

Welcome to the Webinar

Account Acquisition & Onboarding: How to Deliver Exceptional Member Experiences

Presented by Joe Phalen, Q2 Gro



The session will begin at the top of the hour.



Listen to today's webinar using your computer speakers/headphones or dial-in on your phone.



You will be muted throughout the session. The chat feature is available, and we welcome any questions or comments you have throughout the session.



A link to the recording will be provided via email after the session.

Q2

Online Account Opening


How to Deliver Exceptional
Member Experiences

Meet the Speaker

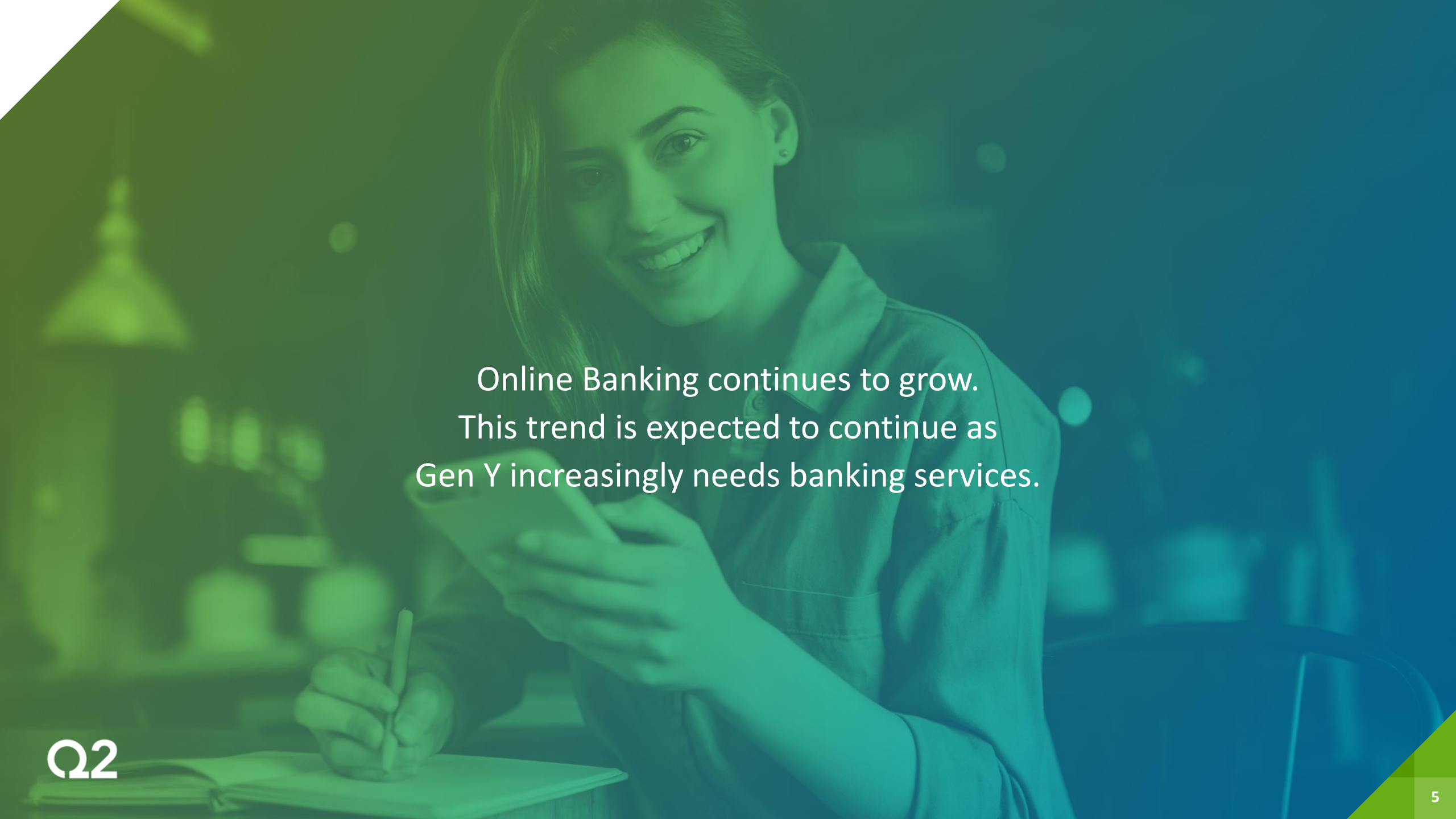


Joe Phalen

Regional Sales Manager, Q2 Gro



Credit Union members increasingly rely on smartphones and other digital devices for many – if not most – of their needs.



