in holistically in their key life moments.
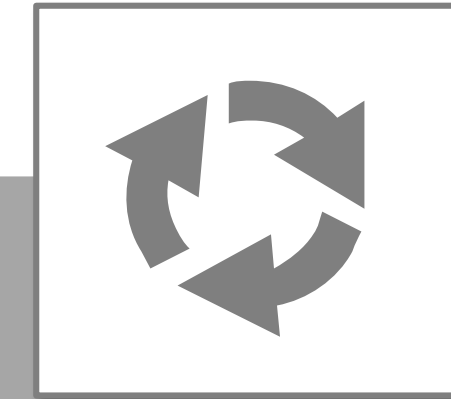
HYPER PERSONALIZED OFFERINGS

Consumers indicated an interest in personalized financial advice from banks that is shaped by their personal circumstances.
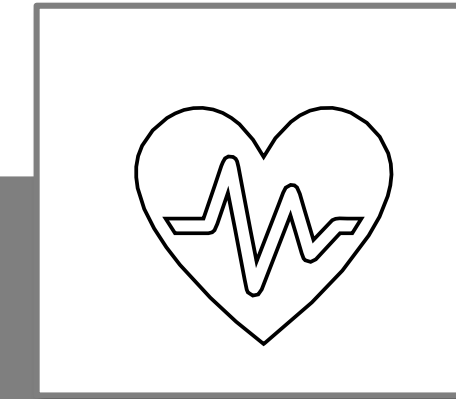
RIGHT USE OF PERSONAL DATA

Consumers are willing to share data with their providers in return for better advice and more attractive deals.

HIGH INTEGRATION ACROSS PHYSICAL AND DIGITAL CHANNELS

Consumers shows a big appetite for a true omnichannel banking experience that would allow them to switch seamlessly between physical and digital channels.

FIND IN BANKS SOLID PARTNERS FOR THEIR FINANCIAL HEALTH

Consumer are willing to give their preference to Banks that are seen as partner in their financial health care — including analysis of spending habits and advice on how to manage money.

Match customer expectation and personae could move the preference of customer in a way never experimented before

Topics

- Vonage Communications APIs and Platform

- Connected seamless experiences

- Customers expect a Single Conversation with the Bank

- Today's consumers and employees live on messaging apps

- Bank can become a contact in favorite Messaging App

Przemysław Wyszyński
Head of CEE, Russia & CIS,
Communications API
Vonage

Vonage Communications APIs

Vision

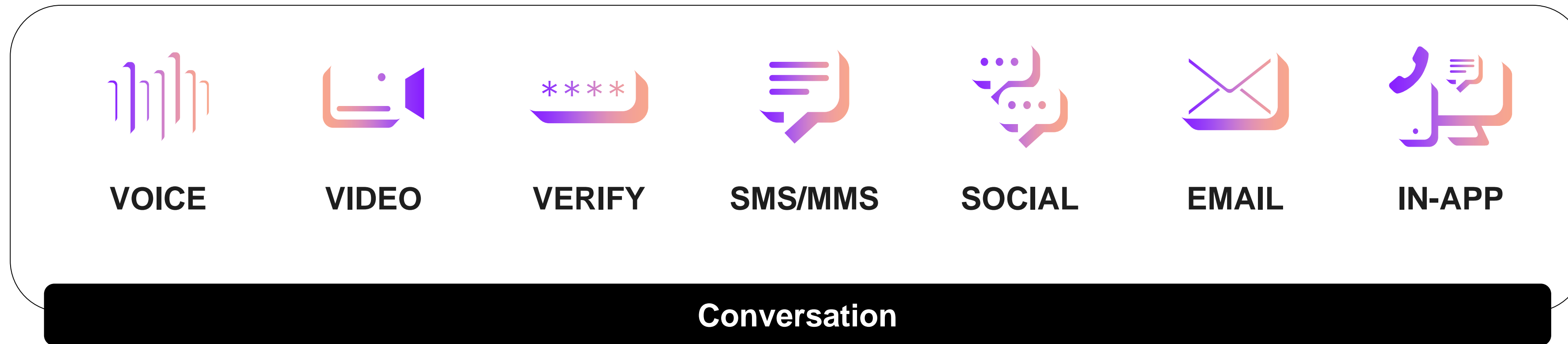Accelerate the World's Ability to Connect

