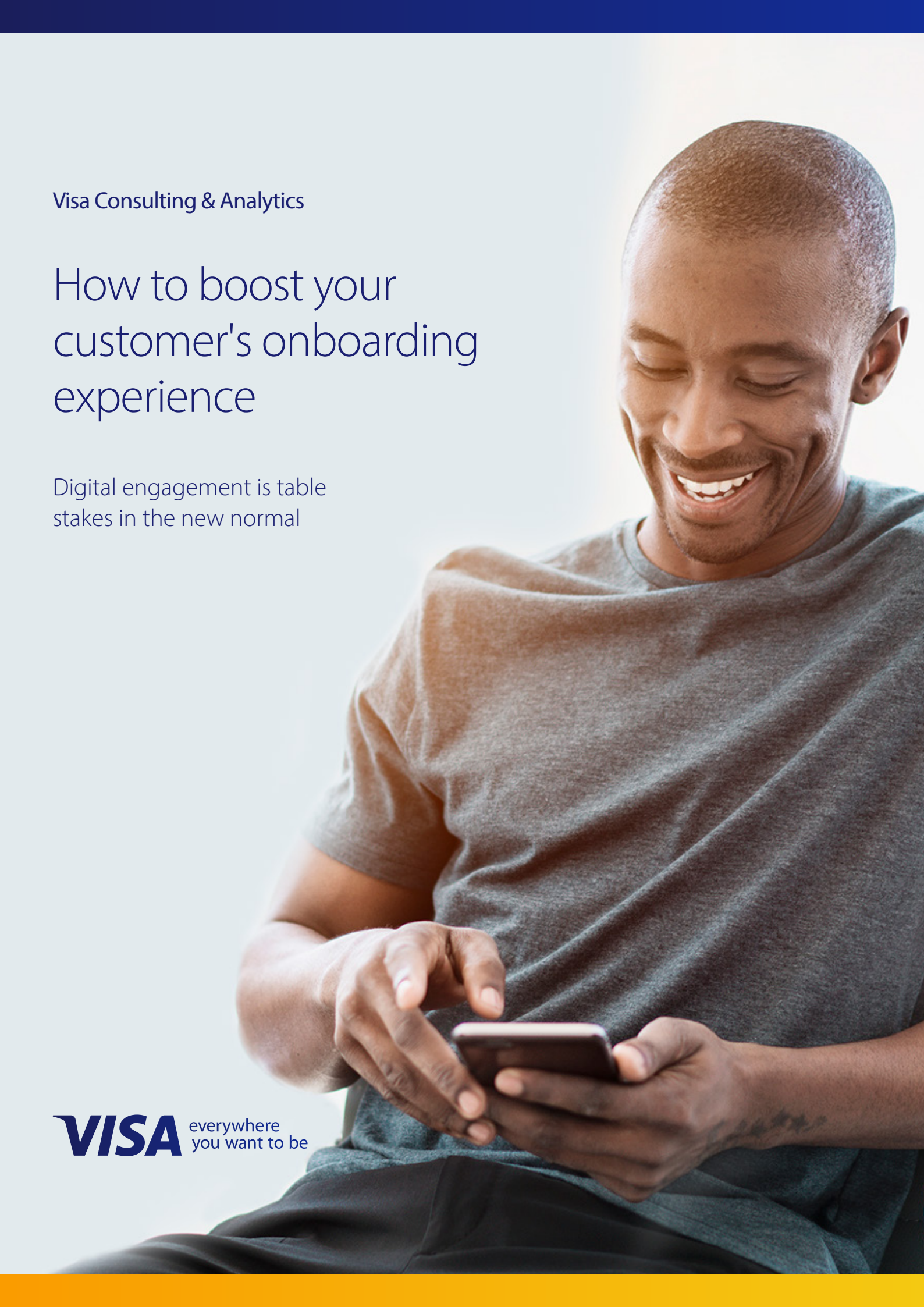


Visa Consulting & Analytics

How to boost your customer's onboarding experience

Digital engagement is table stakes in the new normal

VISA everywhere
you want to be



Digital services are in demand and customer expectations are high



Customer behaviour and preferred interactions have changed forever due to the COVID-19 pandemic and the use of digital services will undoubtedly play a centre-stage role moving forward. It has had a huge impact and Europe, like much of the world, has “gone digital” as a result of the lockdowns and social distancing measures imposed. Digital adoption has jumped from 81 percent to 95 percent as a result; a rise that would have taken two to three years in most industries at pre-pandemic growth rates¹.

