

BankDirector.

Breakout 7:
**Get to Know the Next
Generation of Digital
Consumers**

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#A0BA24

The Digital Consumer: A 2023 Study

Get to Know the Next Generation of Digital Consumers

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Who are today's digital consumers?

What do they want?

Why does this matter?

Raise your hand if you...

1. Use your bank's mobile app?
2. Use your phone to shop online?
3. Think you spend too much time on your phone.

43%

Mcommerce's share of total U.S. retail ecommerce sales in 2023





Americans will spend
4.6 hours a day on
their phone in 2023

Source: "Daily time spent on mobile phones in
the U.S. 2019-2024" Statista, Mar 2023.

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Raise your hand if you...

1. Shop online and checkout with your digital wallet
2. Set purchase alerts to help you budget
3. Made a purchase while browsing a social media site

Study Design

20 Minute Survey
N=2,006



Data Collected
Online



U.S. Only*



Designed for Issuer &
Merchant Audience

Key
Topics

Banking, Card
Preferences, Online
Shopping, Digital Wallets,
Installments, Recurring
Payments, Social, Crypto

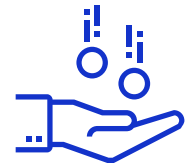
Qualifications



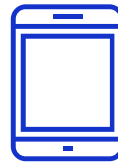
18+ Years Old



Household income of at
least \$35K



At least some financial
decision-making
responsibility



Owns at least one digital
device



Currently uses a credit or
debit card



Currently has at least some
form of a checking or
savings account



*Nationally representative of the US banked population based on age, gender, income, ethnicity and region.
Note: Report includes comparisons to 2020 study, which was fielding in August 2020 and used the same sample perimeters.



