



This Quarter in Digital

Q2 2023

DIGITAL EXPERIENCE INSIGHTS
FROM ADVISORS PLUS



Introduction

In this issue of **This Quarter in Digital**, we look at how financial service providers have integrated referral programs. As an increasingly popular acquisition tool, refer-a-friend and similar programs can help a brand grow, if well positioned within the digital experience. We consider some in-app best practices.

Also in this issue, we look at how credit card providers have rolled out autopay capabilities, helping users better manage their finances digitally. We discuss a number of intuitive set-up practices and market-leading servicing functionalities.

Retail checking and savings providers have looked to streamline application forms, creating smooth and frictionless onboarding journeys. We present some ways providers have simplified the user experience here.

Cash App is our featured fintech this quarter.



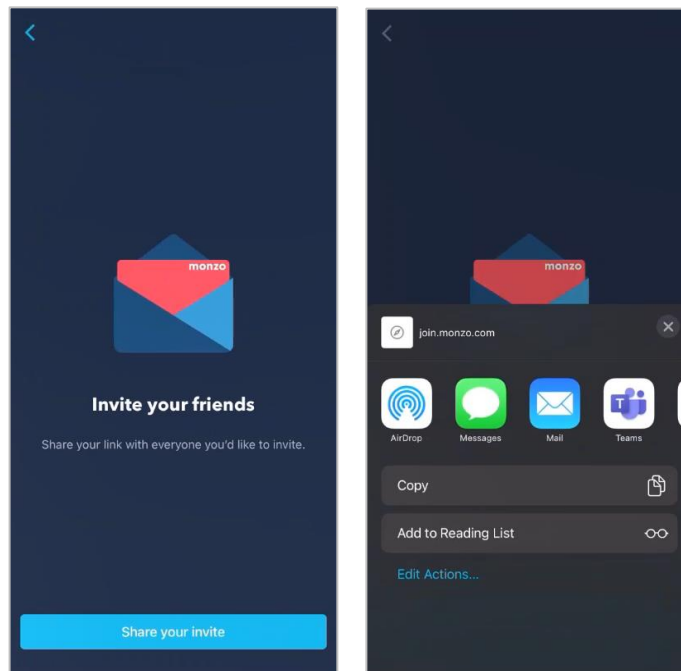
In This Quarter

Trusted referrals

Consumers are increasingly making commercial and financial service decisions based on brand and product information sourced indirectly of the provider they are considering. Naturally, information is made much more powerful if based on pre-existing relationships with the source. Many financial service providers offer refer-a-friend programs, and research suggests they are right to do so: one piece of research shows that U.S. businesses acquire 65% of customers through referrals. Further, these customers spend 13.2% more than regular customers. Referred customers have a 16% higher lifetime value than average customers, and 63% of Gen Z consumers say that recommendations from friends are their most trusted source for learning about products and brands.

Trust is the cornerstone of refer-a-friend programs, and so to motivate engagement, providers must get the offer right and build it into smooth digital journeys that exemplify its capabilities. While only about a third of retail checking institutions tracked by the Digital Banking Analyzer offer referral programs in-app, those that do aim to provide a range of different invite mediums in a bid to land at the prospect's channel of choice.

