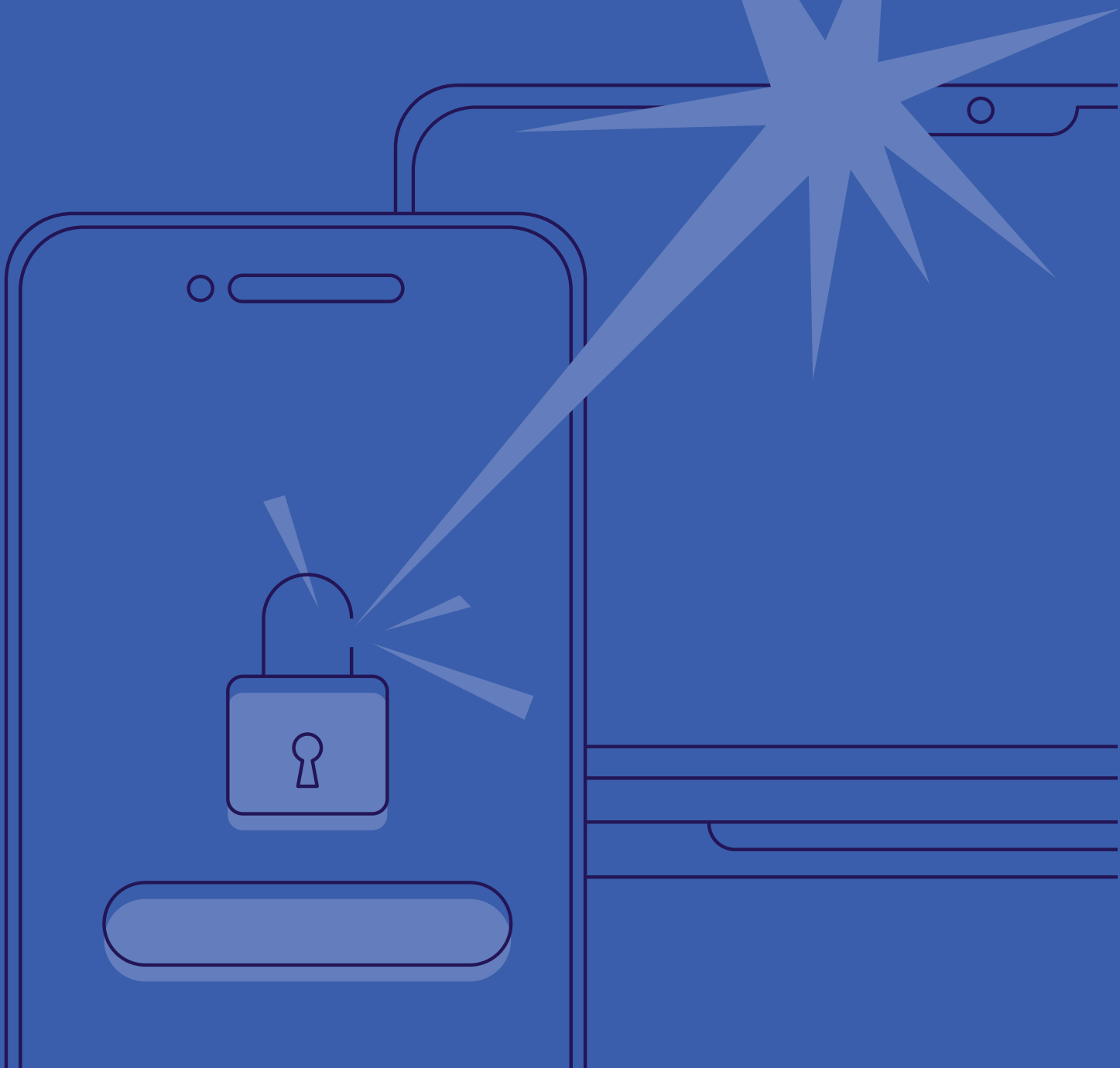


Transforming customer onboarding: Unlocking sustained growth for banks

The Digital Onboarding Report 2023



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The evolution of customer digital onboarding

Onboarding is among the most important interactions a bank will ever have with its customers. When done right, it becomes the catalyst for a substantial boost in ROI, driving more new signups and lower user drop-off. Great onboarding doesn't just enhance user experience - it elevates the bottom line.

We also know that when onboarding is slow, inefficient, and frustrating, potential clients will simply log off and seek out a competitor's services. The journey needs to be smooth, seamless, and friction-free.

Banks are now facing increased competition caused by the market entry of non-traditional players such as fintechs and consumer-focused big tech companies with extensive experience in building gold-standard onboarding journeys. Both consumer and commercial clients now expect opening a bank account or accessing lending services to be as easy as starting a social media account.

Banks that transform their onboarding processes will be able to compete against these emerging players and win new customers in a changing and sometimes challenging market. This is why many are choosing to invest money in the creation of seamless end-to-end digital journeys.

Although onboarding has been "historically overlooked and underfunded", according to McKinsey, it "is now an area of increased focus and investment for global banks". The analyst house also predicted that global banking revenues will rise by 9% each year until 2025.

"Participating in this growth opportunity will depend upon banks optimizing their end-to-end onboarding experience for banking customers," it wrote. "Doing so can create real value - we have seen banks taking this approach boost EBITDA, increase the proportion of new clients receiving approval, raise customer satisfaction scores, and reduce onboarding operating costs" ¹.

The transformation of onboarding is an opportunity to achieve competitive differentiation, drive greater efficiencies, and unlock sustained revenue growth. This report will enable banks to understand the challenges around onboarding and help leaders make decisions that will ensure their processes win new customers, rather than turn them away.



Renato Oliveira
CEO of eBankIT

Off-boarding: why do banks lose customers?