The digital
onset

2017

Digital Consumer
Survey:
Round 1



Peak
pandemic

2020

Digital Consumer
Survey:
Round 2



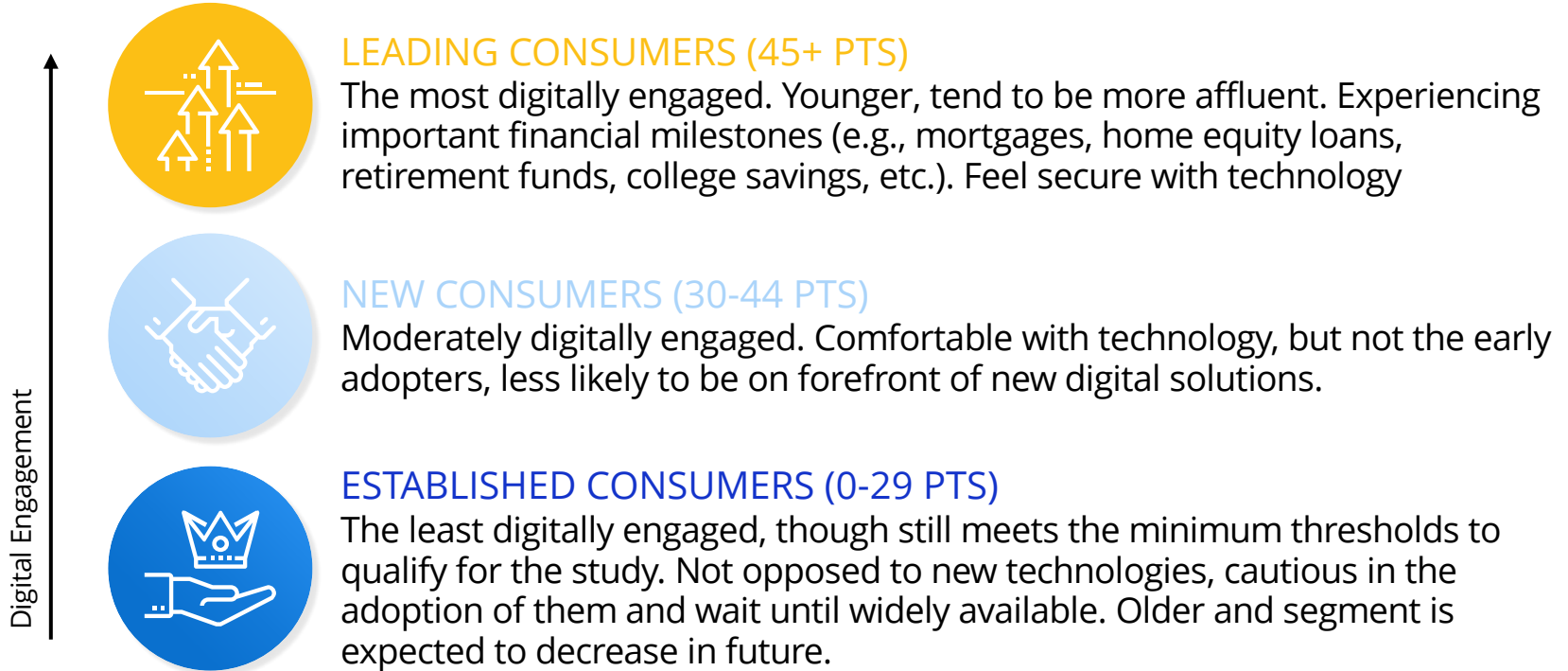
Today's normal

2023

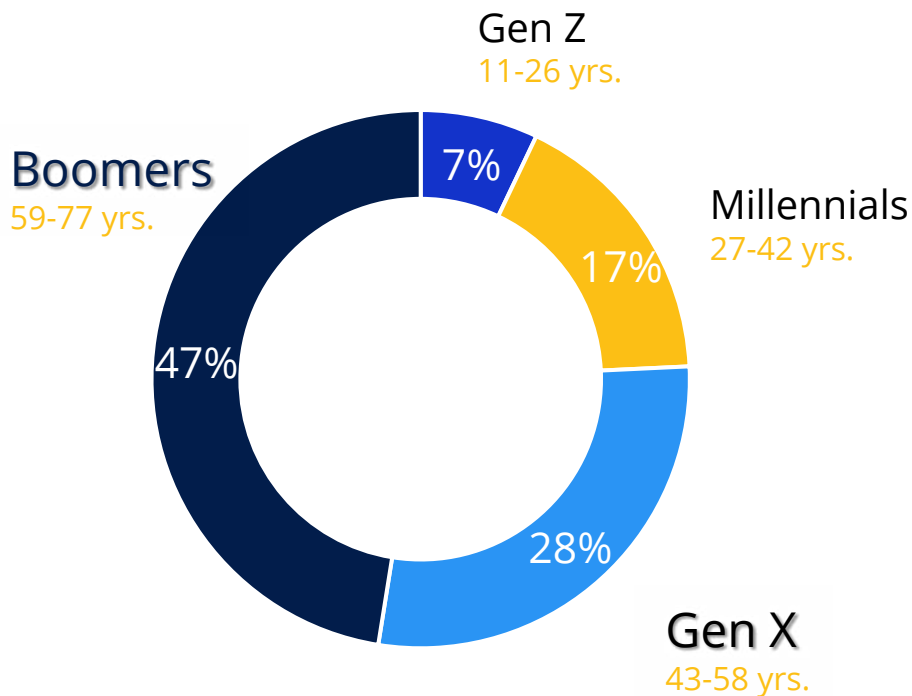
Digital Consumer
Survey:
Round 3

Digital Consumer Segments

Respondents were scored out of 100 points, with those displaying higher digital engagement scoring higher. Based on their score, respondents were then classified into three types of consumers.



