



# Growing beyond interest rates

The opportunity for  
Demand Deposit Accounts



October 24, 2024

# Today's Agenda

## Introduction

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## Consumer expectations and market trends

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## Strategies: Growing beyond interest rates

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## Q&A

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# Introduction



**Chris Anderson**  
Sales Director



## Poll question



# Consumer expectations and market trends



# Consumers are **demanding more** than just deposits

**More than half** of consumers want financial providers to help them better manage their finances.<sup>1</sup>

**1 in 3** consumers feel providers don't do enough to support their financial needs.<sup>1</sup>

Banking Consumers Top Expectations When it Comes to Personalization <sup>1</sup>	
<b>Personalized offers</b> for tools, products, and services to help me reach my financial goals	<b>50%</b>
<b>Customized insights</b> in the online or app experience to help me understand my spending	<b>43%</b>
<b>Proactive notifications</b> and recommendations to help me better manage money	<b>42%</b>
<b>Automated budgeting</b> and analysis of my spending	<b>31%</b>

<sup>1</sup> MX, What Influences Where Consumers Choose to Bank, June 2023

<sup>2</sup> EPAM, 2024 Consumer Banking Report, October 2023



# Up to **54%** of consumers will leave their bank in the **next year**, costing institutions millions<sup>1</sup>

## High-interest rate environment

- 4.75% to 5.00% Policy Rate Target<sup>2</sup>
- Shrinking margins



## Increased competition & regulation

- New technology driving expectations
- CFPB proposals put \$14 billion at risk<sup>3</sup>



## Fewer barriers to attrition

- Lower retention rates
- Increased acquisition costs

<sup>1</sup> Retail Bank Customer Satisfaction Holds Steady but Trust Declines, J.D. Power Finds, 2024

<sup>2</sup> [FederalReserve.gov, Economy at a Glance - Policy Rate, August 2024](https://www.federalreserve.gov/econinfo/press/pr20240801.htm)

<sup>3</sup> [Consumer Financial Protection Bureau, Newsroom, March 2024](https://www.consumerfinance.gov/newsroom/consumer-financial-protection-bureau-announces-proposed-rule-to-protect-consumers-from-over-indebtedness/)



[ ANALYSIS ]

# The cost of replacing **just 5%** of customers is **steep**<sup>1</sup>

Acquisition Cost Analysis <sup>1</sup>				
(Assuming customer acquisition cost of \$500)				
2,500 (5% of 50,000 pop.)	X	\$500	=	\$1,250,000. <sup>00</sup>
5,000 (5% of 100,000 pop.)	X	\$500	=	\$2,500,000. <sup>00</sup>
25,000 (5% of 500,000 pop.)	X	\$500	=	\$12,500,000. <sup>00</sup>
50,000 (5% of 1,000,000 pop.)	X	\$500	=	\$25,000,000. <sup>00</sup>
250,000 (5% of 5,000,000 pop.)	X	\$500	=	\$125,000,000. <sup>00</sup>







[CHALLENGE]

**Reduce customer attrition** and avoid a race  
to the bottom of interest rate yields.

[SOLUTION]

# Grow your business with **in-demand solutions**



## RETAIN

### **5% lift in 12-month retention**

for EPS enrolled demand deposit account consumers vs those not enrolled.<sup>1</sup>



## ENGAGE

### **10x alert login rates**

for Experian alerts as compared to financial services industry benchmarks.<sup>2</sup>



## CROSS SELL

### **2% reduction of delinquencies**

over 12-months, can help de-risk portfolios and broaden opportunities for additional product offers.<sup>2</sup>

<sup>1</sup> Partner reported, Huntington Bank, July 2024

<sup>2</sup> Experian internal analysis, July 2024



[SOLUTION]

# Create **revenue opportunities** with innovative offerings



# Strategies: Growing beyond interest rates



## Poll question



# Experian Partner Solutions

Nationally scalable programs and premium customer experience

Experian's partners leverage our platform to unlock use cases for lead incubation, financial wellness, credit monitoring with access, and large-scale servicing all through a turnkey platform.



