



Top 5 Ways to Eliminate Pain Points in
Digital Customer Acquisition

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Digital customer onboarding and user authentication bring a variety of benefits. However, the process isn't always as seamless as it could be. In this eBook we address the top ways to eliminate common pain points to make your digital customer acquisition process friction free.



IMPROVE CUSTOMER SERVICE

Many organizations—such as financial services, telecommunications, and insurance providers—must capture key information to onboard customers prior to delivering services. While onboarding is vital for regulatory compliance, from the customer's perspective it's merely a tedious hurdle to overcome before using the services they've selected. The quicker and easier this process is, the better.

Lower Barriers to Onboarding

Secure digital onboarding enables you to eliminate the need for new customers to visit your office in person to establish an account or apply for a loan. During the pandemic, remote digital onboarding is the only way to sign up for services. It also allows you to easily refresh an existing customer's profile.

Polarify—a joint venture of Sumitomo Mitsui Financial Group/Sumitomo Mitsui Banking Corporation (SMFG/SMBC), Daon, and NTT Data—needed an efficient way for financial, telecommunications, and other service providers in Japan to streamline digital onboarding. Working with Daon as its partner, Polarify uses best-of-breed biometric authentication and onboarding technology to register over 1 million users a month.

Faster Time to Value

The faster your customers are onboarded, the faster they can leverage your services, such as depositing funds in an investment account or paying insurance premiums. **Accelerating onboarding results in faster generation of revenue**, achieving a quicker return on your investments in customer acquisition.

Provide Options for Authentication

You may want to allow customers to submit a passport, driver's license, or national ID as forms of identification. Not every customer will have every one, or even two of these three. A rigid process that forces customers to use specific document types just adds unnecessary hurdles.

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Instead, **offering flexibility for customers to select the document types they prefer** will further reduce frustrations in your onboarding process. Ideally, your solution will support not only thousands of document types, but government-issued documents from over 200 countries.

Use Consistent Delivery Models

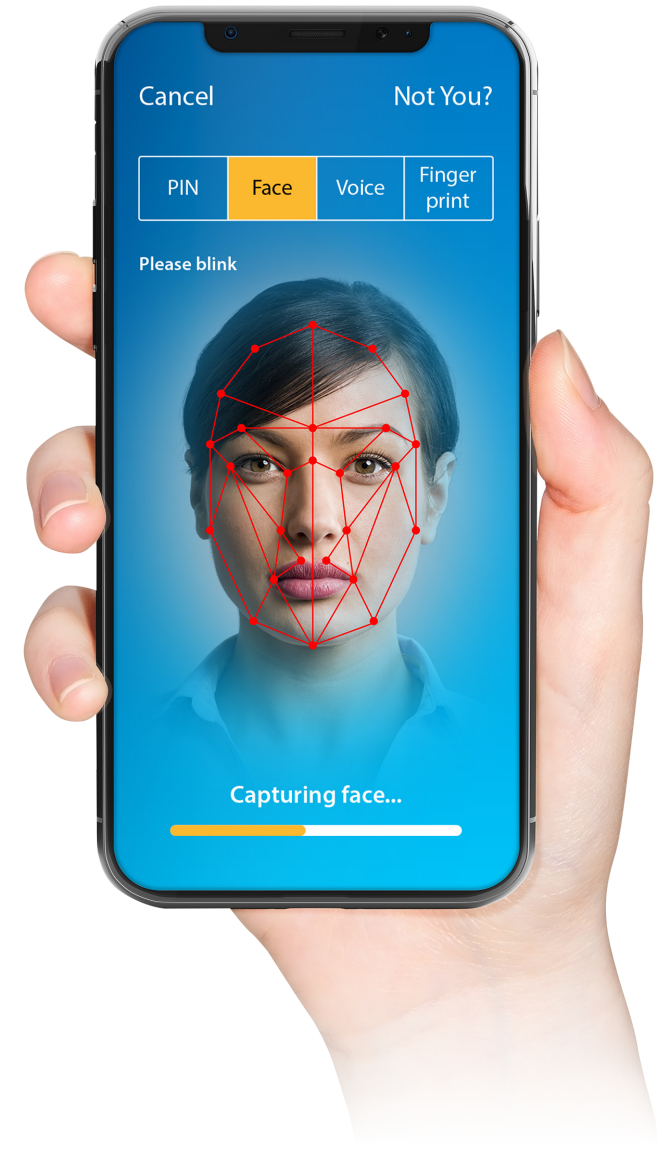
When customers have selected your business and made the choice to download your app, they shouldn't be forced to download yet another, distinct app simply to onboard. Jumping around to other apps feels as outdated as having to physically travel to the bank to deposit a check. Instead, a SaaS solution that accomplishes authentication and onboarding all within a browser or app is another opportunity to reduce friction.