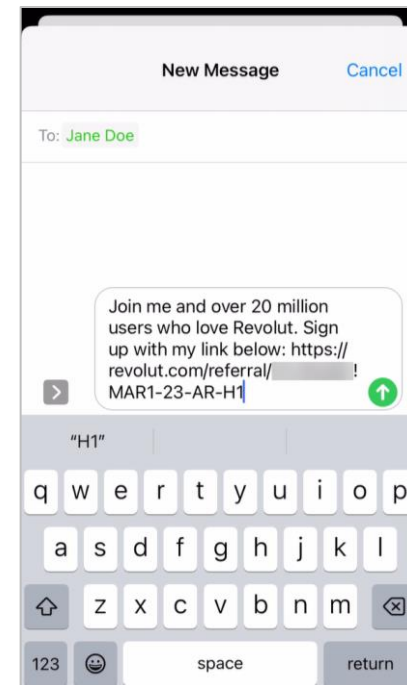
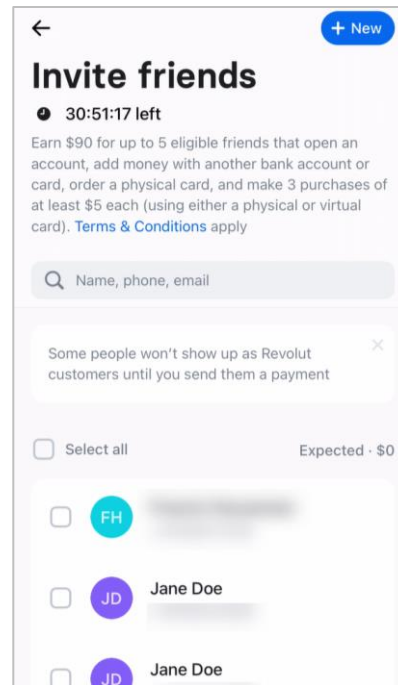
MONZO OFFERS OMNICHANNEL REFERRAL CAPABILITIES



Given the success and comparatively low acquisition costs associated with referral programs, rates and offers have become increasingly competitive. Leading providers have prioritized user experience by making the most of data and device connectivity to offer smooth journeys.

At the forefront of retail checking providers are neobanks, with the likes of Revolut incentivizing users to invite contacts to the bank's ecosystem. A full-page takeover is presented to the user, with enticing content encouraging engagement. Next, the user is presented with contacts pulled from the device and compelled to send as many invites as many possible through a simple check-box system with rewards calculated as selections are made. The process is simple, progressive, and makes use of the device's data storage and messaging capabilities. Celebratory messaging follows the journey, which circles back to the invite page.


REVOLUT MAKES USE OF THE DEVICE AND OFFERS INCENTIVES THROUGHOUT




Referral programs are offered across the digital banking spectrum, but are more popular in some areas than others. Among investment providers, referral programs are incredibly advanced, with digital leaders applying provocative approaches that stimulate user engagement across product and service ranges. Turning to the challenger world, SoFi presents benefit opportunities for the user from referring friends or contacts to any of the provider's product sets and, like others, makes use of device sharing capabilities. By creating as many referral opportunities as possible, SoFi raises the possibility of engaging with a user the brand itself has no data on. There is also an element of gamification present, with referral stats adding a competitive edge to the program.

SOFI LOOKS TO EXTRAPOLATE OPPORTUNITIES ACROSS PRODUCT BASE


Get rewarded for bringing new friends to SoFi.



Refer SoFi Checking and Savings, get \$50
For each friend who funds a new SoFi Checking and Savings account, you'll get \$50—they'll get \$25, too.




Refer friends to the SoFi Credit Card and get \$100.
Earn \$100 in reward points toward your financial goal for each friend who is new to SoFi and opens a Credit Card. They'll earn a welcome bonus too.





Refer SoFi Invest, get \$50 in stock
For each friend who funds a new Active Investing account, you'll get \$50 in stock—they'll get \$25 in stock, too.

Get \$50 in stock for each friend who joins SoFi Invest.

For each friend that signs up and funds an Active Investing account with \$10 or more, you'll get \$50 in stock—they'll get \$25 in stock, too.


 View my referral stats


 Referral program FAQs


 See official rules


Get \$50 in stock for each friend who joins SoFi Invest.


For each friend that signs up and funds an Active Investing account with \$10 or more, you'll get \$50 in stock—they'll get \$25 in stock, too.