When it comes to onboarding, banks have serious abandonment issues. A number of studies have found that large numbers of potential new customers fail to complete onboarding and abandon the process when they encounter a point of friction.

The latest version of an annual onboarding survey found that more than two-thirds of consumers,

68%

abandoned a financial application during an onboarding process in 2021, increasing from 63% in 2020. ²

Researchers discovered that 30% of respondents found the processes too complex and 38% abandoned an application because they did not have access to the correct right identity documents. When asked why they abandoned onboarding, 21% blamed the length of time it took to apply and the same percentage also said the amount of information required put them off completing the application.

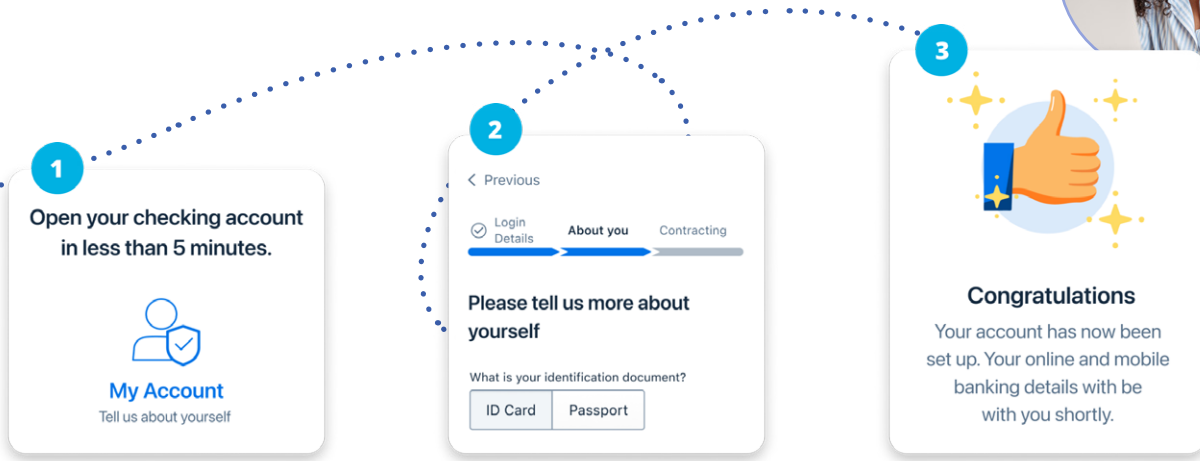
A separate survey conducted in October 2022 reported that the banking sector has a higher level of abandonment than any other industry.

90%

of financial institutions report digital abandonment resulting in “millions of dollars in lost business”. ³

There was also good news: executives across all sectors agreed that the drop out rate can be brought down, with 26% saying it would increase revenue and 86% reporting that it would improve brand reputation.

This is a challenge. It is also a clear opportunity. Financial institutions that move fast and transform their onboarding will quickly feel the benefits: growth, new customers and lower abandonment rates.



Four ways banks can deliver better onboarding

1 The human touch

Digital customers need to be able to access all services without picking up the phone or visiting a branch. Yet they also require access to human assistance when needed. When onboarding does not include the option to speak to a customer service representative, customers may simply log off if they encounter any issues.

The human touch involves more than simply employing staff and making sure they are available at the times when users are likely to be undergoing onboarding. Humanized digital technology can help banks meet clients' needs, with chatbots likely to play a growing role in banks' customer-facing operations. Combining humanized tech with straightforward access to human support through chat or voice calls is a reliable way to improve onboarding and reduce abandonment.

Biometric authentication methods, such as fingerprint recognition, facial recognition, and voice analysis, improve security and impart a personalized feel to the digital onboarding journey. When authentication is as straightforward as scanning a fingerprint or going through a voice recognition process, abandonment is likely to drop and more people will complete the journey.

E-signatures also have an important role to play in digital onboarding and help to deliver that vital human touch. They not only expedite the process but also provide customers with the convenience of signing documents from anywhere, at any time. This

technology maintains the human feel by allowing customers to express their intent in a familiar, signature-like manner. AI can engage customers in natural language conversations, answering queries, and guiding them through the onboarding journey. The key here is to make sure AI does not feel like machine. It can evoke a helpful human presence (and connect customers to a staff member if they need to speak with an actual person).



Hi Johanna!



I'm a bot.

How can I assist you today?

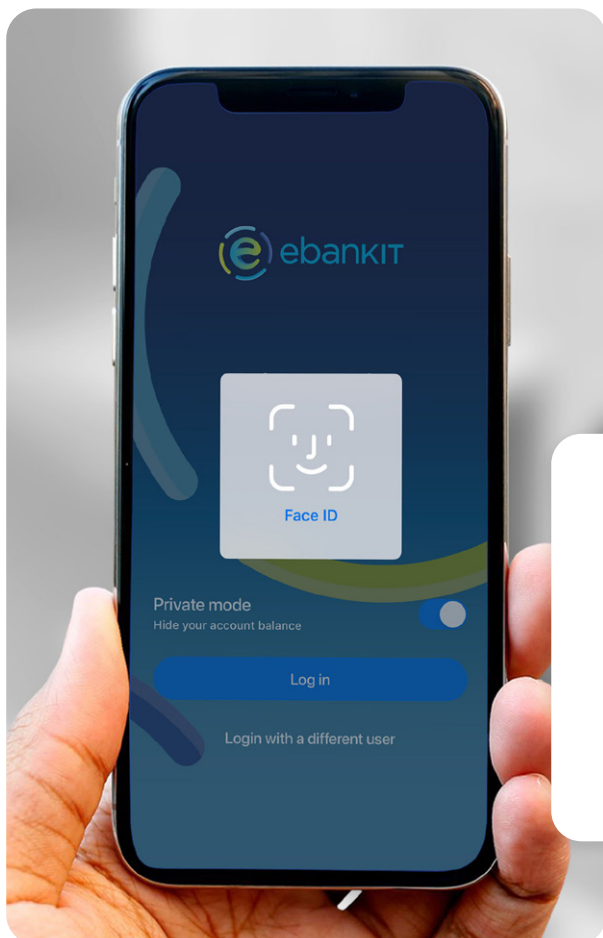
Payments

Credit

Loan

Onboarding is at its best when it is tailored to each customer’s needs and aspirations. Data analytics and customer data are instrumental in achieving this personalization. By analyzing customer behavior and preferences, financial institutions can customize onboarding experiences, offering tailored financial products and services that align with individual goals.

