

Drive engagement to grow revenue

Financial institutions need to reconsider growth strategies

A skittish financial climate presents a whole new set of challenges to today's banking industry. Consumers are saving less while moving money out of banks to other assets like money market mutual funds and government bonds. **US bank deposits dropped over \$200 billion for the first time in decades last year according to the Federal Reserve¹ – and experts anticipate another drop this year.** That means banks need to find new revenue streams to succeed.



 **4.1%**
U.S. Personal Savings Rate²

² State of the Economy Report, Experian, June 2023

29%
of bank customers moved deposits **away** from their primary banking institutions³

³ J.D. Power Financial Health & Advice Satisfaction Study, 2023

Select an item below to learn more.



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2 Engaged customers stick around

3 What does retention mean for revenue?

4 Solutions you need to grow

5 Choose the right partner

The solution? Drive engagement to grow revenue

Driving engagement creates a cyclical effect. **Consumers who are engaged spend up to 3x more in apps and on websites**⁴. This engagement provides FIs more insights into the individual consumer and gives the FIs opportunities to offer products and services that meet the consumer's personal needs. When those needs are met, **banks can see a massive uplift in revenue – up to 20% from primary customers** who say they receive highly personalized communications and offerings⁵.

Consumers who engage with financial management features **spend more with their banks.**

2x 
More credit cards opened⁴

3x 
More savings accounts opened⁴

 **20%**
Potential Increase in revenue⁵

⁴ MX Case Study Research, October 2022

⁵ Accenture, Global Banking Consumer Study, Reignite Human Connections, August 2022



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How do you drive engagement? Give consumers what they want.

In today's shifting financial climate with increasing amounts of fraud, banking customers say they want programs that improve their buying power and protect their identities.

And they want these programs from their FIs

59%

of consumers expect their bank or credit union to help them improve their financial health⁶

⁶ Think with Google, February 2022

45%

of consumers would prefer to get all their banking products from the same financial institution⁷

⁷ PYMTS, May 2022

57%

of consumers would like their primary FI to provide or offer an identity protection solution⁸

⁸ Javelin: 2022 Identity Fraud Study Shifting Angles

When customers get these programs from their FIs, they engage with their FIs. And engaged customers stick around.

This retention can lead to massive revenue growth.



**12 month
subscriber retention⁹**

96%
Free Bundles

90%
Paid Bundles

⁹ Percent of active Experian subscribers as of June 2021, who are still enrolled as of August 2023

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What does retention mean in terms of revenue?

Statistics show a 5% increase in customer retention **can lead to a company's profits growing by 25% - 95% over time¹⁰.**

Case Study 1 National Credit Card Issuer

Objective

- Grow revenue by selling identity protection services to cardholders that opt-in for premium protection

Solution

- Premium identity protection bundle launched at \$15/month retail

Results

- Partner unit margin ROI ~290% over wholesale
- \$76M incremental annual contribution margin, Y1 & Y2
- \$390M expected 5-year contribution margin

Case Study 2 National Retail Store Chain

Objectives

- Provide value beyond retail and grow revenue
- Increase member engagement and loyalty

Solution

- Fully-hosted identity protection suite, 3-Bureau credit monitoring, and restoration services with tiered pricing and upsells
- iOS and Android mobile app

Results

- 84% annual member retention
- ~17% annual membership growth
- 45% of members log-in 1X per month



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Experian has the engagement & retention solutions banks need to grow revenue

Financial wellness programs should help consumers manage and improve their financial health while **creating growth opportunities for service providers**. Experian offers credit education and identity protection services designed to do just that.



Credit & financial literacy:

Wallet share and affinity can increase when you introduce qualified offers to consumers as they improve their financial health.



Credit Reports & Scores

Comprehensive credit report and score options to acquire and engage consumers with access to their Experian® credit profile in addition to coverage for the other major bureaus, brand scores, and educational resources.



Credit Monitoring & Alerts

Experian® credit monitoring and alert products to scan consumer credit report data for suspicious activity and notify consumers when it's detected.

Fraud & identity restoration:

Customer retention and loyalty can improve when you help reduce the time and cost associated with recovering from fraud and identity theft.



Identity Protection Services

A comprehensive suite of identity protection features that monitor potential threats and manage data exposure and privacy.



Identity Restoration Services

A suite of identity restoration solutions to help consumers take back what is theirs if their identity is stolen.

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Choose the right partner **to grow your revenue**

Experian:

- Is more trusted by consumers; Experian over-indexes in positive attributes such as trust and likelihood to enroll vs competitors¹¹
- Drives engagement with up to 53% open rates and 75% post-alert log-in rates on featured financial wellness products¹²
- Enables comprehensive control of customer experience with real time alerts and a flexible platform
- Offers customizable solutions to fit your needs



20% average annual membership growth with Experian Programs¹³

¹³ Experian data, Client Metrics Dashboard, internal analysis of 15 clients across multiple industries, membership growth measured 1/1/2022 to 1/1/2023

Visit experian.com/partner-solutions to learn more.

Contact us: md-eps@experian.com.



¹ US savers get savvy ditching and switching banks, BBC, April 16, 2023

² State of the Economy Report, Experian, June 2023

³ JDPower Financial Health & Advice Satisfaction Study, 2023

⁴ MX Case Study Research, October 2022

⁵ Accenture, Global Banking Consumer Study, Reignite Human Connections, August 2022

⁶ JD Power Study, June 2022

⁷ PYMTS, May 2022

⁸ Javelin 2022 Identity Fraud Study, Shifting Angles

⁹ Percent of active Experian subscribers as of June 2021, who are still enrolled as of August 2023

¹⁰ Customer Retention Versus Customer Acquisition, Forbes, December 2022

¹¹ Northstar Research Partners: Brand Health Tracker Report, August 2022

¹² Experian D2C Financial Management reported as of May 2023

¹³ Experian data, Client Metrics Dashboard, internal analysis of 15 clients across multiple industries, membership growth measured 1/1/2022 to 1/1/2023

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