 View my referral stats


 Referral program FAQs


 Hey! I'm using SoFi Invest to buy and sell stocks (and pieces of stoc... X

 AirDrop

 Messages

 Mail

 Notes

 Bit

Copy

New Quick Note

Save to Files

This Quarter in Digital

Q2 2023 ■ 6

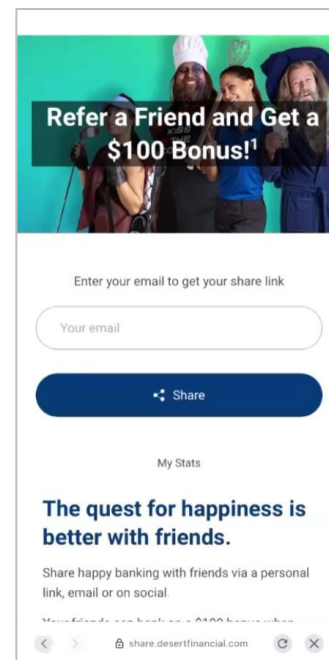
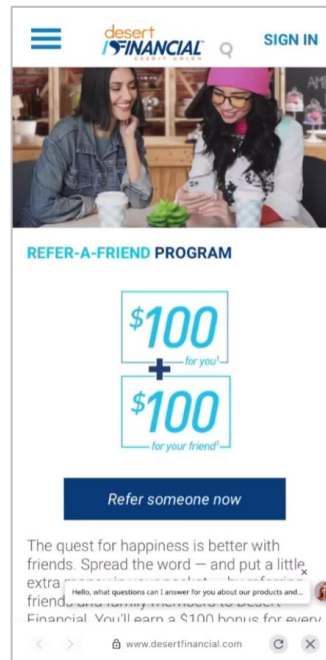
Among credit unions, refer-a-friend programs have a number of added benefits, including the community and personal brand appeal which many have looked to prioritize as main channels have shifted to digital.

Digital positioning is everything – more providers are incorporating referral programs into their app environments, exploring new ways to attain new business and deepen their relationships with existing users by utilizing a digital journey that offers rewards to members while increasing member loyalty.

WHAT DOES THIS MEAN FOR CREDIT UNIONS?

Referral programs offer strong value to credit unions and their members. By enabling members to refer a friend, credit unions will acquire new members with a relatively low acquisition cost and see a solid ROI. While bank/fintech referral programs focus on sharing for the purpose of brand building, credit unions can differentiate by communicating expertise and improving the financial health of consumers. This message carries strong value as more and more consumers are living paycheck to paycheck. After successfully assisting members improve their finances, those members can become brand ambassadors for the credit union. Experience sharing is critical with Gen Z, which places a strong emphasis on recommendations.

DESERT FINANCIAL IS ONE OF A NUMBER OF CREDIT UNIONS LOOKING TO BOOST REFERRAL SCHEMES



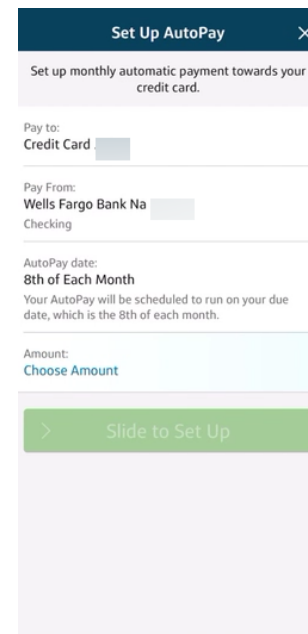
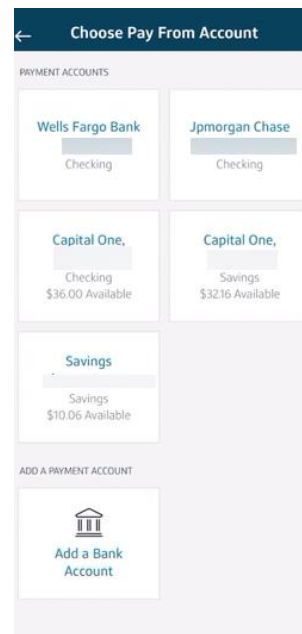
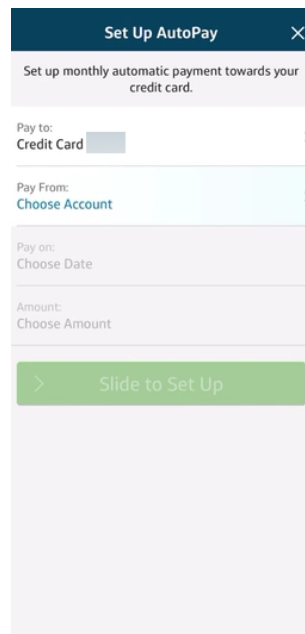
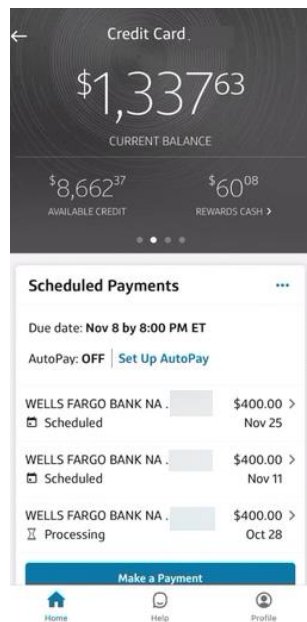
In This Quarter