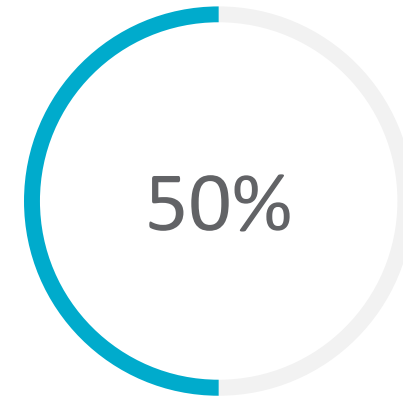
Online Banking continues to grow.
This trend is expected to continue as
Gen Y increasingly needs banking services.

Online Applications

Continue to grow

1 out of every 2.5

applications comes
from Mobile/Tablet

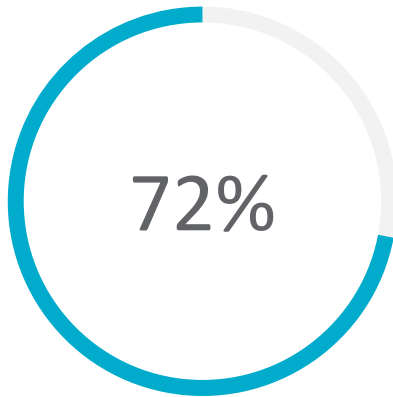


The trend is rapidly
pushing towards 50%.

Online Account Opening

An important investment focus

Q: How Important are the following functional/product areas to your fintech partnership, collaboration and/or investment plans for 2019?