Mission

We enable next generation communications that are more flexible, intelligent and personal, empowering our customers to do what is next and stay ahead
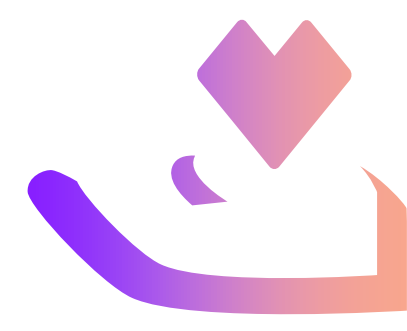
Vonage Communications Platform (VCP)
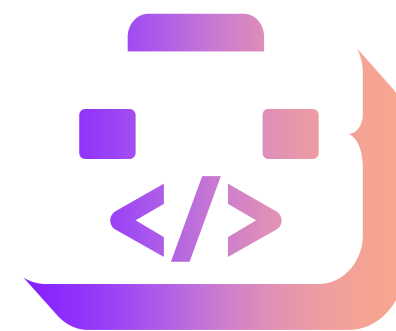
Breadth of Communications APIs

| VOICE | VIDEO | VERIFY | SMS/MMS | SOCIAL | EMAIL | IN-APP |

Conversation

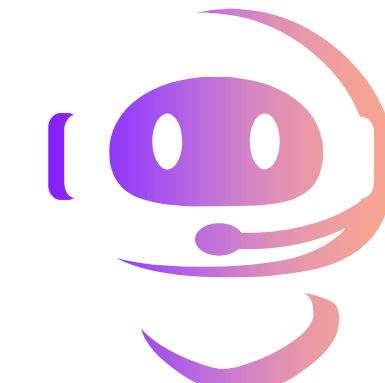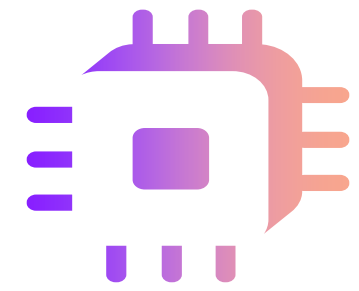| Global Scale | Security and Compliance | Services Expertise | Developer Experience | Award-Winning Documentation | AI Integrations | Extensive Partnerships |

VONAGE

Connected Seamless Experiences

In-Person → Apps → Website → Contact Center → Mobile → Social
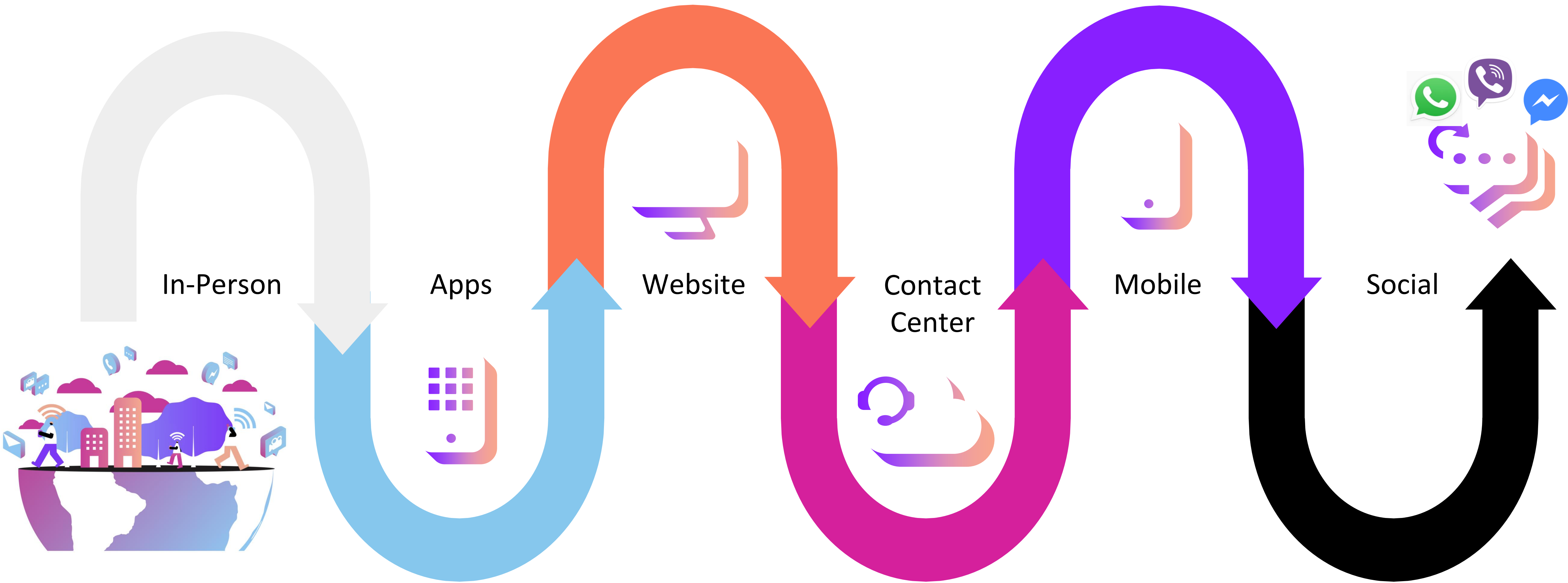
Customers expect a Single Conversation with the Bank