Setting up CC autopay

The credit card market has become intensely competitive with the rise of digital channels and their accessibility. On average, a U.S. consumer holds at least three credit cards, with as many as 13% holding at least five, according to Experian. Core service functionalities such as autopay must be delivered with market-leading journey management.

Capital One recently streamlined its autopay set up journey. The autopay journey sits in the card account overview screen and four clearly presented boxes make for a decluttered and simple process. The user can select an existing Capital One or linked external account to make the payments, and balances are displayed against each to serve as a reminder of the health of each option.

CAPITAL ONE HAS STREAMLINED ITS MOBILE AUTO PAY SET-UP



This Quarter in Digital

Q2 2023 ■ 8

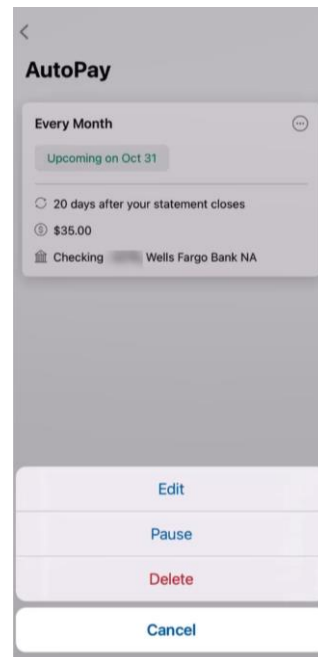
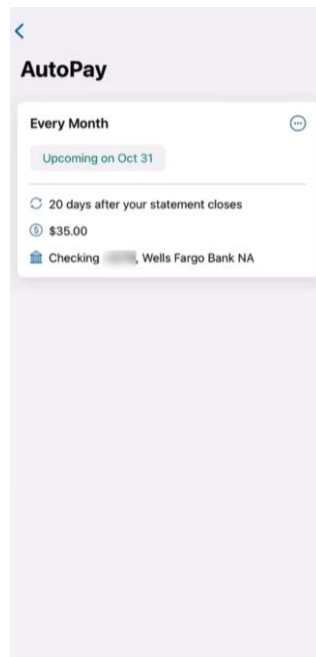
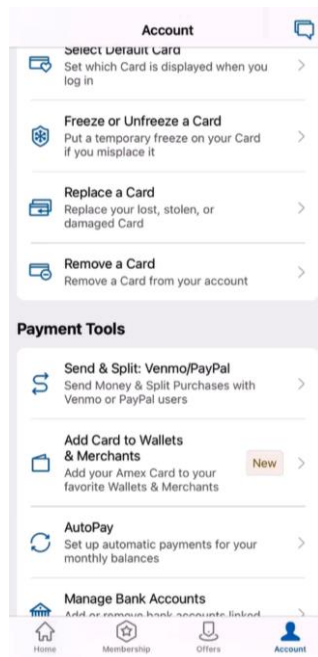
While autopay helps users remain disciplined with their finances, flexibility is a critical safety net – making self-service options essential.

American Express is among the brands that allow users to pause or edit autopayment amounts on desktop and mobile. The withdrawing bank account can also be amended. Providing users with this level of flexibility can help ensure that users have full control over their cash outflows and help keep their accounts in good standing.

WHAT DOES THIS MEAN FOR CREDIT UNIONS?