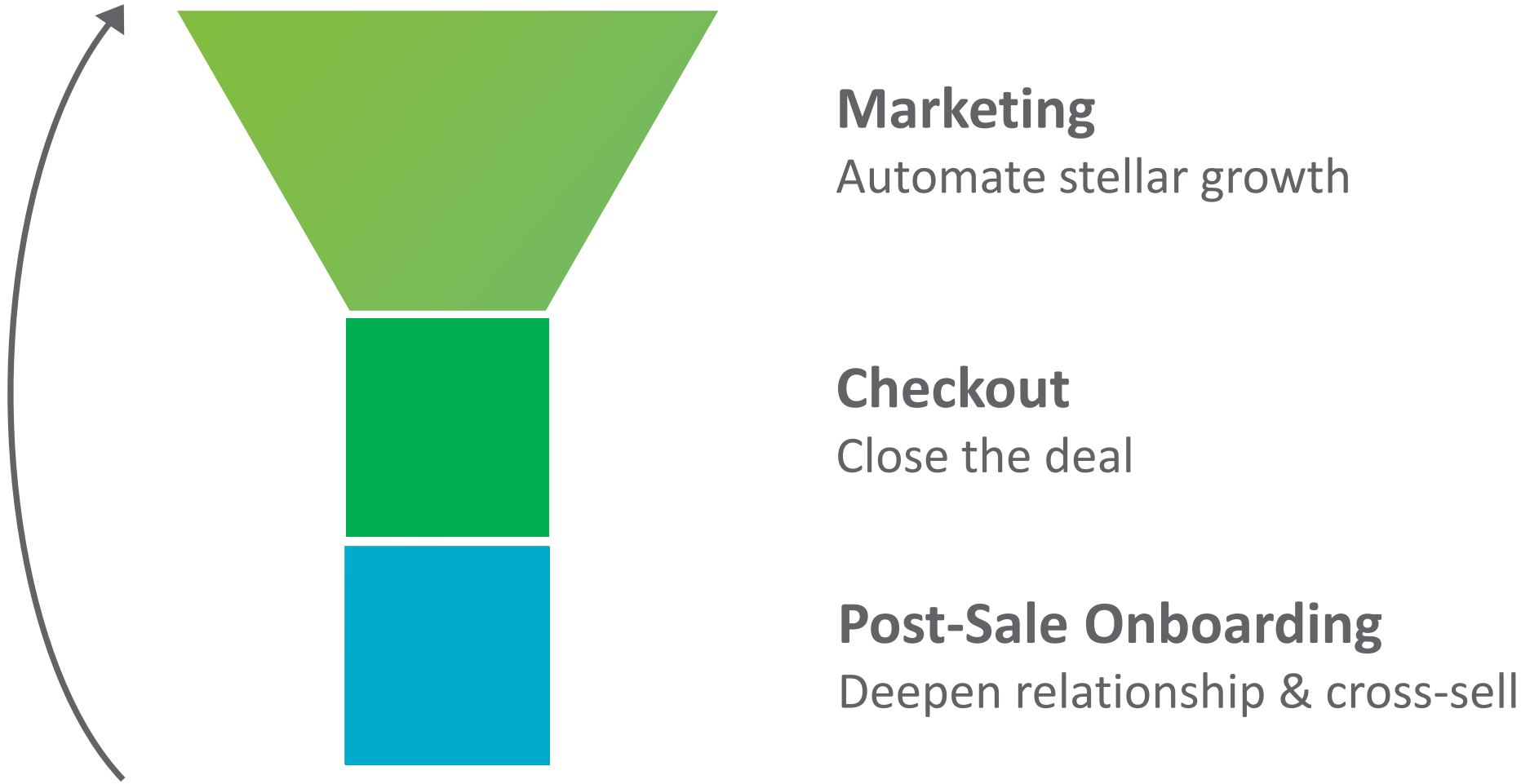


said digital account opening
was the
most important
functional/product area

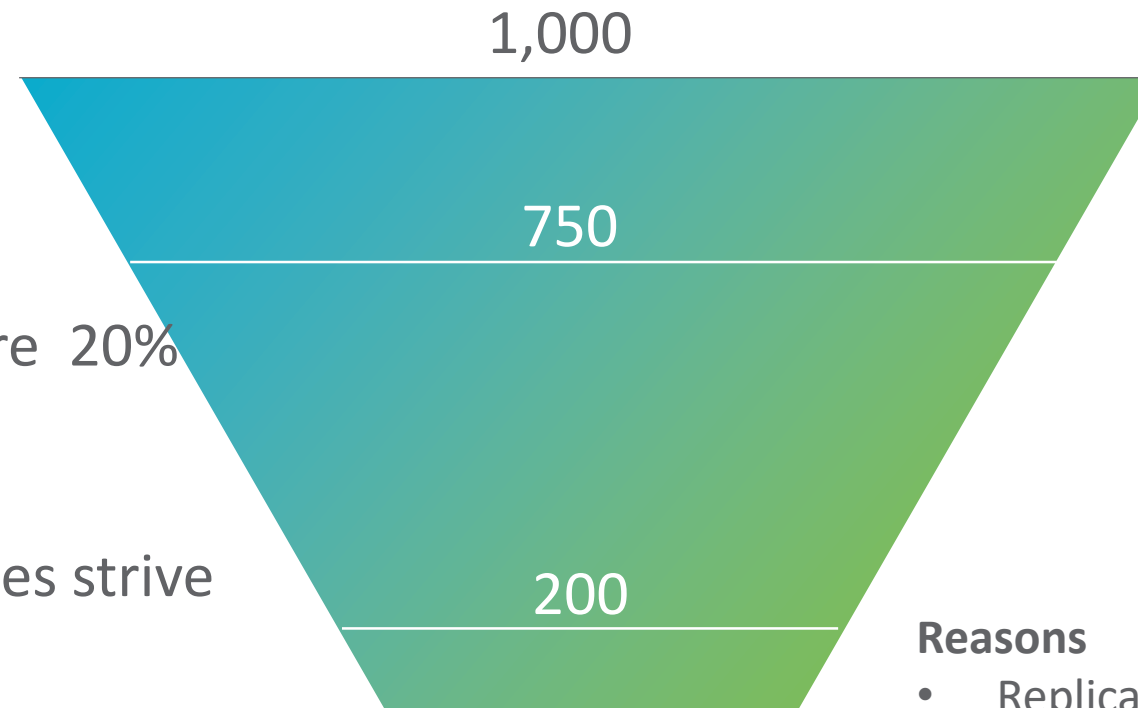
	Very Important	Somewhat Important	Not Very Important	Not At All Important
Digital account opening	72%	25%	2%	1%
Payments	53%	39%	5%	3%
Lending and credit	51%	40%	8%	0%
Fraud/risk management	38%	49%	11%	3%
New banking products	28%	52%	19%	1%
Personal financial management	19%	57%	19%	5%
Investment management	11%	38%	35%	16%
Insurance	7%	19%	36%	38%
International remittances	2%	9%	32%	56%

Source: Cornerstone Advisors survey of 305 community-based financial institutions executives, Q4 2018

CU Digital Sales and Marketing Lifecycle



Low Conversion and High Abandonment



- FI conversion rates are 20% or less, typically
- Ecommerce companies strive for 75% or better

Reasons

- Replicating branch process in digital
- Asking unnecessary questions
- Requiring wet signatures
- Not having a digital process

Opportunity Cost

Year	Starts	Decisions	Typical Conv. Rate	Lost Members	Lost Profit
Year 1	12,000	2,400	20%	9,600	\$1,144,800
TOTAL lost value from just the FIRST year of signups over a five-year span					\$5,724,000

Annual Lost Members	5-year value (each)	Total Lost Value
9,600	\$1,060	\$10,176,000

Conservative Assumptions

- You should be able to at least get to a 65% conversion rate. [Monthly: ((100@65%=650) - (1000@20%=200))]
- Annual value here is just \$212, actual averages are much more
- Assumes 1,000 starts per month, which is typical for a \$500MM credit union
- Total lost value of first year signup is only counting the value of the first year x 5 years

How?