**200M+**  
Consumers



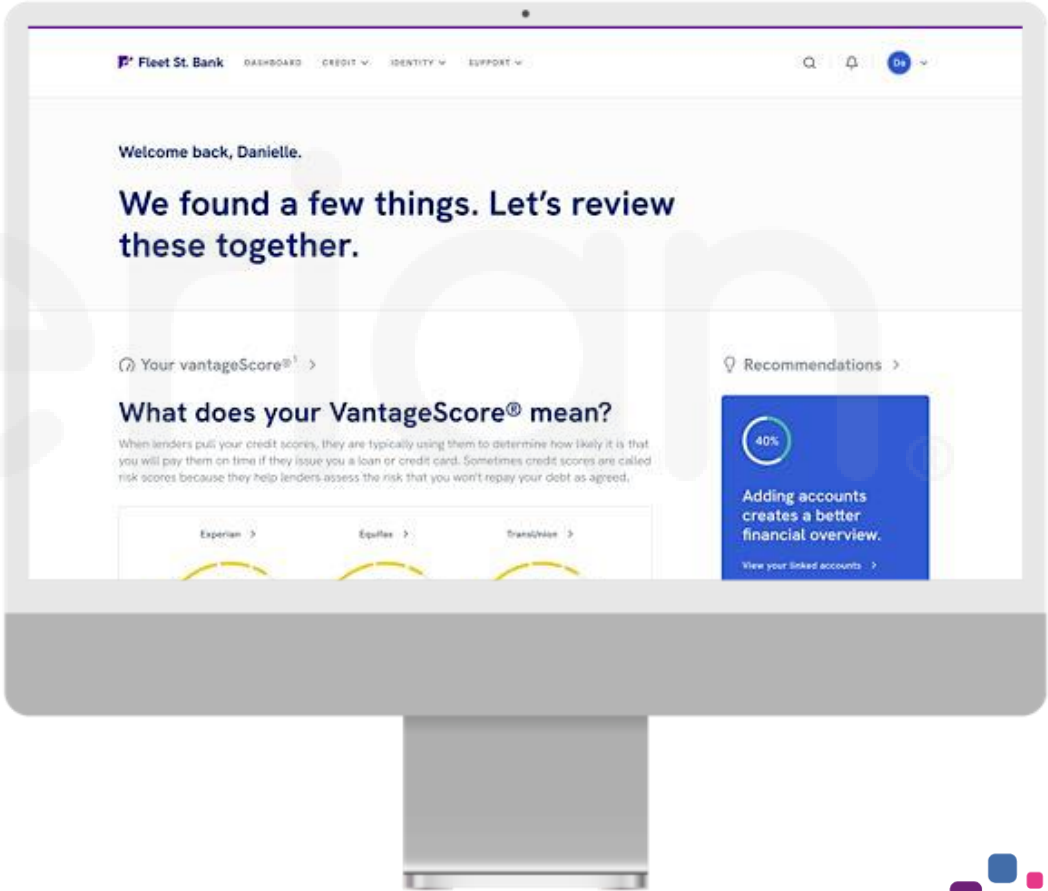
**250+**  
Partners



**394M+**  
Identity Alerts<sup>1</sup>



**1.4B+**  
Credit Alerts<sup>1</sup>



# Experian Partner Solutions Overview

## EPS Summary

Experian Partner Solutions empowers businesses by providing comprehensive financial and identity protection tools, enhancing customer engagement, retention and offering customizable solutions tailored to unique client needs. Our expert support helps businesses achieve goals like revenue growth, and improved customer satisfaction, making them a valuable partner in fostering financial wellness and security.