As consumers navigate the impacts of inflation and rising interest rates, solutions that deliver immediacy, debt reduction and flexibility – while balancing risk – are highly valued. PSCU's suite of credit card payment solutions, including Auto Pay, Right Time Payments (immediate available credit update) and Payment Defender (payment security) deliver on member needs and enable credit unions to offer a payment experience that competes with even the largest issuers.

AMERICAN EXPRESS USERS CAN STOP, PAUSE, AND EDIT AUTOPAYMENTS



In This Quarter

Cut out the application clutter

Consumer expectations are being set outside of financial services resulting in widespread demand for simple journeys and immediate outcomes. Throughout the onboarding journey, a prospect is still considering whether they wish to bank with a provider, knowing that other options are in the market. A survey by Signicat suggests that 60% of applicants will abandon the onboarding process if it takes more than 10 minutes and 80% of customers are more likely to do business with an organization with a seamless onboarding journey. Outsystems research also suggests that banks that invest in their onboarding process can expect to see a 10-15% increase in retention.

The data entry process within an application form must be simple and displayed in clean and easily understood pages and providers must consider the structure of questions to ensure fewer clicks and data entry points. Leading brands position a limited amount of information on each screen to ensure interfaces are neat and compact throughout the application process. Challenger brands like SoFi also enable users to answer single-response selection questions with a single click, rather than clutter the page with tick boxes or 'continue' buttons. Instead, arrows are used to imply progression with each selection, making the journey feel frictionless.

SOFI'S MINIMALIST AND PROGRESSIVE APPROACH

Verizon 4:59 PM 53%

Cancel

Who will be using this account?

- Just me (Individual)**
An account just for you. You can always invite a joint account holder later. >
- Me and someone else (Joint)**
Two debit cards and full access for both you and someone else. >

[Learn more](#)

Verizon 5:00 PM 52%

What's your citizenship status?

- U.S. citizen >
- Green card holder >
- Non-permanent resident alien >

Back

Verizon 5:00 PM 52%

What's your employment status?

- Employed (full or part-time) >
- Self employed >
- Not currently employed >
- Retired >

Back

This Quarter in Digital

Q2 2023 ■ 10

At the start of the year, Citi's application form was similar to fintechs. The journey consisted of one entry per screen with tooltips and field information. However, in the most recent quarter, Citi removed this application and reverted to its previous form-based application, which is much more aligned to its desktop view. Citi is clearly experimenting in form redesign to assess impact on conversion. While increasing text size, the newer interface potentially had contrast issues with the blue background. It may also be considered that mass market card applicants may not necessarily be used to the fintech interface compared to the market norm.

WHAT DOES THIS MEAN FOR CREDIT UNIONS?

Merchants have spent significant resources researching how to best architect online checkout processes in an effort to reduce abandonment. They know that converting additional consumers leads to an increase in current sales and offers an opportunity for repeat business. A similar concept applies in financial services – financial institutions that deliver a streamlined account-opening process will reduce abandonment and be best positioned to gain new cardholders. In the Q1 2023 This Quarter in Digital Webinar, we examined PCSU's partnership with Amount, which will deliver an end-to-end account opening process. Members will experience a streamlined application process that will deliver the card digitally once approved.

CITI TRIED OUT A FINTECH FORM APPROACH WITH SINGLE ENTRIES PER SCREEN AND THEN REVERTED TO THE TRADITIONAL JOURNEY

A screenshot of a mobile application form with a blue background. At the top, there are two input fields: "Security Number" with a tooltip icon and "Date of Birth" with a tooltip icon. Below these is a large white text box with the question "What's your country of citizenship?" and a blue arrow button to the right. At the bottom, there is a list of countries: "United States", "Afghanistan", and "Aland Islands".

A screenshot of a mobile application form with a blue background. At the top, there are two input fields: "Date of Birth" with a tooltip icon and "Country of Citizenship" with a tooltip icon. Below these is a white text box with the question "What's your phone number?" and a paragraph of text explaining the requirements. Below this is a "Mobile Phone" input field with a blue arrow button to the right. At the bottom, there is a numeric keypad with letters assigned to numbers (e.g., 1, 2 ABC, 3 DEF, etc.).