Incorporating the human touch through biometrics, e-signatures, and AI creates a sense of trust, familiarity, and ease in digital onboarding. Simultaneously, harnessing data analytics and personalization ensures that every customer embarks on their financial journey with a uniquely meaningful experience. These elements, when combined, will deliver superior onboarding tailor-made for the digital age.

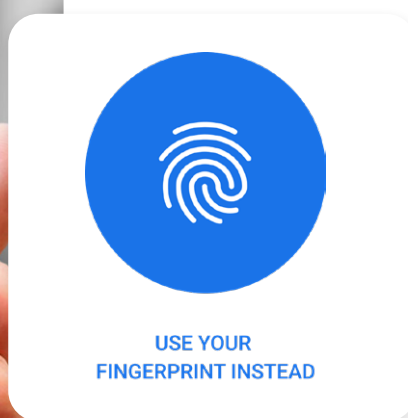


2 Solve identity issues

When opening an account, know-your-customer (KYC) due diligence can be a serious bottleneck. Delays at the KYC stage are typically caused by avoidable mistakes and issues with internal systems.

When a client uploads their identification, they expect it to be checked as close to immediately as possible. What they will not tolerate is being told that a human will have to check the documents and then waiting hours, days, or even weeks for confirmation that the ID was accepted. If this happens, they are likely to abandon the process and walk away.

Banks that build robust, automated KYC processes and invest in tech that can verify ID at high speed and accuracy will reduce the risk of abandonment and also start their relationship with customers on a positive footing. When there are no pain points around KYC and ID, customers are much more likely to complete an onboarding process.





3 Reduce manual work

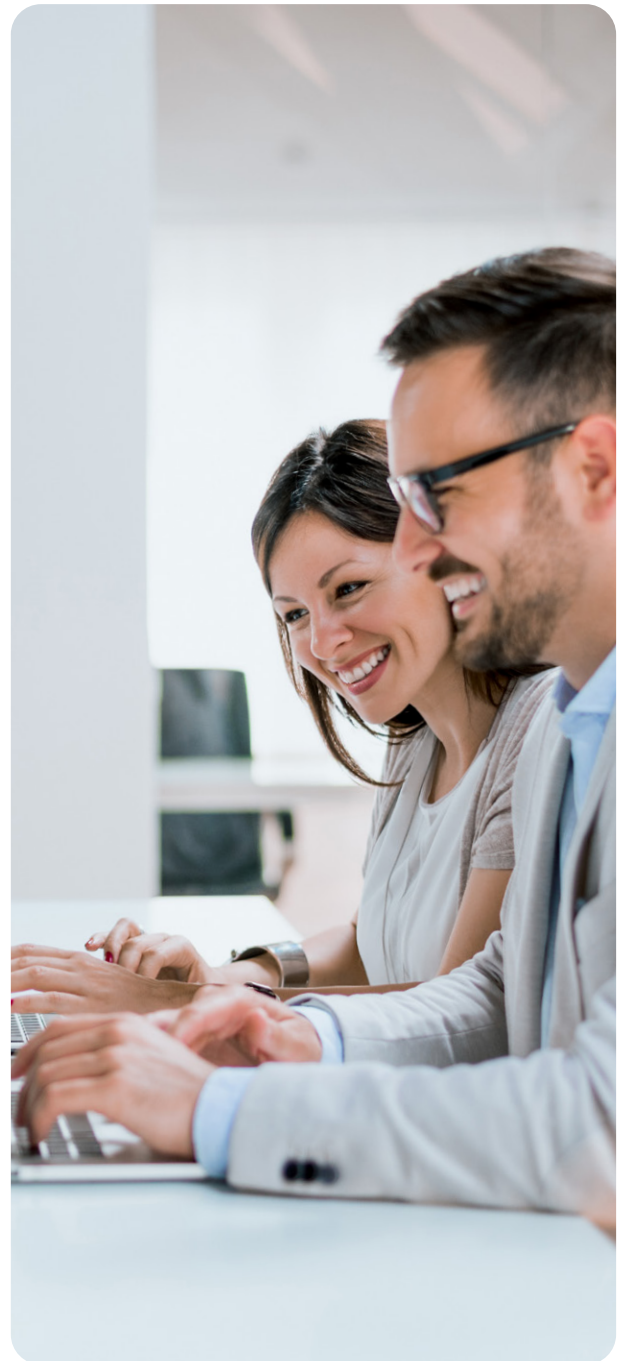
When customers are forced to manually enter data, mistakes can happen that slow down or even stop onboarding. Yet even the presence of manual data entry processes increases the risk of abandonment. If customers have to do too much work to carry out simple tasks, there is a greater chance that they will fail to complete the process.

Deloitte has estimated that banks have to invest as much as \$30 000 to onboard a new commercial client.

Many of these processes can now be automated, removing the need to employ staff to carry out manual work and freeing up existing employees to focus on more challenging tasks.