In addition to benefiting your customers, SaaS delivery enables you to get up and running fast. A new tenant can be stood up in a single day, with only a few additional days needed to incorporate your unique rules and processes. This empowers you to register, configure, and launch **without the time and expense of a big professional services engagement.**

Flexibility to Adapt User Flow

Your ideal process may consist of capturing a selfie and a liveness check, then finishing with the capture of an ID document. However, you may not require a liveness check, or you may prefer to start with the submission of an ID document to verify identity. Digital onboarding processes need to **accommodate the flow and combination of documents that's suitable for your organization** and not frustrate the user with unnecessary friction.

Document capture and live person detection tests should be accomplished quickly, enabling you to promptly provide customers with confirmation of a completed process. Or, your organization may need an asynchronous process, including an additional review prior to confirming completion. Either way, **you need a system with the flexibility to match your processes and provide customers with appropriate updates** so their status is clear. That flexibility should extend to not only allowing you to tailor onboarding, but further **empower customizations**



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within your organization in discrete regions, departments, and lines of business. With such flexibility you can accommodate different regulatory requirements such as capturing pay slips and credit card statements for loans, or utility bills for homeowners insurance.

Too often, customers make the effort to submit documents only to have them rejected because they don't meet certain criteria, such as being dated within the past 3 months. Struggling through the process repeatedly is a frustrating waste of time, leading to negative sentiment.

2 REDUCE FRICTION & DELIVER A SEAMLESS EXPERIENCE

Fast and frictionless wins. The fewer touch points that are required for a new customer to get onboarded, the better. Some service providers experience that almost 50% of new account applications are started but never completed. That 50% of lost applicants represents prospective customers who already *made the choice to use your services*, and were so repelled by the application process, they abandoned it. These lost prospects represent success on the part of marketing and customer acquisition efforts to win new business, only to have the revenue lost due to a poor experience. With an abandonment rate as high as 50%, it seems safe to assume that those who persevered weren't thrilled with the process, and thus had a negative first impression.

Provide Self-Service

The onboarding process should welcome customers, rather than act as a huge barrier to entry they must surmount prior to using your services. A streamlined process should help overcome inertia. Fortunately, there are many ways to eliminate common pain points, and customers are open to using them. According to a recent survey, 83% of people would be willing to share biometric data with an app, and 64% said they would voluntarily share personal information with an app that offered more convenience. Such willingness remains, despite people's general lack of trust in global brands.

Self-service capabilities can also provide easier password recovery and reset, so you can **deliver friction-free interactions throughout the entire customer lifecycle.**

Eliminate KBA

Knowledge-based authentication (KBA) leaves you vulnerable to a variety of attacks and causes a frustrating user experience to boot. Are my answers case sensitive? I can't remember if I wrote, "High St" or "High Street," so will my response fail if I recall incorrectly? My mom's maiden name

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could be discovered via social media, so is that really safe? And that's not to mention those social media quizzes that claim to be all for fun, while harvesting such information.

3 REDUCE COSTS & SAVE TIME

Reduce Manual Processes

Manual processes are:

- Time-consuming
- Inefficient and therefore costly
- Prone to errors
- Not scalable

Many onboarding processes require customers to capture documents and submit via email or browser upload. Files are typically PDF or PNG and, once uploaded, enter a queue for manual review by an administrator. Such a process, like all manual processes, are not only time-consuming, but prone to errors.