A screenshot of a traditional application form with a white background. The title is "Tell us about yourself". Below the title is a paragraph of text: "Already a Customer? [Sign On](#) with your Citi username and password for a shortened application". Below this is a section titled "Things to know before you apply:" followed by a paragraph of text. Below this is a section titled "YOUR PERSONAL INFORMATION" with several input fields: "First Name", "Middle Initial (opt.)", "Last Name", "Suffix (opt.)", "Social Security Number", and "Date of Birth (MM/DD/YYYY)".

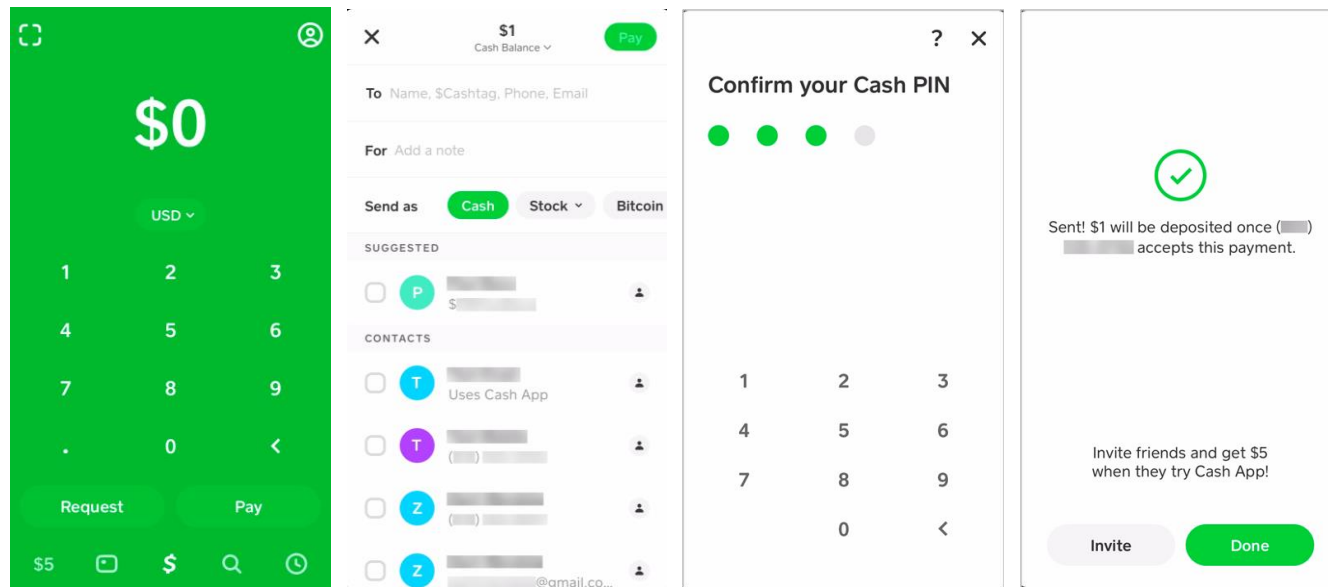
Featured Fintech

Cash App

Last year Cash App was downloaded more times than WhatsApp, Amazon, Snapchat or Facebook in the U.S., where the brand reached the marketing holy grail of becoming a verb. The mobile payment service app developed by Block has a reported 50 million active users who regularly send and receive money with a debit card or bank account, invest, pay bills and utilize its cash card. Cash App has successfully gained traction among a younger demographic averse to paying fees associated with traditional bank transfers and who are drawn to distinct, progressive branding.

Cash App's home screen is its P2P payments screen, where users can start their request or pay journeys immediately. The fintech has placed the cash balance to the bottom left of its tab bar, allowing the focus to remain on the transaction itself. Notably, an added layer of security is added with PIN confirmation when making each payment.