Institutions that automate processes can reduce their costs by ⁴

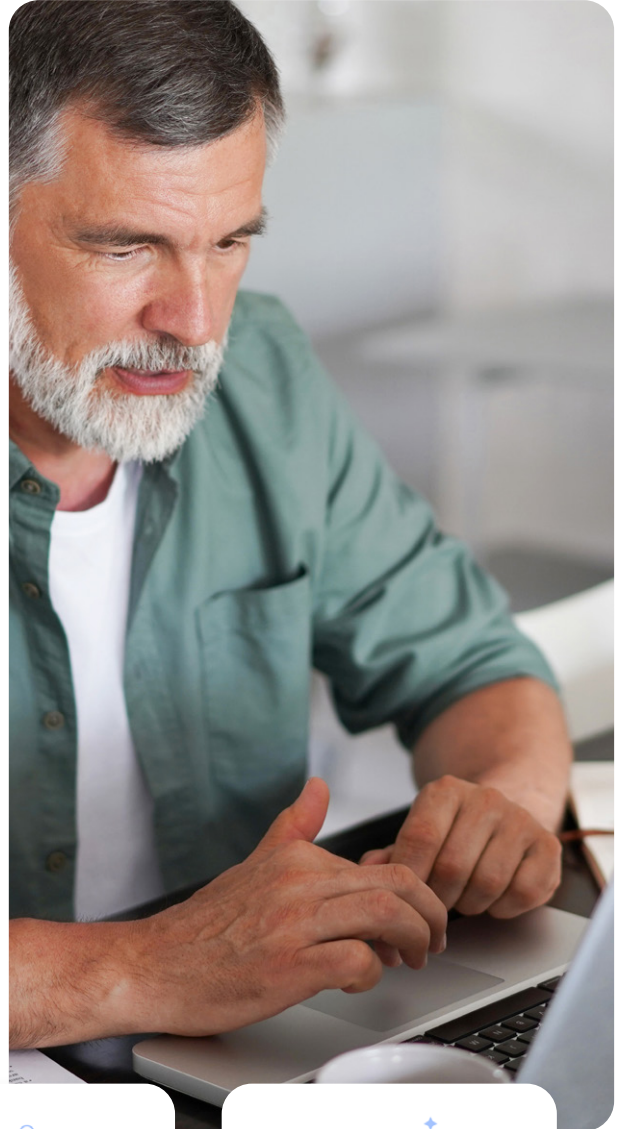
50%



4 Automate analog processes

Visiting a branch. Sending identity documents by post. Signing a document or submitting ID in person. These are all examples of analog processes that were familiar to yesterday's customers but are now becoming potential deal-breakers. Clients want to be able to perform all tasks in one seamless, end-to-end omnichannel journey that can be accessed via mobile or any other of their devices.

Digital clients are accustomed to the effortless experiences offered by Apple, Paypal, Facebook, or one of the many other big tech household names that are now entering the financial services market. They expect opening a bank account or arranging lines of credit to be as easy as opening an account on Facebook - which will never ask them to visit a local branch in order to get started. Banks that minimize or eliminate the need for analog, in-person or branch-based interactions will benefit from lower abandonment and be placed in a better position to deal with the challenge posed by big tech competitors.



Welcome!

Opening your account is simple and easy. It takes less than 5 minutes.



Data

First, we need to get to know you! Fill out a quick form with your personal information and contacts.



Ready to go

Read and agree with the terms and conditions and access your digital banking channels.



Eight steps to better onboarding: how to optimize the journey

These are the eight stages banks go through when building a new digital onboarding process.



Driving ROI: How can digital onboarding unlock efficiencies and cost savings?

In the digital marketplace, targeting spending on the transformation of onboarding is a reliable way of driving growth and efficiency.



Enhanced customer experience: Digital onboarding simplifies and speeds up the account opening process, making it more convenient for customers. A seamless and user-friendly experience attracts and converts more customers, leading to increased acquisition and growth. Positive customer experiences can also lead to higher customer retention and loyalty, reducing churn and increasing the lifetime value of customers.



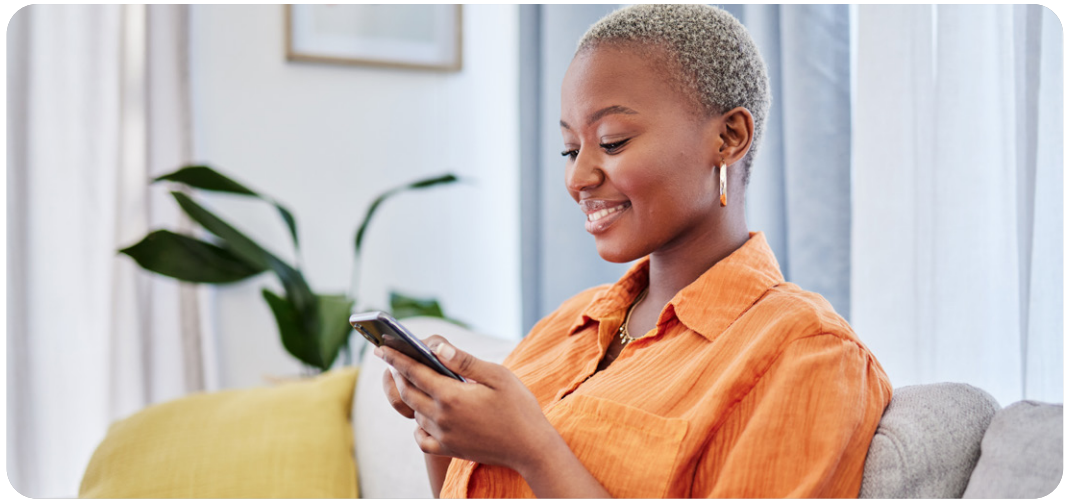
Cost reductions : Digital onboarding reduces the need for physical paperwork and manual data entry, which can significantly lower operational costs. Banks can save on paper, printing, postage, and storage costs associated with traditional onboarding processes. Fewer errors and more streamlined communications with customers mean lower operational and administrative costs.