To thrive in the future, companies need to ensure that their digital offering is what their customers are looking for and that it is better than those of their competitors. With 75 percent of people that used digital channels for the first time during the pandemic indicating that they will continue to use them when things return to “normal”², digital laggards are likely to be substantially disadvantaged.

In our Visa Consulting & Analytics [Digital targeting and acquisition in the new normal](#) white paper, we focused on the questions that a bank needs to ask itself when embracing the digital acquisition opportunity. We highlighted that incredible efficiencies can be achieved through a digital approach, which also enables a truly seamless, friction-free user experience for new and existing customers.

1. McKinsey Digital: Europe's Digital Migration During COVID-19, July 2020, <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/europes-digital-migration-during-covid-19-getting-past-the-broad-trends-and-averages>
2. McKinsey Digital: The COVID-19 Recovery Will Be Digital, May 2020, <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-covid-19-recovery-will-be-digital-a-plan-for-the-first-90-days>
3. Visa Digital Onboarding Benchmarking Study, Central and Eastern Europe, July 2020.

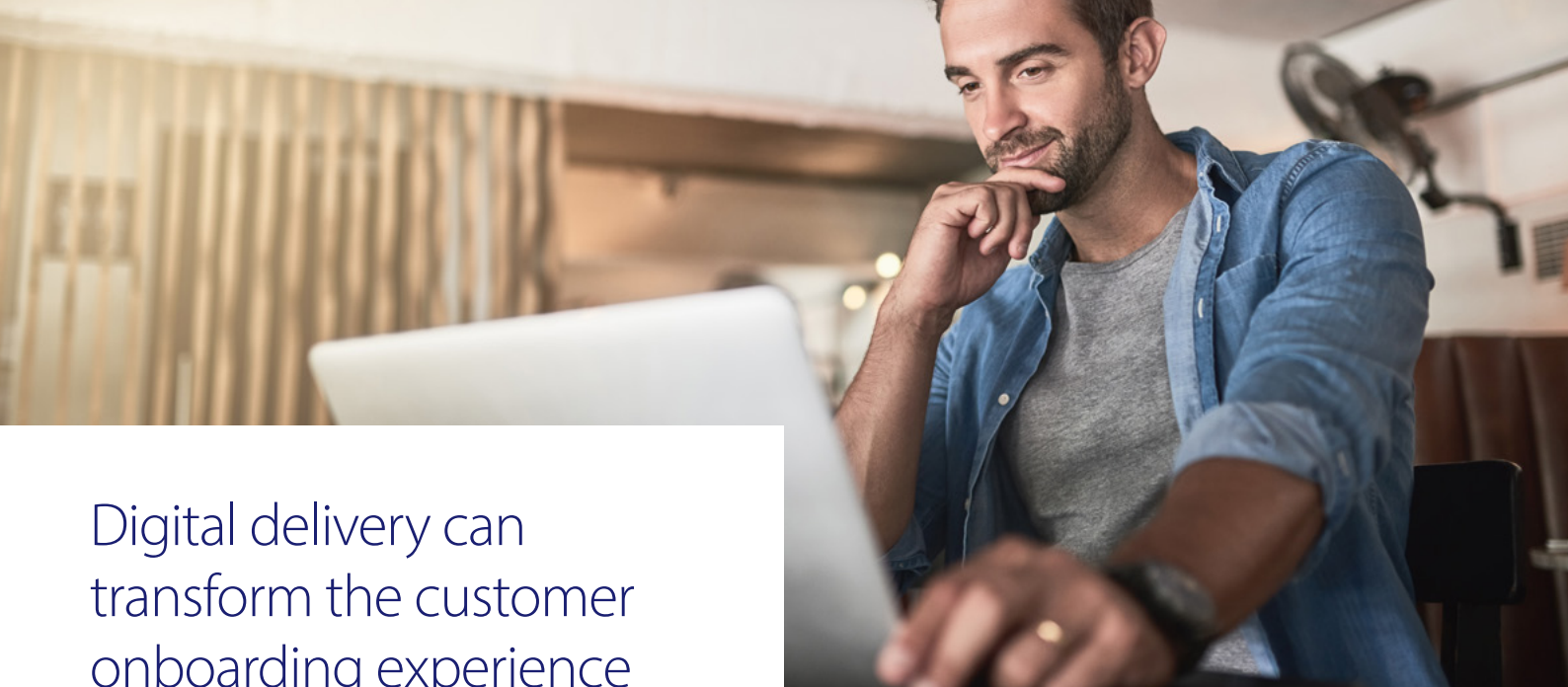
Funneling in on digital onboarding best practices