Established consumers – 57%



70%

use a mobile banking app

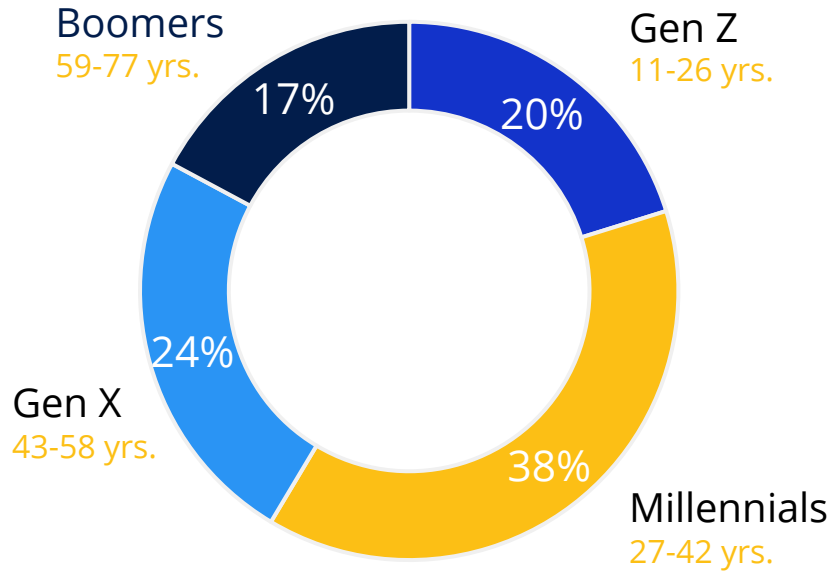
30%

shop online weekly

Digital engagement level



New consumers – 30%



99%

use a mobile banking app

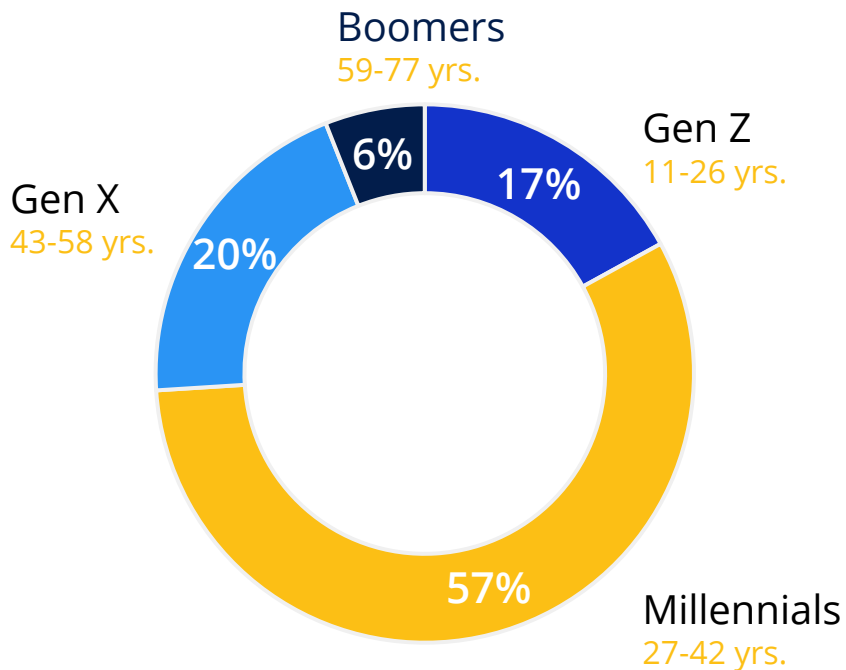
54%

shop online weekly

Digital engagement level



Leading consumers -13%



100%

use a mobile banking app

79%

shop online weekly

Digital engagement level



Leading Consumers present the greatest engagement opportunity based on their current alignment with a digital forward mentality, specifically as it relates to their finances and banking

7.2x

As likely to be **digital wallet users** (72% vs. 10% Established consumers)

3.2x

As likely to **bank with a digital-only bank** (29% vs. 9% Established consumers)

1.4x

As likely to be a **mobile bank app user** (100% vs. 70% Established consumers)

What should we do to engage Leading Consumers?

1 Develop strong relationships with these consumers as early as possible, leveraging digital tools as much as possible to meet their needs

2 Double down on user experience, particularly with mobile banking apps

3 Prioritize digital tools that make processes faster, more convenient, and simpler



Raise your hand if you...

1. Abandoned transactions if card details were incorrect
2. Aren't quite sure what benefits are offered through your credit card
3. Stopped shopping at a merchant for good because of the poor experience

What do we know about today's consumers?