Faster onboarding and revenue generation: Digital onboarding processes can dramatically reduce the time it takes for a new customer to open an account and start using banking services. Customers can fund their accounts and engage in transactions more quickly, leading to faster revenue generation for the bank. Speedier onboarding can be especially beneficial in capturing new business opportunities, such as customers looking for immediate access to financial services.



Compliance and risk management: Digital onboarding solutions can incorporate automated compliance checks and identity verification, reducing the risk of fraud and non-compliance. Banks can better mitigate risks associated with money laundering, fraud, and regulatory violations, potentially avoiding fines and reputational damage.



Cross-selling and upselling: Digital onboarding platforms can collect data and insights about customer preferences and behaviors during the onboarding process. This data can be used to personalize offers and recommendations, enabling banks to cross-sell and upsell additional products and services more effectively. Increased cross-selling and upselling opportunities can lead to higher revenue and ROI.



Scalability and geographic expansion: Digital onboarding processes are highly scalable, allowing banks to accommodate a growing customer base without a proportional increase in operational costs. Banks can expand their reach and offer services to customers in new geographic regions without the need for physical branches, driving growth.



Data analytics and insights: Digital onboarding generates valuable data that can be analyzed to gain insights into customer behavior and preferences. Banks can use this data to refine their marketing strategies, product offerings, and customer engagement initiatives, ultimately driving growth and ROI.



Competitive Advantage: Banks that offer a seamless digital onboarding experience gain a competitive advantage in the market. A positive reputation for digital innovation can be a key differentiator whilst early adoption of advanced digital onboarding solutions positions your organization as an industry leader, helping you win new customers.

Intelligent onboarding: Collaborate to innovate

26%

The percentage of digital onboarding processes in the banking market that will use AI systems in 2026, compared to 8% in 2022. ⁵

In an era of rising competition and technological disruption, banks that move quickly will be most likely to benefit. If you're not already transforming - rest assured that your competitors will be. A growing number of those competitors are hungry newcomers to the market who know exactly how to build straightforward, seamless onboarding journeys.

Yet agile fintechs are not just competitors - but potential collaborators. By working with the disrupters, incumbents can benefit from their fast-paced innovation and accelerate the adoption of digital onboarding solutions such as AI, biometrics, video banking and more.

When planning a transformation, banks are advised to adopt a "service design" mindset, a concept Deloitte summed up as "centering on and creating value for the client and internal user and delivering on that value end to end across the onboarding process" ⁶

"A service design approach has a front stage and a backstage," it wrote. "On the front stage, it crafts the experience that clients and internal users receive. On the backstage, it orchestrates the capabilities and activities that are needed to deliver the front-stage experience, including enabling processes, people, technology, tools, and policies. One of the main tenets of service design is to break down silos, working horizontally across the organization."

It is also critical for financial institutions to look beyond their traditional competitors for inspiration. It is just as important to study the journeys delivered by consumer-focused big tech players as it is to understand what other banks have developed. When building an onboarding journey, banks should focus on ensuring it has five key characteristics.





Fast: Clients want to be able to undergo onboarding in seconds, minutes, and hours - not days, weeks, or months.



Customer-centric: The onboarding solution should be laser-focused on customers' changing needs.



Seamless: All aspects of onboarding should be incorporated into one seamless journey and integrated across channels such as mobile, voice, desktop, and emerging channels such as wearables or The Metaverse.

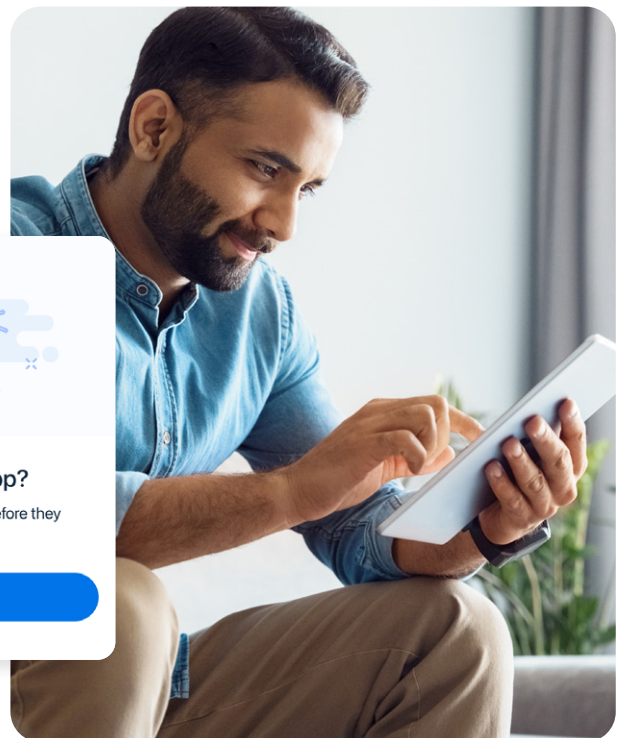



Automated: Clients should not have to carry out manual tasks or face friction with KYC, so automation should be used to reduce friction at every stage.



Humanized: Digital banking does not have to be robotic. Tech can now add a human element and drive personalized experiences.

Onboarding is a customer's first impression of a bank or credit union. Make it count and you have taken an important step towards building a loyal and long-lasting relationship.





Enjoying the app?
Try experimental features before they are released.