In this white paper, we will zoom in and provide further insights and best practices from the world of onboarding. The nature of banking services continues to evolve, fueled by the pandemic, with offline and cumbersome offerings being replaced by customer friendly services that are available any time, any place. **Customers are embracing a fully digital future and in banking that journey starts even before the customer is onboarded.**

While onboarding has increasingly been a focus within banks' digital strategies, it is proving more important than ever. Your onboarding solution not only affects new customer sign-ups, the focus of this paper, but also how your existing customers sign up for additional products. **Visa research in to how digital onboarding best practices increase customer satisfaction, shows customers onboarded in this way are more engaged, are likely to transact more across channels and geographies, and contribute greater profitability³.** This increased customer value is driven in part by innovative propositions, such as instant issuance of payment credentials and increased payment options, that can only be delivered in a digital world.

To bring to life what consumers expect when digitally onboarding and highlight what is possible, we have undertaken market research. In the remainder of this paper, we use this research to:

- **Analyse current onboarding experiences** provided by banks,
- **Assess customer sentiment** towards those experiences, and
- **Determine best practices** that will delight the customer.

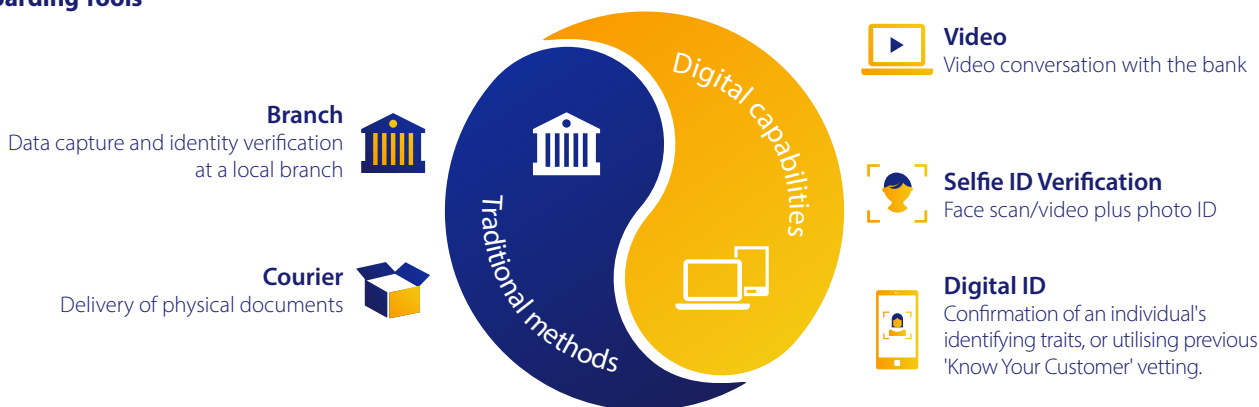


Digital delivery can transform the customer onboarding experience

The onboarding journey starts from the initial moment of customer interest in your offering, to the time when they can start to use their account. Making this journey as simple and pain-free as possible for the customer will drive engagement during the early days of the relationship.

When assessing the onboarding journey that a new customer experiences, whether applying for a current account, another product, or a new feature of an existing product, each stage of the process needs to be evaluated. Capturing the data required and verifying the customer's identity has traditionally been done through face-to-face or postal channels, but digital capabilities give you the opportunity to deliver what your customers want.

Onboarding Tools



There are three broad classifications for onboarding models:



1. Traditional

Journeys that start and finish in the offline channel (branch, courier).



2. Digitalised

Journeys based on the traditional model with one or more digital interventions.



3. Digital

Journeys built from scratch that are fully digital from beginning to end.

Today, many banks still largely rely on traditional channels for onboarding, but we are seeing a shift to digitalised experiences, where traditional and digital journeys are integrated in response to customer demands for more flexible options.