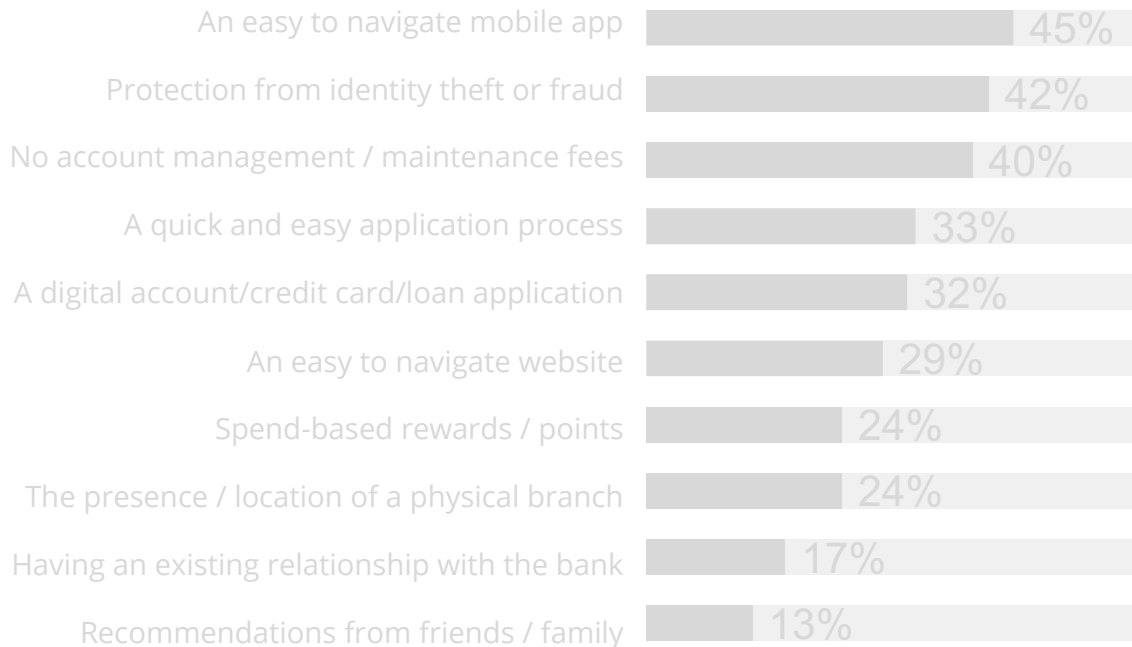


Convenience is key

Convenience is key for Leading Consumers

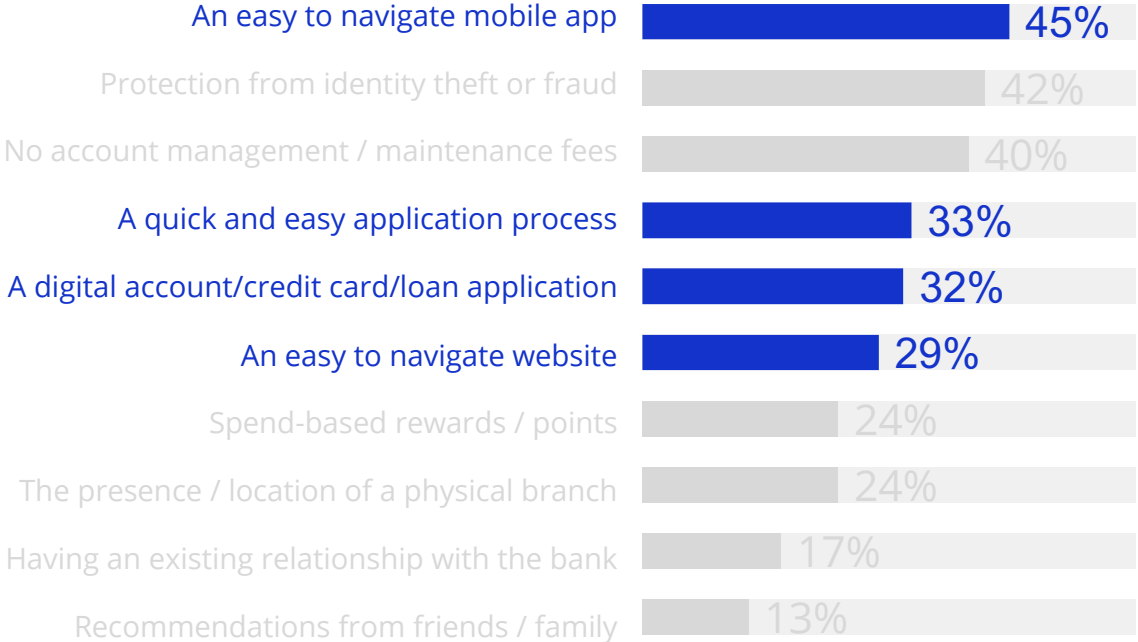


What is most important when opening a new bank account?