Subscribe

Seamless and smooth onboarding with eBankIT

Jamaica National Group was the first Caribbean entity awarded with a British Banking license. The bank's official opening ceremony and first branch inauguration took place in October, delivering its values and mission of community-based and affordable banking. Its subsidiary, Jamaica National Bank UK, partnered with eBankIT to deliver simple customer onboarding solutions. Our technology facilitated the automated transformation of back-office processing from legacy operational to control and monitor.

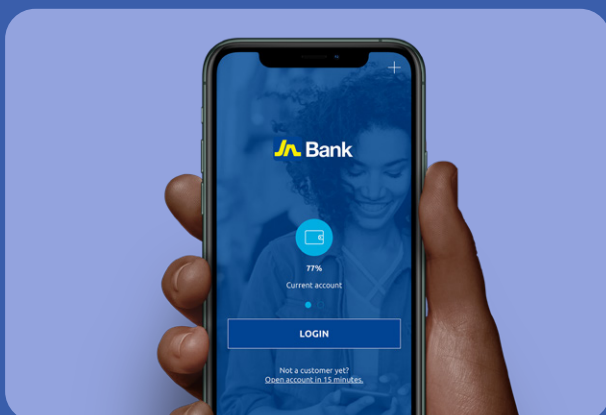
Aligned with the emerging banking landscape within the UK, the Jamaica National Group implemented a digital banking proposition based on a frictionless onboarding process and a self-service model. eBankIT, through the eBankIT Omnichannel Innovation platform, is proud to be the solution supporting Jamaica National Bank UK's digital banking channels, providing a fantastic "bank from everywhere" experience.

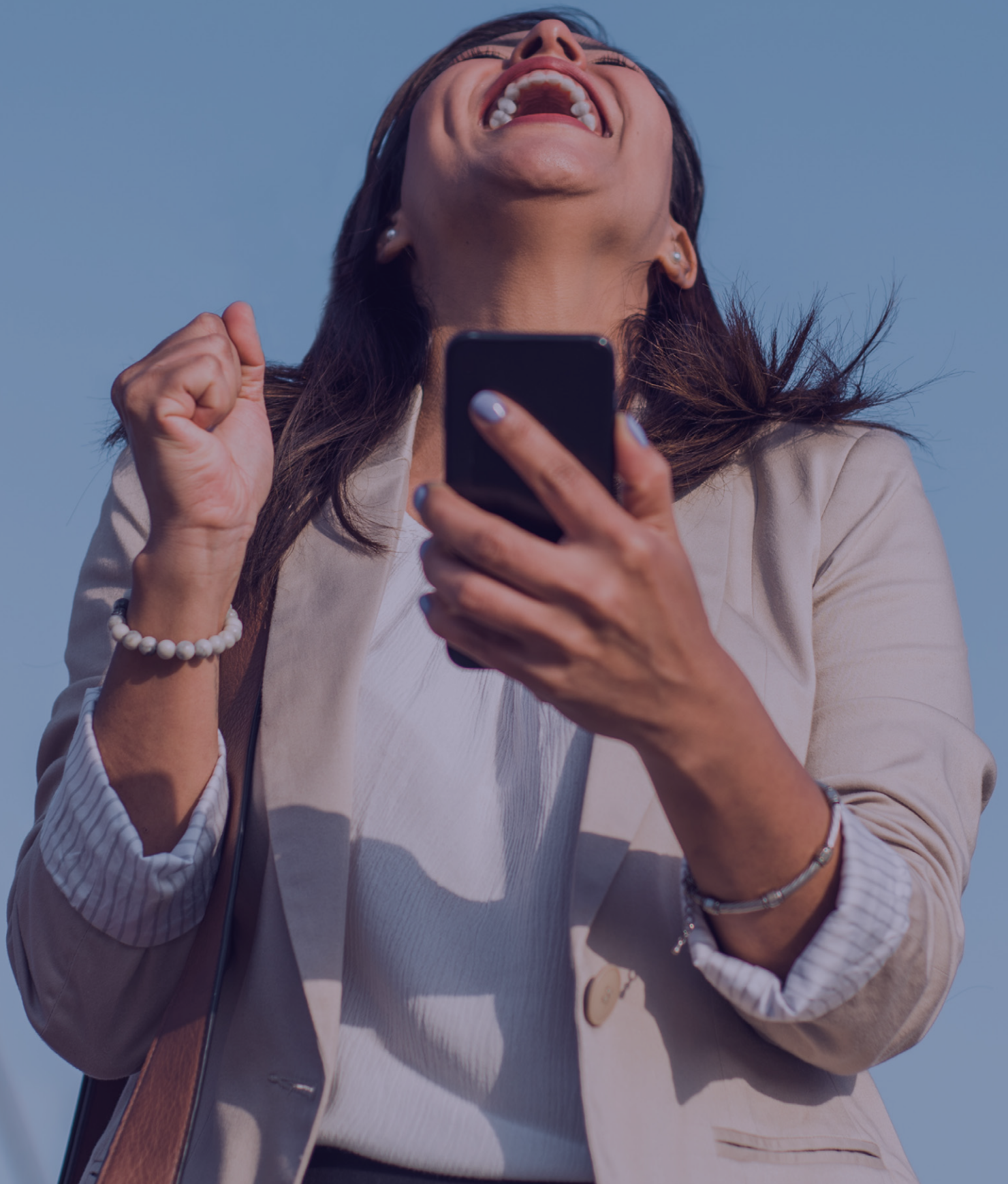
With a Digital First approach, eBankIT's Omnichannel Digital Banking Platform is fully prepared to help financial institutions create a true omnichannel experience that engages clients each step of the way.