Weighing Your Options

Start with questions

Why is online account opening generally unsuccessful?

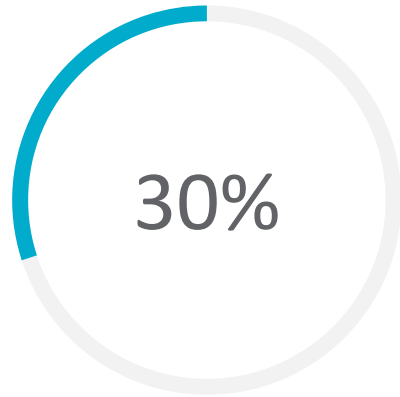
High abandonment results from slow, cumbersome online enrollment experiences.

What is considered an optimal conversion rate these days?

Possibly up to 70%.

First Steps

Knowing what members want



conversation rate is frequently cited in the financial industry.

Today's members and prospective members want the experiences found at Amazon, Netflix, and Wayfair, among others.

Deliver the Expected Experience

Satisfy your members

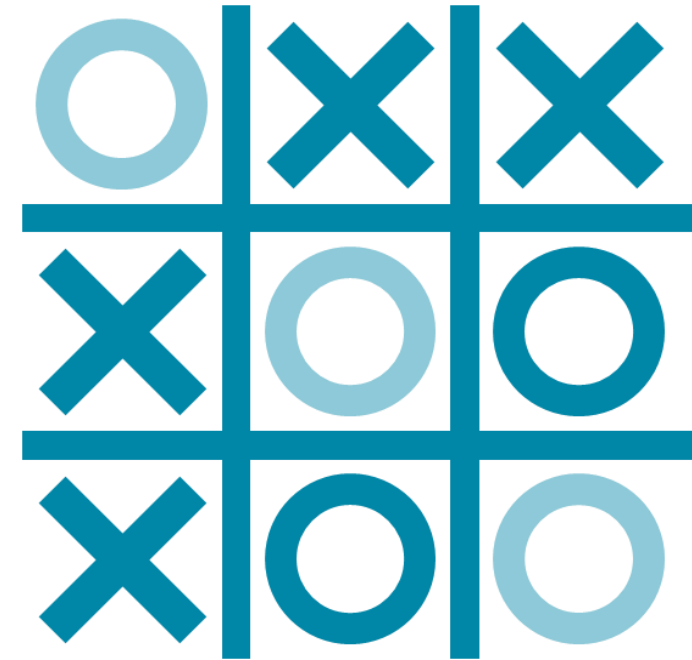
With the right strategy and technology, a credit union should be able to attain a high conversion rate.

Members and prospective members also should be able to open and fund accounts in less than four minutes.

The Winning Path to AO

A complete digital account opening and enrollment platform should offer:

- An open-rules approach and decisioning control
- Robust integration options for data collection and optimal platform use
- A universal marketplace and checkout experience with bundling choices



Deliver Account Opening and More



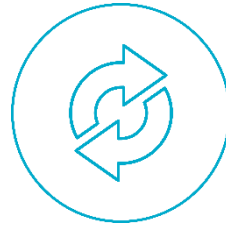
Innovative

First to offer mobile web ID scan in 2014 and first to direct connect to mobile carriers



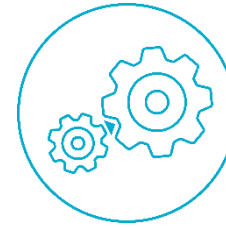
Configurable

Parameter-driven implementation



Simple

Minimal workflow reduces friction and abandonment



Open

Integrates with your existing infrastructure



Experienced

meaning new organizational mindset to address new complexities of service



Q2 Gro brings the best practices of ecommerce to financial institutions.

Proven Success

60+ bank and credit union customers across the U.S.



Gro Clients Realize Significant Results



- 10x increase in applications
- 70% success rate
- Nationwide expansion as a result of success
- Launching more digital products as a result of success



- Doubled year-over-year membership growth over a 3-month period
- 103% increase in membership over 3 months
- Most new monthly memberships in company history
- Expanded reach into new markets



- Became one of the Top 10 Fastest Growing FIs
- Nearly 100% of new accounts are funded
- 83% enrollment in online banking
- 47% accept direct deposit and pay bills in the first month

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