CASH APP'S PAYMENTS JOURNEY IS POSITIONED AND DELIVERED IN A SIMPLE AND EFFECTIVE MANNER

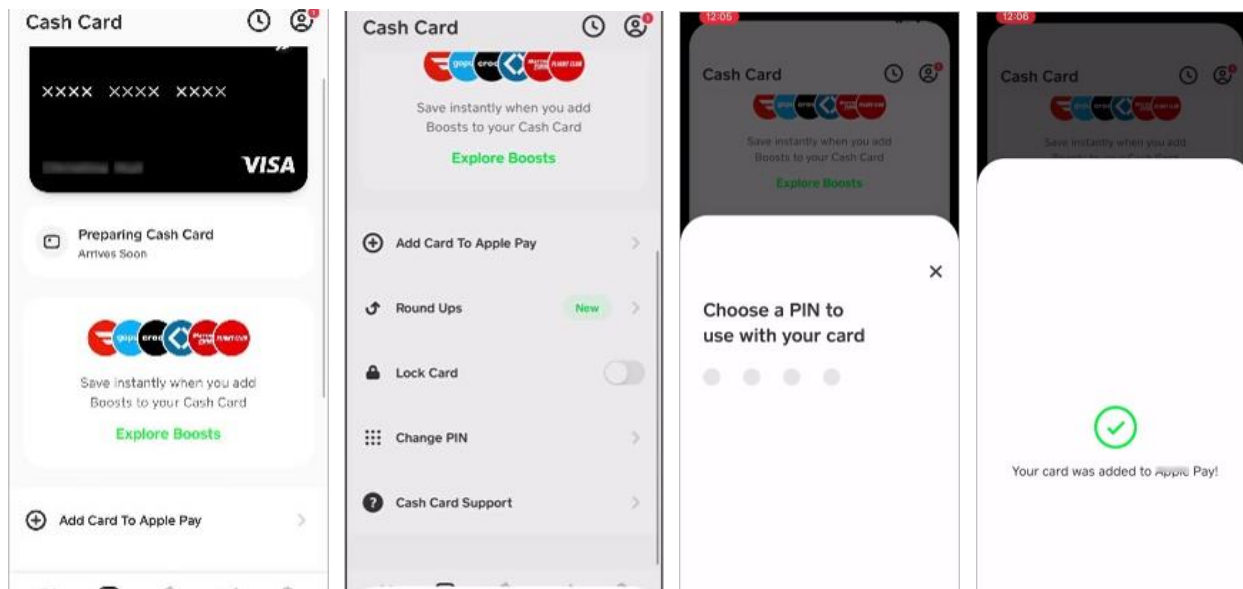


Cash App shows the importance of embedding regular customer engagement as quickly as possible and promotes savings capabilities early in the payments experience.

The neobank aims to ensure that users can start using its virtual card immediately – prioritizing Apple Pay integration and setting up automatic roundups as soon as the physical debit card is ordered.

Other key services have become available such as lending and Boost, which serves as cashback on selected merchant transactions.