Our Mobile App provides a simple, user-friendly interface, where potential clients can create their digital accounts in just 5 simple steps and without having to resort to any exterior information or web pages. The whole process takes roughly two or three minutes to complete using the very same app customers will use after subscribing for banking products or services, making it quite familiar from the start. Additionally, the process can be paused and resumed at a later stage, on any device, without losing the previously filled information.

The modular architecture of our Digital Banking Platform allows for extra flexibility, with modules being added or removed according to the financial institution's specific needs. It is also easily adaptable to their reality, adjusting to local legislation and legal requirements, language, and internal processes. Furthermore, our solution supports third-party integration from the leading experts in a number of technological fields such as KYC, biometrics, and document recognition among others. By incorporating added functionalities for other developers, we are able to deliver a solution that continuously evolves to meet new requirements and market demands.

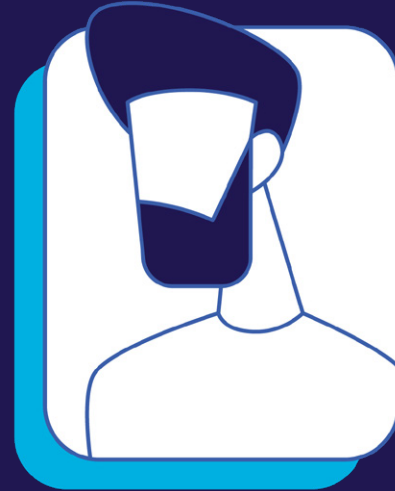




Humanize banking with ebankIT

ebankIT enables banks and credit unions to deliver humanized, personalized, and accessible digital experiences. By adopting the ebankIT Omnichannel Digital Banking Platform, financial institutions are powered to offer an increasingly innovative user experience to both their customers and internal teams, and across every modern digital channel, from mobile to web banking, from wearable gadgets to the metaverse and beyond.

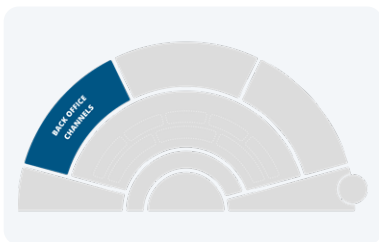
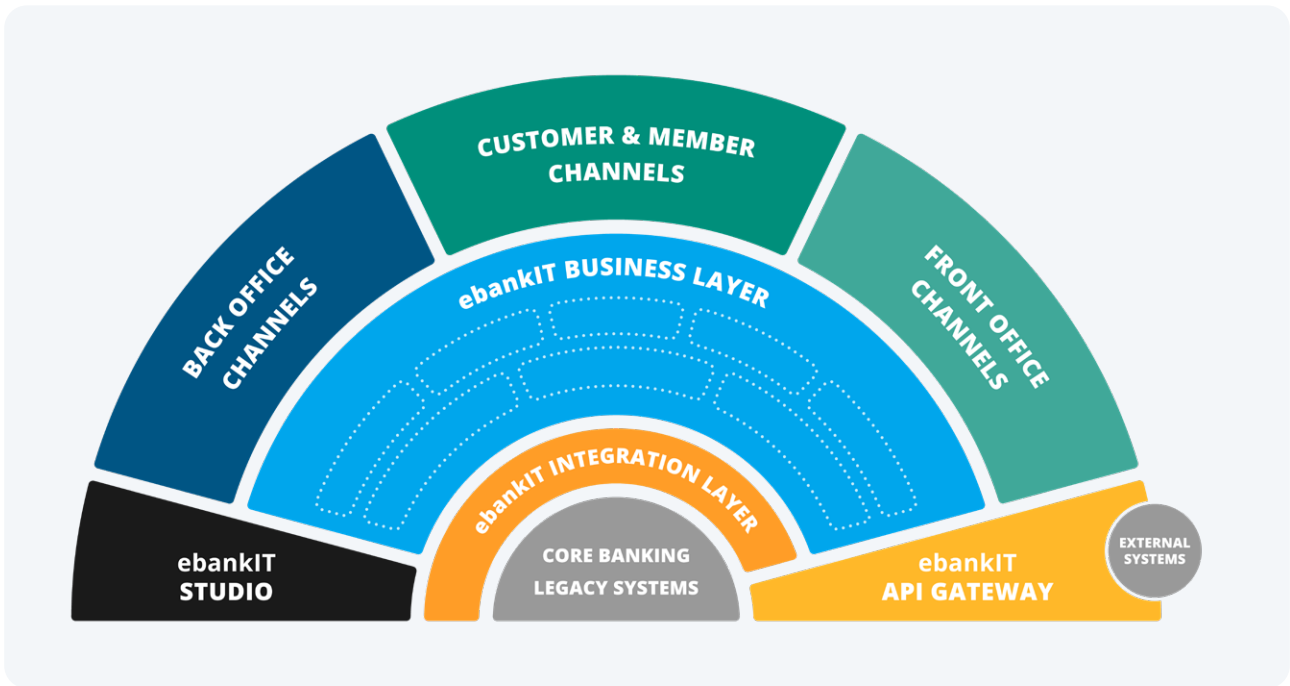
Enhanced with flexible and robust out-of-the-box features, ebankIT Omnichannel Platform offers a fast and seamless digital banking transformation for financial institutions of any size and background. With extensive customization capabilities and a continuous focus on human interactions, ebankIT future-proves the digital strategy of banks and credit unions, empowering them with a truly customer-first approach.



During digital banking transformation, financial institutions need to answer the fundamental question: “Buy-or-Build?” At ebankIT, we believe that there is an ideal middle-ground solution: a ready-to-market solution with increased product adaptability and extensive customization options.