Additionally, such processes simply aren't scalable. No one wants to face the tragedy of a successful marketing campaign crashing when interested customers abandon a lengthy, tedious process, taking their money elsewhere.

Make Processes Scalable

Streamlining and automating this process increases operational efficiency. Saving time makes your processes more scalable, supporting your organization's growth.

Automation of the collection and verification of documentation reduces the burden on back office teams and allows for a huge number of transactions to be processed simultaneously.

4 REDUCE RISKS AND FRAUD

Comply with KYC

From Anti-Money Laundering (AML) to KYC, you need to **satisfy the regulatory component of your onboarding process in the simplest way possible.**

PayPay is a cashless payment system founded by SoftBank and Yahoo Japan in collaboration with India's largest payment company PayTM. With Daon's technology, users can start using PayPay Money without having to go through troublesome procedures. Utilizing Easy Check, an e-KYC service, users verify their identities by simply taking a photo of their face and capturing their identity documents with the camera on their smartphones.

Reduce Identity Theft

With the increasing frequency of data breaches of personally identifiable information (PII), checking static identity is inadequate. In addition to liveness

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checks to authenticate users, you can further reduce risk by **checking users' identities against external databases and watchlists of known fraudsters**. Integration with third-party data sources can perform AML and KYC checks.

Eliminate Risk from Manual Processing Errors

In addition to being time-consuming, any process that's manual has the potential for a variety of errors. This potential for errors represents an additional risk factor, which can reach catastrophic levels.

Improve Accuracy

Many people may still be wary of autonomous cars, but for the most part, we accept that computers are superior to humans at completing many tasks. Capturing customer data from an ID document via Optical Character Recognition (OCR) not only accelerates the process but improves accuracy too.

5 REINFORCE YOUR BRAND

Digital customer onboarding is the beginning of your customers' relationship with your business. As such, it should reinforce your brand, rather than that of your onboarding vendor.

White Label to Strengthen and Promote Your Brand

It's important to reduce friction to deliver a positive experience for users, and that experience should also reinforce your brand. White labeling should extend beyond just tacking on your logo, though. Ideally, you should be able to easily change color schemes to achieve a cohesive look and feel. Any SMS messages customers receive should be appropriately labeled as coming from your organization.

Additionally, **a flexible user experience enables you to promote your brand throughout the complete process**, including on loading screens, or by providing helpful tips for customers or promoting additional offerings. Your unique terms and conditions and privacy policy should also be included, so your customers consent to *your* T&Cs, not those of your onboarding vendor.

Easy Customization

Your digital onboarding experience should match your brand and reinforce your unique messaging and style. Solutions should be not just customizable, but *easily* customizable. Including your logo and color palette shouldn't require a months-long professional services engagement with exorbitant fees.

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Securing Identity Verification Systems – The Unceasing Battle Against Attacks

As the sophistication of any system grows, organizations must battle a corresponding increase in the sophistication of attacks. Biometrics are powerful tools for verifying identity, but to be reliable and confirm your customers' identities, they must actively thwart attempts at deception. Reliable facial recognition can't simply verify matches with photographs. **It must ensure the match is with a live person.**

One major security concern for biometric systems is a unique type of attack known as presentation or spoof attacks. These are attempts to break into the system by impersonating the user with a fabricated biometric characteristic such as a face mask, or simply a photograph or video. With the ubiquitous presence of photographs online, **detecting this attack is vital to successful implementation of facial recognition in digital onboarding.**



- WHAT THE **USER** DOES:
- Takes a selfie
 - Scans ID document
 - Reviews & confirms details
 - Enjoys easy ongoing access
- WHAT THE **SYSTEM** DOES:
- Captures biometric faceprint
 - Performs both passive and active liveness checks to prevent spoofing
 - Compares faceprint to biometric watchlists to spot known fraudsters and repeat applicants
 - Compares image to live biometric faceprint
 - Extracts customer information using optical character recognition (OCR)
 - Integrates with 3rd party data sources to help perform AML/KYC checks
 - Delivers prompt customer decision in accordance with fully configurable rules and workflows
 - Compares live biometric faceprint to registered identity credential for simple, immediate access

This is where “liveness detection” comes in.