# Credit education



## Credit Scores & Reports

Experian® (1B) Credit Report

Bi-bureau (2B) Credit Reports

Tri-bureau (3B) Credit Reports

Credit Snapshot

FICO® Score<sup>2</sup>

FICO® Score Planner<sup>3</sup>

FICO® Score<sup>2</sup> Simulator

FICO® Score<sup>2</sup> Tracker

VantageScore®<sup>1</sup>

VantageScore®<sup>1</sup> Simulator

VantageScore®<sup>1</sup> Tracker

Credit Education Center



## Credit Monitoring & Alerts

1B, 2B, & 3B Credit Monitoring

Authorization Alerts

C.L.U.B. Alerts

Dormant Account Alerts

Inquiry Alerts

Positive Activity Alerts

Variance Alerts

Personalized Alert Videos



## Financial Management

Digital Financial Manager

Financial Calculators

Targeted Offers

<sup>1</sup>Calculated on the VantageScore® models. Your VantageScore 3.0 from Experian® indicates your credit risk level and is not used by all lenders, your lender may use a score that's different from your VantageScore 3.0. Click here to learn more.

<sup>2</sup>Credit score calculated based on FICO® Score models. Your lender or insurer may use a different FICO® Score, or another type of credit score altogether. Click here to learn more.

<sup>3</sup>FICO® Score Planner results are provided for informational purposes only and are intended to approximate the impact of various actions on your FICO® Scores—assuming all other factors stay the same. Your actual score, and the impact of any actions taken, results from a complex interaction of FICO's scoring methodologies and the information on your credit report, some of which changes daily. FICO® Score Planner doesn't consider information from accounts where you are reported as an authorized user.



# Identity protection



## Privacy & Control

Password Manager

Secure VPN

Safe Browser

Identity Health Score<sup>3</sup>

Digital Identity Manager



## Monitoring & Alerts

Account Takeover Monitoring

Alternative Loan Monitoring

Change of Address Monitoring

Child Monitoring<sup>2</sup>

Court Records Monitoring

CyberAgent® Dark Web Monitoring

Financial Transaction Monitoring

Sex Offender Monitoring

Social Media Monitoring

SSN Monitoring



## Restoration

Identity Theft Insurance<sup>1</sup>

Identity Restoration

Lost Wallet Protection

<sup>1</sup>The Identity Theft Insurance is underwritten and administered by American Bankers Insurance Company of Florida, an Assurant company. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions. Review the Summary of Benefits.

<sup>2</sup>Child monitoring includes up to 10 children under the age of 18. One-time Parent/Legal Guardian verification is required to receive alert details for children.

<sup>3</sup>The Identity Health Score is different than a credit score and has no impact on a user's credit score.



# Flexible delivery

Multiple deployment options offer enhanced speed to market



## APIs

Integrate Experian solutions into your existing environment for a seamless customer experience.

- Flexible, embeddable UI components
- Detailed developer documentation
- Mobile and desktop APIs available



## Hybrid

Leverage both API and hosted solutions based on your deployment needs.



## Hosted

Utilize our fully hosted solution to decrease time-to-market and realize faster time-to-value. Put your branding on an out-of-the-box experience.

- Customizable, fully hosted site and mobile app
- Quick deployment, easily scale
- Consistent brand experience



# Solve consumer problems to meet your business objectives

## Increase retention



98% retention for free services and 91% retention for paid services<sup>1</sup>

## Cross-sell & upsell



Up to 8% upsell rate & 68% lift in portal time for certain products<sup>2</sup>

## Unlock opportunities



Better target and market to your consumers with data and analytics

## Drive engagement



7X the average post-alert login rate than for financial services<sup>3</sup>

## Support financial wellness



Average 32-point increase in credit scores<sup>4</sup>

## Build loyalty



Drive brand equity and NPS scores when providing in-demand solutions

<sup>1</sup> Experian Core metrics analysis, October 2023

<sup>2</sup> Experian Data, Digital Identity Manager and Identity Health Score performance with large national retailer, July 2024