Customer identification and/or data capture is increasingly being done digitally and being built into existing traditional journeys.

Fully digital customer journeys are most common amongst newer players who can start from scratch when defining their customer experience. However, we are slowly seeing incumbent banks starting to totally rethink the customer journey and design fully digital onboarding solutions.

Research shows that a mature digital journey increases customer satisfaction



We analysed the best global practices and carried out in-depth studies in to over 70 different onboarding journeys provided by top-tier banks within Central and Eastern Europe⁴. For each onboarding journey, the customer was asked a number of questions about their experience, allowing each journey to be defined and the level of customer satisfaction assessed.

While examples of all three onboarding models were found, traditional journeys were the most common and digital journeys the hardest to find.

Despite there being less fully digital onboarding solutions, customers were very enthusiastic about the benefits that they provided.

The ability to complete everything securely online at a time convenient to them and be able to use their account straightaway by transacting online and making transfers, proved to be extremely attractive. Customers had many reasons why they would prefer a digital onboarding solution, including its speed, convenience and transparency, when compared to traditional methods. An onboarding process that is smooth, intuitive and fully digitally enabled also gives the bank an opportunity to drive engagement from the get-go, by enabling usage (card on file, digital issuance) from the very moment the customer is onboarded, driving stickiness and reducing the chance for dormancy or attrition through taking a comprehensive, customer-centric approach that focuses on convenience.

“Online (is my choice), but only when I can do everything online, without the need for confirmation in the branch or courier visits – these activities together extend the process of setting up an account.”

“A very important condition for setting up an online account is that the account is opened as soon as possible. It is natural for me that within a few hours I should be able to use the account.”



4. Visa Digital Onboarding Benchmarking Study, Central and Eastern Europe, July 2020.



Be guided by five key principles when designing your digital onboarding solution

Through our research, we identified some key success factors that, if used when shaping your proposition, will enhance your customer's satisfaction during their initial dealings with your organisation. Customers are ready and waiting for a fully digital future, but what you offer them must not only provide them with time savings, but also encourage them to use their account to the full in the early days. Integrating the placement of their card credentials online and in their mobile, as part of the onboarding journey, will help to quickly build customer engagement.

Your digital onboarding solution should ideally meet the following five key principles:



1. Optimised Process

- **Limit the onboarding journey time** to less than 10 minutes.
- **Avoid repetition**, with each piece of data only being asked for once.



2. Simplified Customer Journey

- **Communicate simply and concisely** at every stage of the process.
- **Use meaningful and complementary graphics** that when combined with the text provide a stronger message.
- **Be open with the customer**, clearly showing what is required from them.



3. Seamless User Experience

- **Provide access to well trained humans** to address any problems immediately.
- **Facilitate an omnichannel process**; ensure the application can be continued in another channel should problems occur.



4. Use Technological Capabilities

- **Deliver the ability to onboard in one session**, from interest to usage.
- **Integrate early usage features**, such as digital issuance, card-on-file and e-wallet provisioning, online merchant sign up e.g. Netflix



5. Cutting Edge Security



- **Introduce a layered and well informed security policy** to protect the customer.

By structuring your digital onboarding solution to deliver what your customers want, you will allow them to start using your services straightaway, increasing your chances of success.

Adopt process best practices to improve the digital onboarding experience for your customers

Through researching the views of customers regarding their digital onboarding journeys, we have been able to identify 18 different process best practices. By incorporating these into your offering, you are much more likely to improve customer engagement, streamline your onboarding process and ensure that your customer can start using their account straightaway.

Digital Onboarding Best Practices

 Improve Customer Engagement	 Streamline the Onboarding Process	 Enable Immediate Account Access
 Communicate simply and concisely	 Inform the customer of the documents required	 Virtual card issued for immediate use
 Use informal language	 Present Terms & Conditions and Declarations in a meaningful way	 Activate online banking
 One question per screen format	 Use a fully digital 'Know Your Customer' process	 Immediate addition of the card to a digital wallet
 A "task bar" to show where the customer is in the journey	 Minimise manual data entry	 Immediate choice of card PIN
 Use graphics and colour	 Speed up the process through fully leveraging technology	 Provide a delivery date for the physical card
 A best-in-class approach to account security	 Onboarding time of less than ten minutes	
 An additional layer of security		

A good discipline is to benchmark where you are against these best practices. Based on our experience of digital onboarding journeys across the globe, the following is a good guide:

FUNCTIONAL

Adoption of <7 best practices. Your digital onboarding journey is unlikely to be meeting the needs of your customers.