CASH APP USERS ARE ENGRAINED INTO THE PROVIDER'S SERVICES AS EARLY AS POSSIBLE

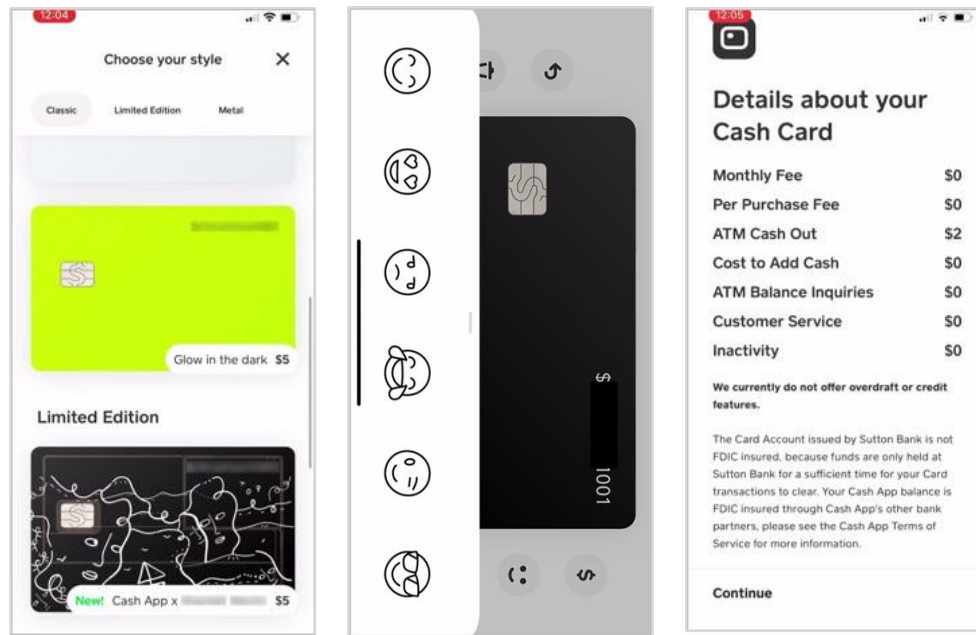


As part of the debit card set up process, Cash App shares an interface typical of the neobanks, in which card selection and customization use the full width of the screen. Card visuals are not small icons, but large images to ensure that the user can easily see the design. Cash App also enables users to personalize cards with graphics, emojis and freeform line drawings. The provider completes the card selection journey by clearly summarizing the charges associated with using the card. It uses retail language, referring to the card choice as an “order”, for instance.

WHAT DOES THIS MEAN FOR CREDIT UNIONS?

“Do More with Your Money - Send and spend, bank, and buy stocks or bitcoin.” This text from the Cash App website demonstrates how they are differentiating in the saturated market of financial services. By evolving from a person-to-person (P2P) payment offering to a more holistic provider, Cash App has expanded their value to consumers. Cash App focused their expanded offering on solutions that appeal to the younger demographic. The platform is mobile-first, as demonstrated by the QR code on the web site to make mobile app downloading easy. Additionally, Cash App followed a similar path as Robinhood by offering investment opportunities in less formal packaging. Fintech offerings like Cash App and Robinhood are great examples of how to craft a product through channel focus (mobile), design and expanded offerings (investments, bitcoin) to drive adoption from younger consumers in a crowded field of choices.

CASH APP ALLOWS FOR DESIGN CUSTOMIZATION AT CARD SELECTION



Conclusion

Retail banking service providers are becoming increasingly sophisticated in their ability to offer leading user experiences to consumers.

This is certainly true for the credit union community, where providers must utilize digital channels to build personal relationships. By facilitating smooth onboarding and service experiences, credit unions can encourage trust among members that they are receiving value from their financial partner. Developing application form journeys, encouraging word-of-mouth promotions and offering convenient financial management capabilities such as autopay help to build that trust.

The speed with which the user experience (UX) within payments has evolved over the past several years continues to accelerate. An example of how important payments UX is to consumers has been the rise of Cash App – which has become one of the fastest growing apps in the U.S. With the provider rolling out regular change, others in the industry must be aware of what is leading the market.

We hope that the insights from This Quarter in Digital will help your credit union continue to digitally innovate while maintaining a focus on the financial wellbeing of your members.

Stay tuned for more from the team.

ABOUT THIS QUARTER IN DIGITAL

The newsletter is produced by PSCU's digital banking advisory service within its [Advisors Plus consulting practice](#) in partnership with Curinos, a global data intelligence business serving financial institutions across lending, deposits and digital banking solutions. Images, platform and app screenshots, and analysis within this document are obtained from Curinos' Digital Banking Analyzer, a centralized platform of digital banking journeys that allows financial institutions to review digital banking capabilities in the market, and Curinos' services to help credit unions inspire their roadmaps and innovate digitally.

ABOUT PSCU

PSCU, the nation's premier payments CUSO and an integrated financial technology solutions provider, supports the success of more than 2,400 financial institutions and processes nearly 7.7 billion transactions annually. Committed to service excellence and focused on continuous innovation, PSCU's payment processing, fraud and risk management, data and analytics, digital banking, strategic consulting and real-time payments platforms, along with 24/7/365 member support via its contact centers, help deliver personalized, connected experiences. The origin of PSCU's model is collaboration and scale, and the company has leveraged its influence on behalf of credit unions and their members for more than 45 years. Today, PSCU provides an end-to-end, competitive advantage that enables credit unions to securely grow and meet evolving consumer demands. For more information, visit pscuhq.com.