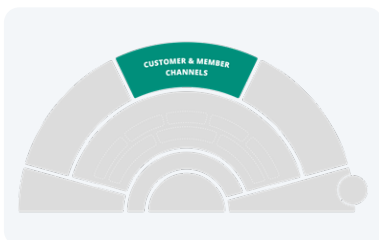


ebankIT Omnichannel Digital Banking Platform



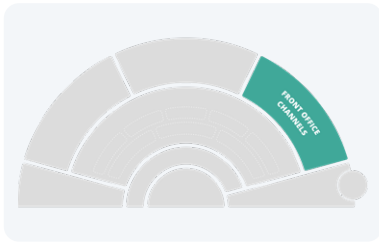
Back office

Back-office channels act as the control room of the entire omnichannel experience. Banks and Credit Unions enjoy the necessary leverage to customize and administer business information, without requiring additional IT support. By taking benefit from a wide range of digital tools – including a Monitoring Center and a Management System – banking teams benefit from a more intuitive experience and may easily manage end users and create transactional workflows.



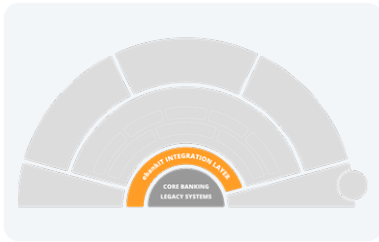
Customer & Member Channels

Combining a customer-centric approach with a genuine Omnichannel strategy, ebankIT turns every banking solution into an enjoyable journey in which customers are free to use their device of choice and switch to another at any given time. Loans, payments, transfers, cards, opening accounts, and even a complete process of onboarding: every feature is just a fingertip away, either through internet or mobile banking, or even in new virtual worlds – like the metaverse.



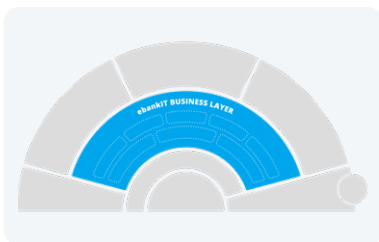
Front office

ebankIT enables banks and credit unions to explore every digital tool to engage with their customers and members. The front-office layer is designed to centralize every activity on both the banking branch and the contact center, as well as create new ways to contact customers. Emails, chats, calls, IVR customer service and more: every effort is integrated in a single platform, enabling the banking team to monitor every interaction, plan future campaigns and identify emerging opportunities in any given market.



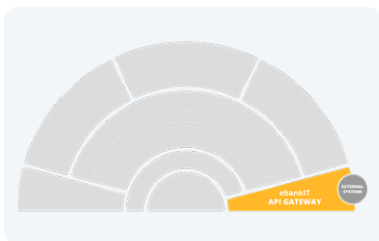
ebankIT Integration Layer

The ebankIT Integration Layer is the gateway that enables banks and credit unions to quickly implement the ebankIT platform. With pre-built connectors, it easily integrates with all the main core-banking systems, building the bridge between the core banking or legacy systems and the ebankIT middleware. Flexible and fully agnostic, ebankIT is able to digitally transform every financial institution, regardless of their size or background.



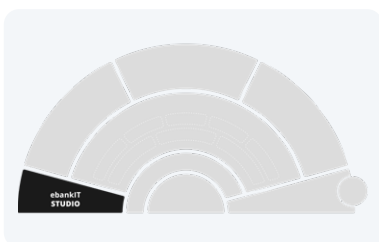
ebankIT Business Layer

The heart and soul of ebankIT Platform. ebankIT Business Layer runs on an out-of-the-box basis, enabling the ease of deployment and the overall increase in digital sales. ebankIT is based on a comprehensive catalog of middleware tools, that range from Communication Gateways to a robust Security Center.



API Gateway

While affirming itself as a reliable and robust digital banking platform, ebankIT also benefits from a growing ecosystem of partners, that provide complementary technologies to grant every financial institution a state-of-the-art solution. The ebankIT API Gateway opens the door for the integration of third-party solutions, by providing PSD2 compliance and offering banks and credit unions an endless roadmap of innovation.



ebankIT Studio

With ebankIT Platform, banks and credit unions are able to generate new services in-house, with minimal coding and at reduced costs. ebankIT Studio is an omnichannel Integrated Development Environment (IDE) that offers comprehensive customization tools, enabling each financial institution to continuously adapt and reshape their digital portfolio and business strategy.

Why do customers choose ebankIT?

Founded in 2014 by an experienced team of fintech experts, ebankIT's work has already translated into increased revenues and cost minimization for dozens of financial institutions worldwide. Today, the ebankIT Omnichannel Digital Banking Platform is licensed to institutions in 11 countries, serving millions of customers and members.

From the first moment, ebankIT technology guarantees a class-leading time-to-market, which is only possible because ebankIT Platform is widely equipped with pre-built connectors for the most popular core-banking systems. ebankIT platform also offers banks and credit unions a rich business middleware and the ebankIT Studio, an innovative Integrated Development Environment (IDE), that enables each financial institution to customize their digital catalog and to generate new services in-house, with minimal coding and at reduced costs.

Implementation approach

- Implementations performed by certified partners (ebankIT Academy)
- Evolution Support and Maintenance of the implementation performed by partners
- Platform enhanced by an ecosystem of partners that provide complementary technologies and additional financial solutions

From implementation onwards, financial institutions engage in a disruptive innovation roadmap, with new product launches and updates every six months. ebankIT is always working on new ideas, benchmarking the best practices, and following the most relevant market trends.

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REPORT

Better banking

The SME Report

Small businesses pose quite a challenge, yet they simultaneously present substantial prospects for financial institutions. Discover how banks and credit unions can effectively cater to SMEs through a collaborative fintech partnership.

Download the report →



REPORT

Innovate to compete

Open Banking Report

Delve into the world of Open Banking, exploring how it benefits financial institutions and their clients alike with revolutionary technology.

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Humanizing
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