Early on, Daon recognized the need to address this threat. The cat and mouse game of attackers striving to circumvent the latest innovation is unceasing. To be reliable, your onboarding vendor must be constantly researching and developing liveness technology - which is exactly what we're doing at Daon.

Recognizing a face in order to match a selfie to a government ID is one fascinating technological triumph. However, **recognizing the difference between a photograph or mask and a live face is another technological triumph entirely.** And this is an area where Daon excels. Daon is continually enhancing the security of our solution, including by developing automatic liveness detection solutions to mitigate the risk of spoofing and fraud.

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Facial recognition solutions must prevent spoof attacks such as 2D prints, paper cutout masks, static image or video screen replays, and even 3D masks. As part of a frictionless onboarding solution, this anti-spoofing must operate quickly and seamlessly for the user.

Daon's liveness detection solutions employ modern machine learning algorithms and are constantly evolving. What's more, our multi-layered approach combines several types of passive and active liveness predicting algorithms in order to achieve a high degree of robustness and accuracy. The overall liveness decision is based on a combined score which fuses information from all liveness indicators coming from the internal algorithm components.



Empowering Informed Decision Making and Adjustable Security

Adjusting your security levels shouldn't require a rip-and-replace approach. Rather than one-size-fits-all, Daon provides the technological capabilities while giving you choices. We recognize that some organizations must meet higher security thresholds and are willing to accept a corresponding decline in overall usability.

Daon's IdentityX® platform is adaptable to your unique risk tolerance. Security levels can also be tailored to work well with a specific hardware configuration or deployment environment. You can also consider the accuracy gains of using maximum image quality versus using compressed JPG data for efficient and fast data transfer. Additional algorithm components are optional and turned off by default. You can also adjust the score threshold for confirming liveness. Clients are provided with Daon's research, including detection error trade-off curves, to **enable you to make decisions based on the most current data.**

A Single Digital Identity to Span the Customer Lifecycle

The focus of this eBook has been eliminating pain points in digital customer acquisition. But you can also select technology that provides value beyond digital onboarding. Onboarding is an important transaction, but it doesn't have to stop there. With Daon, **your customers can establish their digital identity for the lifetime of their engagement with you.**

Daon solves challenges **across the full customer identity lifecycle from onboarding to authentication and recovery.** You can provide your users with continuity while decreasing the risk of fraud and reducing friction through every subsequent encounter.

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Once onboarded, a user can authenticate through different channels or at different stages, such as when re-verification is necessary, due to lost credentials or regulatory requirements. You could also give customers the option to provide a voice sample as part of digital onboarding, enabling voice recognition for fast, secure contact center service.

Identity Continuity for Life

A true digital identity solution can extend far beyond streamlined onboarding with biometrics. There's value in not only confirming identity, **but in managing credentials on an ongoing basis for continual seamless customer experiences**. Daon creates a true digital persona for your customers, enabling them to continue interacting with your organization through numerous transactions in a secure, seamless way.

Daon provides support for cross-channel, seamless customer identity management, through all stages of the customer journey and across all onramps to the customer experience (mobile, desktop, contact center, and physical location).

About IdentityX

For more than two decades, Daon has been the most trusted name in biometric identity assurance on six continents. Daon's IdentityX is a seamless, all-in-one platform for digital onboarding and user authentication that spans all four corners of the customer experience: mobile, desktop, contact centers, and physical locations. At the start of the customer journey, IdentityX delivers the fastest, most accurate, fully automated account origination and ID document verification results. IdentityX features counterfeit detection and supports 7,000+ government-issued documents from 200+ countries combined with an advanced administrative console for complete analytics and data transparency. As the customer journey continues, IdentityX provides ongoing and continuous authentication—with the broadest, deepest, and most sophisticated array of multi-factor biometrics and biometric liveness capabilities in the industry. Daon's global-scale customer deployments have proven successful in complex and demanding enterprise environments, spanning payments verification, digital banking, wealth, insurance, telcos, border security, and seamless travel. Daon's IdentityX platform securely processes more than 100 million high-value transactions each day.

Learn more about our seamless customer onboarding and cross-channel authentication solutions [here](#).