Convenience is key for Leading Consumers

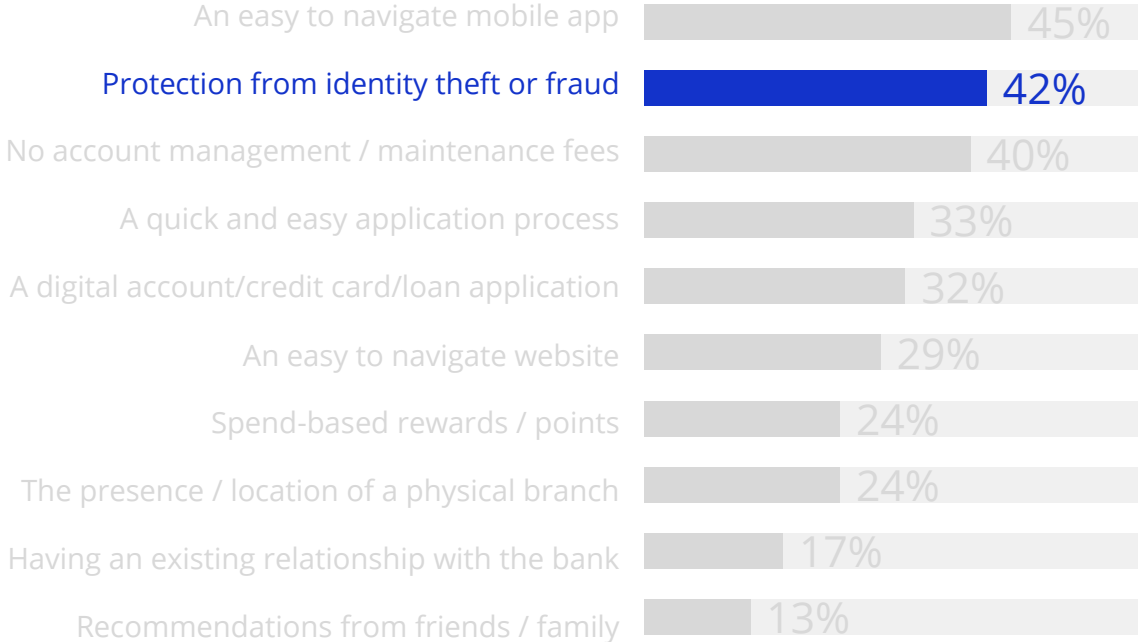
What is most important when opening a new bank account?



Digital experience is top of mind

Convenience is key for leading consumers

What is most important when opening a new bank account?



Security is table stakes

Source: The Digital Consumer: A 2023 Study, Visa, 2023.

What do we know about today's consumers?



Convenience is key



Security is table stakes

A group of diverse young adults, including a man with curly hair, a woman with curly hair, and a woman with long dark hair, are smiling and eating at a restaurant. The background is slightly blurred, showing other people and restaurant decor. The overall mood is happy and social.

VISA

32 years old

Lives in New York City

Works in tech

Always on the go

Digital engagement level



1 Meet them
where they are

2 Give them what
they want

1 Meet them where they are in banking



~30%

Of Leading Consumers bank
with a digital-only bank

Versus <10% of Established Consumers



Quick



Easy



Accessible

2 Give them what they want



100%

of Leading Consumers use a mobile banking app

93%

uses a mobile banking app at least once a week

5

average number of app features used



Purchase alerts



Budgeting controls



Consulting with an advisor





50% OFF

Your first order. The only green juice you'll need delivered to your door.

SHOP NOW

1 Meet them where they are in commerce



63%

of Leading Consumers
have made a purchase
through social media

Up from 60% in 2020

WHY?



65%

Saw an appealing ad for something



51%

Exposes to new brands or retailers



30%

It's more convenient than going to the store



29%

It's more convenient than going directly to the brand's website

2 Give them what they want



58%

Use mobile wallet

52%

Use a buy button connected to another personal payment method



46%

Access saved card only on websites and apps where frequently shop



43%

Let browser autofill all personal information and payment details



20%

access a saved card from a previous purchase or from creating an account, regardless of how frequently they shop there



5%

Manually enter personal information and payment details on every website they shop