BANK

BANKING APPS   WORKFLOWS   CONTACT CENTRE   AI & BOTS
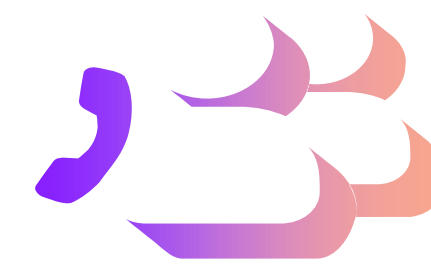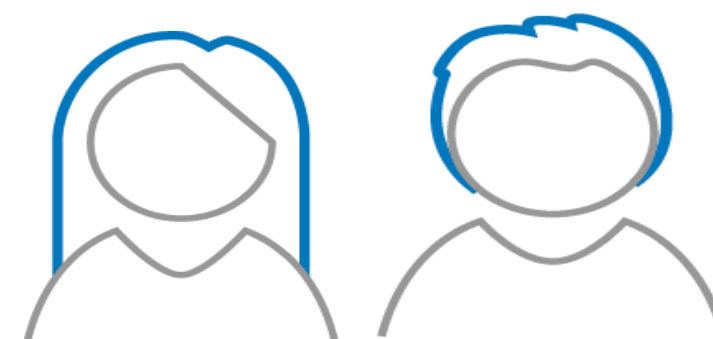
COMMUNICATION APIs
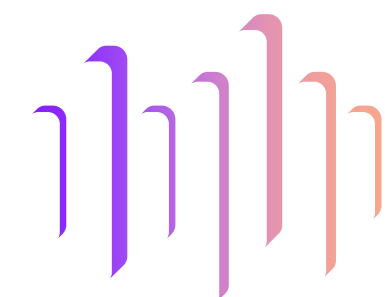
Messaging   **Voice**   **Video**   **email**

CUSTOMER

VONAGE

Today's consumers & employees live on messaging apps

- **100 billion** WhatsApp messages sent every **day**

- **2 billion** WhatsApp active **users** monthly

- **~90 million** WhatsApp **users** in **CEE** vs 120 mln total population

VONAGE

Downloads	May 2020 - May 2021
Poland	6,272,343
Romania	4,127,939
Czech Republic	2,237,941
Slovakia	1,616,006
Albania	1,463,930
Croatia	1,218,436
Bulgaria	1,173,048
Latvia	1,171,935
Estonia	1,044,117
Slovenia	969,186
Hungary	588,969
Serbia	370,332
Lithuania	294,626
Moldova	177,819
Bosnia and Herzegovina	28,719
Macedonia	23,225
Total	**22,778,571**