<sup>3</sup> Experian Internal Email Performance data, Dec 2022 and Mailchimp Industry Benchmark Data, 2024

<sup>4</sup> Experian Data, Credit Score Rates with subprime consumers, June 2022 - June 2023



[RESULTS]

# Encourage consumers to open **new accounts & credit lines**

When consumers regularly use these types of financial wellness features, service providers can see up to<sup>1</sup>:

- **3x** more time spent in the app
- **2x** more credit cards opened
- **3x** more savings accounts opened

<sup>1</sup> MX Case Study Research, As compared to 'non-users' over 6 months; regular use defined as logging in to engage with personalized insight features at least once every other month, October 2022

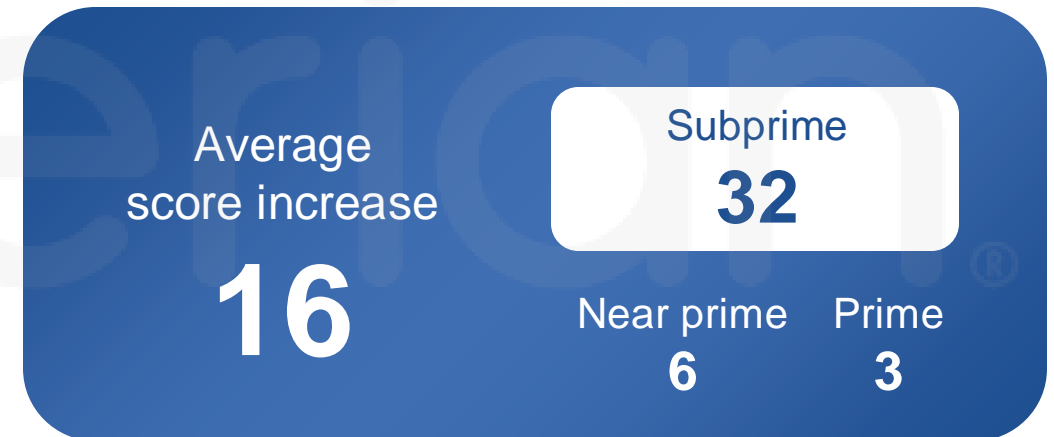


[RESULTS]

# Provide resources that may help consumers **improve their credit health**

- Could help improve credit scores while in funnel
- Lower credit score ranges see most improvement
- Keep turn downs engaged and in funnel
- Potentially higher credit scores at application
- As scores increase, consumers may qualify for additional products

Experian credit education may help consumers achieve:



Experian Data, Credit Score Rates, June 2022 - June 2023



[RESULTS]

# Create **upsell** & **cross-sell** opportunities

- Introduce targeted financial offers as consumers improve their credit standing
- Drive incremental revenue with financial planning and management features
- Offer premium identity, data, and device protection to compliment your program





# Drive brand engagement with **alert login rates nearly 10x** the industry average<sup>1</sup>

- Help increase native web traffic
- Each touchpoint = cross sell opportunity
- Email open rates for our alerts are more than 2x that of the national average for financial services<sup>2</sup>
- Our top performing clients have over 25% of their enrolled customers log in to the portal at least once per month<sup>2</sup>

**56%**

Average email  
open rate

*Compare to industry average  
of 12%<sup>2</sup>*

**22%**

Average post-alert  
login rate

*Compare to industry average<sup>2</sup>  
of 2.6%*

<sup>1</sup> MailChimp, Email Marketing Statistics and Benchmarks by Industry, July 2023

<sup>2</sup> Experian Internal Email Performance data and Mailchimp Industry Benchmark Data, Sep 2024



[RESULTS]

# Increase customer satisfaction & NPS

- Provide members with beneficial and relevant products and services
- Remove barriers to funding loans
- Improve outcomes by engaging consumers on how credit works
- Increase customer satisfaction
- Viewed as a Premium Service



# Q&A



**Chris Anderson**  
Sales Director



## Poll question



# Connect with us



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