GOOD

Adoption of 7 to 10 best practices. Your digital onboarding journey is good but there are things that you can do to be more attractive to potential customers.

BEST

Adoption of 11 or more best practices. You are one of the best performers in your market, giving you a competitive edge.

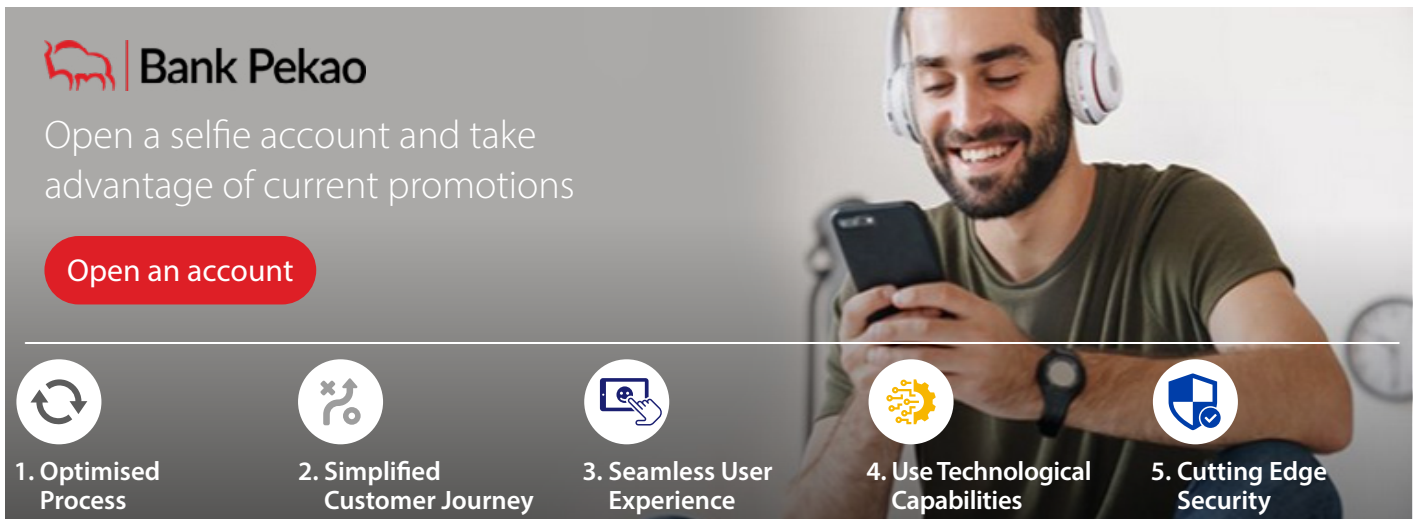
Getting this first touchpoint with your customers right can be the gateway to a much more profitable relationship, for both you and your customers. Utilising technology to unlock additional innovation, allows your customers to immediately transact and manage their finances.

Some banks are already delivering the quality digital onboarding experience their customers prefer

With Fintechs driving the move to digital solutions, some incumbent banks are following suit, with offerings shaped to accommodate the verification rules for their market. Customer focused regulation has allowed some banks to simplify their "Know Your Customer" process, for example, if a customer already has an account with Klarna, and has therefore been vetted, they can use that elsewhere to prove their identity and avoid a further background check.

In markets such as the Netherlands, New Zealand, the Nordics and the UK, you will find great examples of banks that are at the forefront of this evolution and who are delivering truly digital onboarding experiences for their customers to enjoy. One such leading onboarding offer is from Bank Pekao S.A. in Poland, which reflects the five guiding principles and incorporates many of the best practices outlined in this paper. Below is a snapshot of some of the features and processes that make up their digital onboarding offering.

Bank Pekao S.A. Digital Onboarding Case Study



Bank Pekao

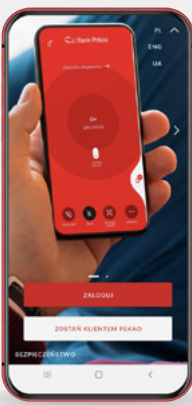
Open a selfie account and take advantage of current promotions

Open an account


- 1. Optimised Process**
- 2. Simplified Customer Journey**
- 3. Seamless User Experience**
- 4. Use Technological Capabilities**
- 5. Cutting Edge Security**

Simple step-by-step process, asking for each required piece of information in turn.