Bank can become a contact in favorite Messaging App

- Lead generation
- Following up with prospects
- Document upload
- Onboarding process
- Increases mobile banking usage
- Sending informational updates
- Managing account details
- Instant customer feedback
- Payments and transfers
- Personal advice
- Savings Insights
- Secure and GDPR compliant
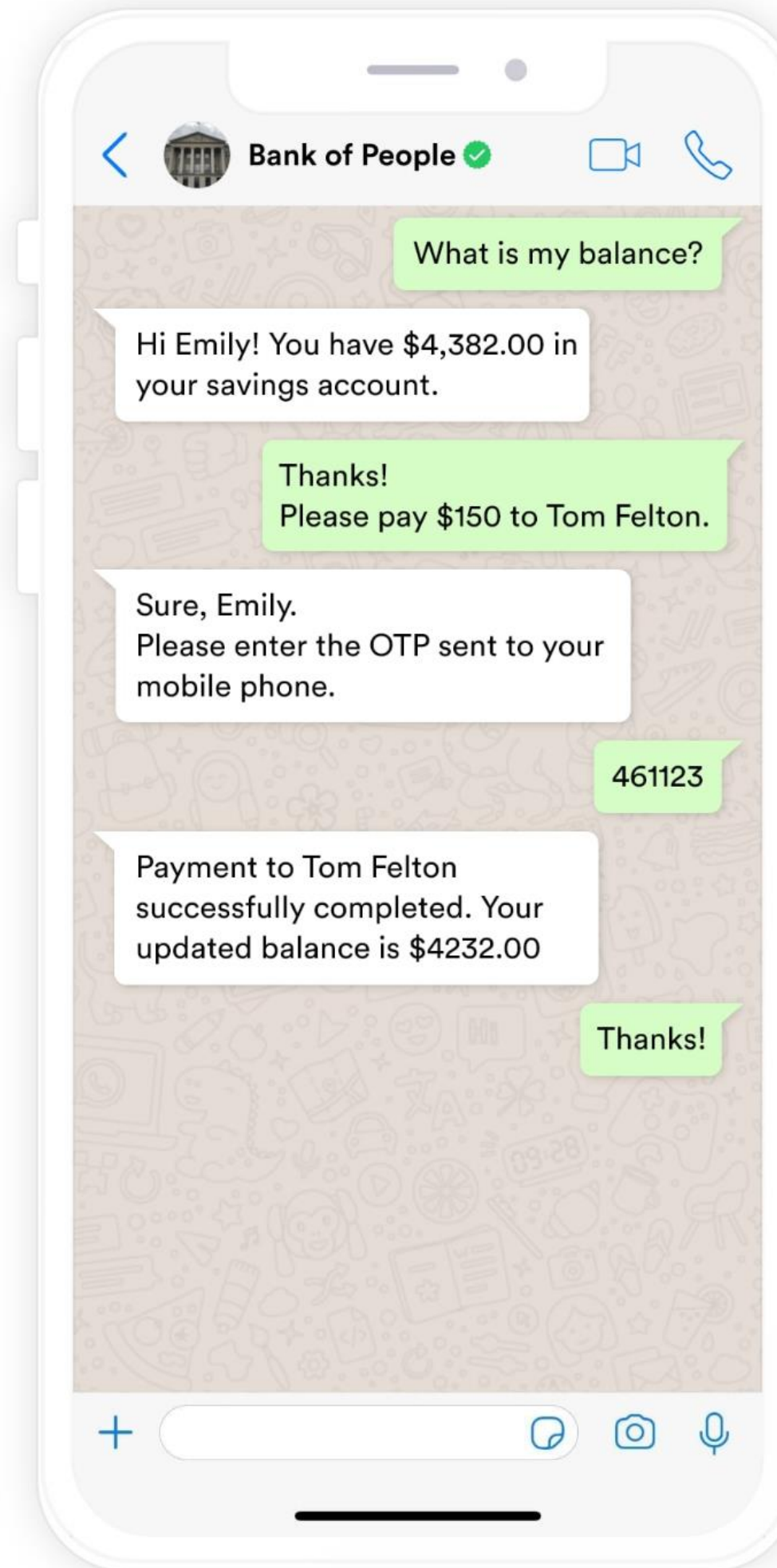
Text character limits	4096
Image Support	✔
Video Support	✔
Audio Support	✔
Attachments	✔
Location	✔
Templates	✔
QR Codes	✔
Customer identifier	Phone number

VONAGE

Topics

- Digital customer experience is the new growth engine in banking

- What constitutes good CX

- How to enable great CX through technology

Catalin Dediu
VP, Product Management
FintechOS

Digital customer experience is the new growth engine in banking

Digital interaction has been growing pre-Covid, was accelerated by the pandemic and is expected to show continued growth

Customer experience is the new growth engine for Retail Banking

Good digital CX is a source of:

- **Improved cust. acq. (conv rates)**
- **Improved upsell**
- **Reduced churn / refinancing**
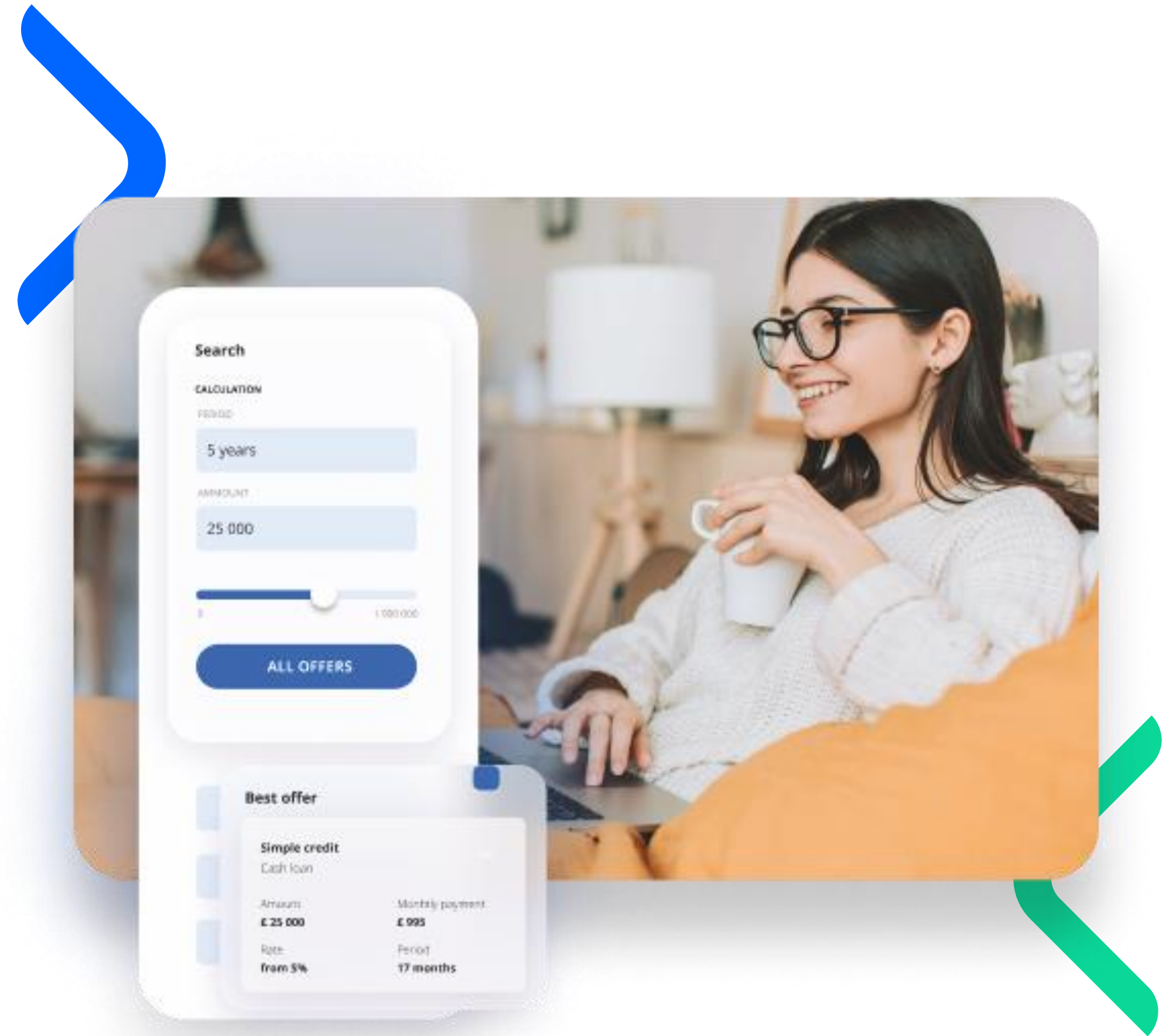- **A source of cost reduction (automation)**

In Italy, Spain, and the US, 15 to 20 percent of customers expect to increase their use of digital channels once the crisis has passed; in other markets that percentage ranges from 5 to 13 percent