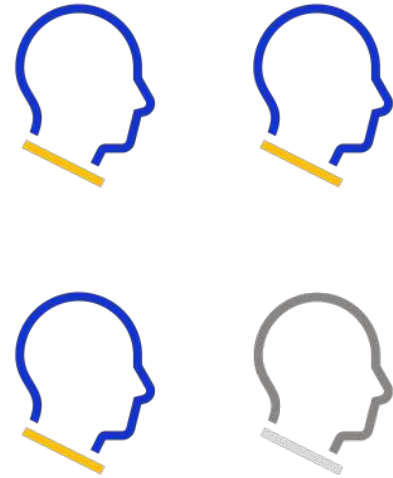
2 Give them what they want



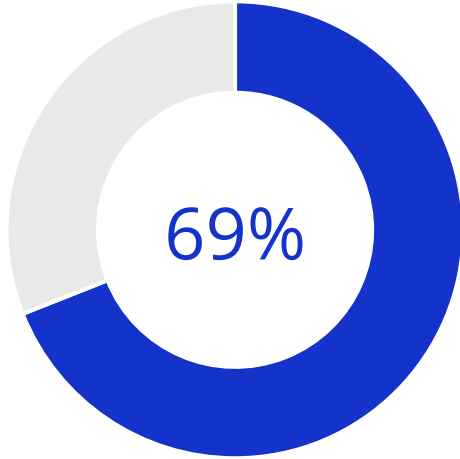
75%

of Leading Consumers pay regularly*
with a digital wallet

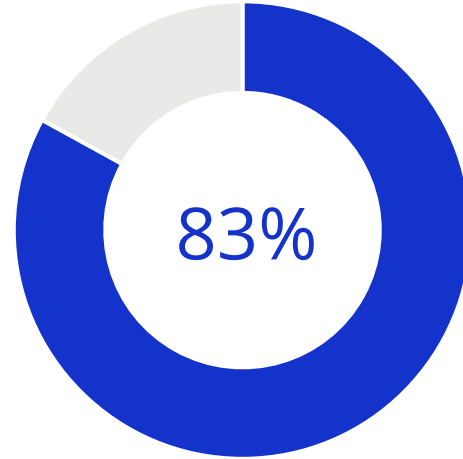
Compared to 34% of New Consumers and
11% of Established Consumers



2 Give them what they want



Have used an installment plan to make a purchase



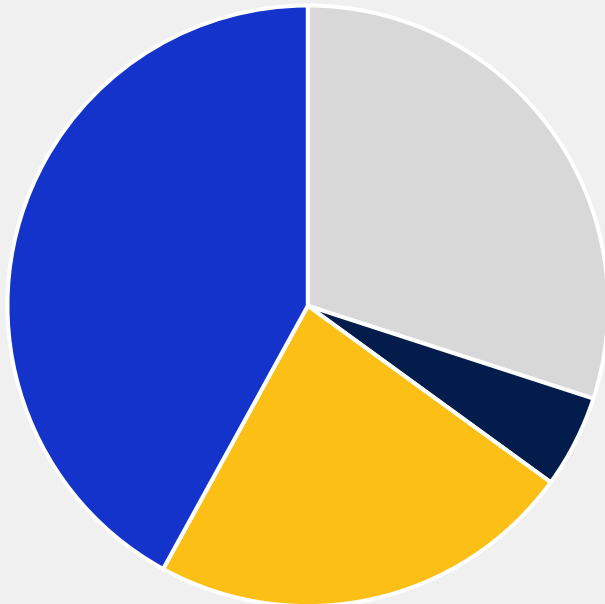
Were very satisfied with their installment plan experience

What's the impact of a false decline?



42%

Will use a different card



30%

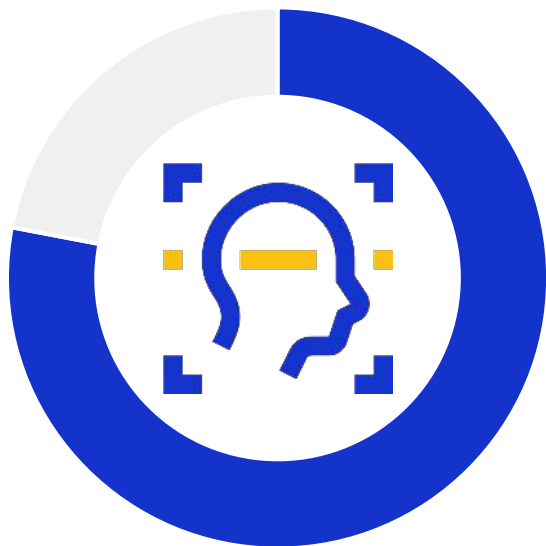
Will retry the transaction

5%

Will go to a different store

23%

Will abandon purchase entirely



78% of Leading Consumers are likely to use their card more often if push notifications to verify their identity are used with biometrics

as opposed to other methods of verifications such as one-time passcodes or an automatic decline

Who are today's digital consumers?

What do they want?

Why does this matter?

1 Meet them where they are

2 Give them what they want



Thank You

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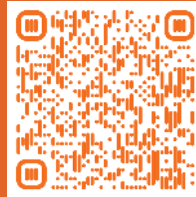
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