Step 1
Once you've selected the app, select "Become a Pekao client".



Identity documents can be "read" over the phone, against which the "selfie" can be verified in real time.



Immediate human support provided to address problems.


Need help?

Chat Video

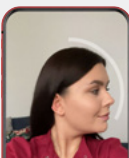
The customer can onboard quickly in one session, by using camera and back-end technology for identity verification.

- Start
- Relationship with the Bank
- Contact details
- Phone number verification
- Offer for you
- About you
- Conclusion of the contract
- Thank you


Strong authentication in place through an additional verification step, for account opening/ some transactions.



Complementary graphics and text used:
"We'll ask you to record a few head movements to confirm your identity".



The account can be opened via mobile or desktop, with the journey differentiated in each channel.



Online banking is set up as part of the onboarding process:
"Enter the code we sent you by SMS and set your own online banking password".

Benefits for you and your customers

Delivering a seamless, intuitive digital onboarding experience that makes it frictionless for customers to provision their payment credentials and embed them in their e-wallets or preferred merchants from inception leads to higher engagement and naturally drives activation and usage from day one. It also allows the bank to deliver better compliance, reduce costs, and deliver innovative solutions immediately. Our research provides a clear and simple message: the advent of digital has raised customers' expectations to have a straightforward, convenient user experience, whether they are opening a bank account or doing their weekly shop online.

When it comes to digital onboarding, the average amount of time after which customers abandon their application is 14 minutes and 20 seconds. Any longer than this, and 55 percent of customers leave the process⁵. If the time taken reaches 20 minutes, 70 percent of customers completely abandon their attempt to open an account.

Therefore, to ensure you attract engaged customers, you need to deliver a digital onboarding experience that is short and straightforward and delights the customer. The learnings and best practices outlined in this paper can be applied to make a real difference in any market in the world.



How Visa can help you

Visa Consulting & Analytics (VCA) can guide you through the successful execution of each of the four steps you need to follow to build the right digital onboarding proposition for your customers.

1. Assessment of Current Solution

- VCA can take an in-depth look at your current onboarding flows, both from a user experience and a processes perspective.
- We can also help you navigate any regulatory hurdles and local market legislation.

2. Business Case Development/ Impact Analysis

- Develop the business case for change, covering incremental benefits and costs.
- Strengthening customer service support to help resolve any issues for users.

3. User Experience Design and Research

- Development of a process flow predicated on primary customer research in your market, ensuring the best messaging and communication.
- Test prototypes with your customers to refine and adapt to their expectations.

4. Solution Development

- VCA can dedicate resources to help you build your onboarding proposition. (Know Your Customer, digital issuance, provisioning)
- Tap into ready-made capabilities for Digital Onboarding through leveraging Visa APIs and Fintech Connect partners.

⁵ Signicat: The Battle to Onboard III - Why has huge investment in digital transformation led to so little change?, 2019. <https://ecutechnology.com/wp-content/uploads/2020/04/The-Battle-to-Onboard-III-Signicat.pdf>

About Visa Consulting & Analytics

We are a global team of hundreds of payments consultants, digital marketing specialists, data scientists and economists across six continents:

- Our consultants are experts in strategy, product portfolio management, digital, risk and more, with decades of experience in the payments industry.
- Our data scientists are experts in statistics, advanced analytics, and machine learning, with exclusive access to insights from VisaNet, one of the largest payment networks in the world.
- Our economists understand economic conditions impacting consumer spending and provide unique and timely insights into global spending trends.

The combination of our deep payments consulting expertise, our economic intelligence, and our breadth of data, allows us to identify actionable insights and recommendations to enhance your digital onboarding proposition.

We can help you to improve your digital offering and design, sharpen your targeting and acquisition strategy and transform the digital experience your customers receive.



For help addressing any of the questions raised in this paper, please reach out to your Visa Account Executive to schedule time with our Visa Consulting & Analytics team or send an email to VCA@Visa.com. You can also visit us at [Visa.com/VCA](https://www.visa.com/VCA).

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