"Today's consumers do not buy just products or services— more and more, their purchase decisions revolve around buying into an idea and an experience."
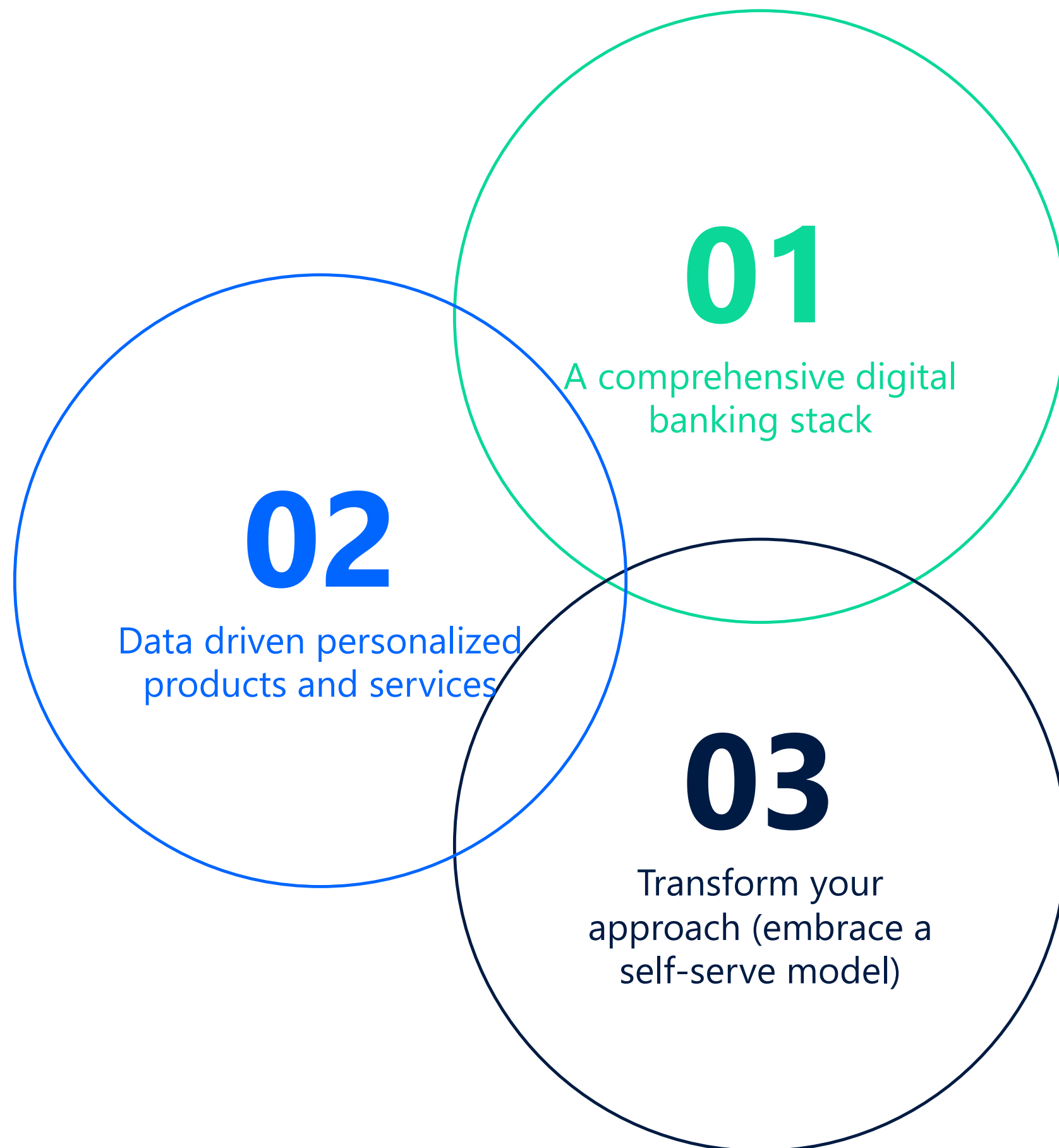
- 38% of retail banking customers consider CX to be the most important criterion when choosing their bank
- Poor CX is responsible for:
  - ~50% abandonment for in-branch applications,
  - ~30% first year churn rates due to poor brand loyalty
- For every 1 point increase in a banks' NPS, revenue increases by 3%

fintechOS

What constitutes good CX

- Support customers in their Shopping & Research stage (the most important but also the most challenging stage for most customers)

- Match customers with relevant (personalised) products and services

- Deliver cross-channel customer journeys with an emphasis on UX that addresses pain-points

- Iterate products, services and customer journeys based on customer feedback

fintechOS

How to enable great CX through technology

01

A comprehensive digital banking stack

02

Data driven personalized products and services

03

Transform your approach (embrace a self-serve model)

Technology approach for great CX

01 | Use ready-built digital on top banking capabilities to fast-track market deployment

02 | Roll out personalised (and automated) products, services and customer journeys by putting data at the core of your technology

03 | Bring forward an agile, self-serve operational model in your "digital on top" layer

fintechOS

Live Q&A session

fintechOS

Thank you!

Any questions, anytime:

please reach us at **webinar@fintechos.com**

fintechOS