

Banking Customer Cashback Behavior Report

# Defining the Trillionaire Customer

---

AUGUST 2022

---



By Avery (Siman) Ao

# TOPICS FOR TODAY

- 
1. Background
  2. What did we do?
  3. About Trillionaire banking Customers and cashback shopping
  4. User Journey Map
  5. Differences and Similarities between Neo-banking and Trillionaire customers
  6. About Trillionaire banking customers and their banks
  7. Defining the Trillionaire banking customer segment
  8. Summary
  9. Q&A
  10. Appendix



# 01

Project Background



# Why work on this

Foundational user research on banking customers is necessary for the product team to understand target users' **motivations**, **preferences**, **frustrations** and **behavioral patterns** in cashback programs\*.

As one of our key customer segments, research on **traditional banking (trillionaires)**\* customers is needed to inform design decisions and research in B2C products.

## Study Definitions

Cashback programs: standalone and bank-embedded merchant-funded rewards programs.

Traditional banking: Chase, Bank of America, Wells Fargo, PNC, US Bank.



# 02

What Did We Do?



# Research goals

01

To identify the **customer segments** for traditional banking.

---

02

To understand the **motivations** for saving behaviors and **preferences** across different channels\*.

---

03

To understand **frustrations** that users encounter during current cashback experiences.

---

04

To explore **similarities and differences** between traditional and neo-banking customers.



Channels refer to: Browser experience (desktop, mobile, browser extension), Mobile app (native banking apps, Dosh, etc.), Emails, Mobile push notifications

# Research methodology

## Diary Study

Data collection: 6/17-7/20



# Who did we talk to?

18 traditional banking customers

primary banking account is with a trillionaire bank

## KEY CRITERIA

- + U.S. customers only
- + Actively use merchant-funded cashback programs
  - + Standalone cashback apps (Rakuten, Dosh etc.)
  - + Bank cashback programs (CDLX, Capital One, etc.)
  - + Mobile payment linked cashback programs (Samsung pay, Google Pay, etc.)

All participants are the sole or joint decision-maker for financial goals in household



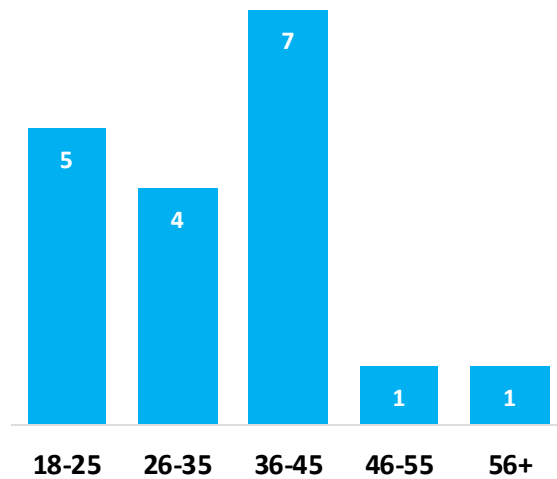


# Who did we talk to?

01

AGE RANGE

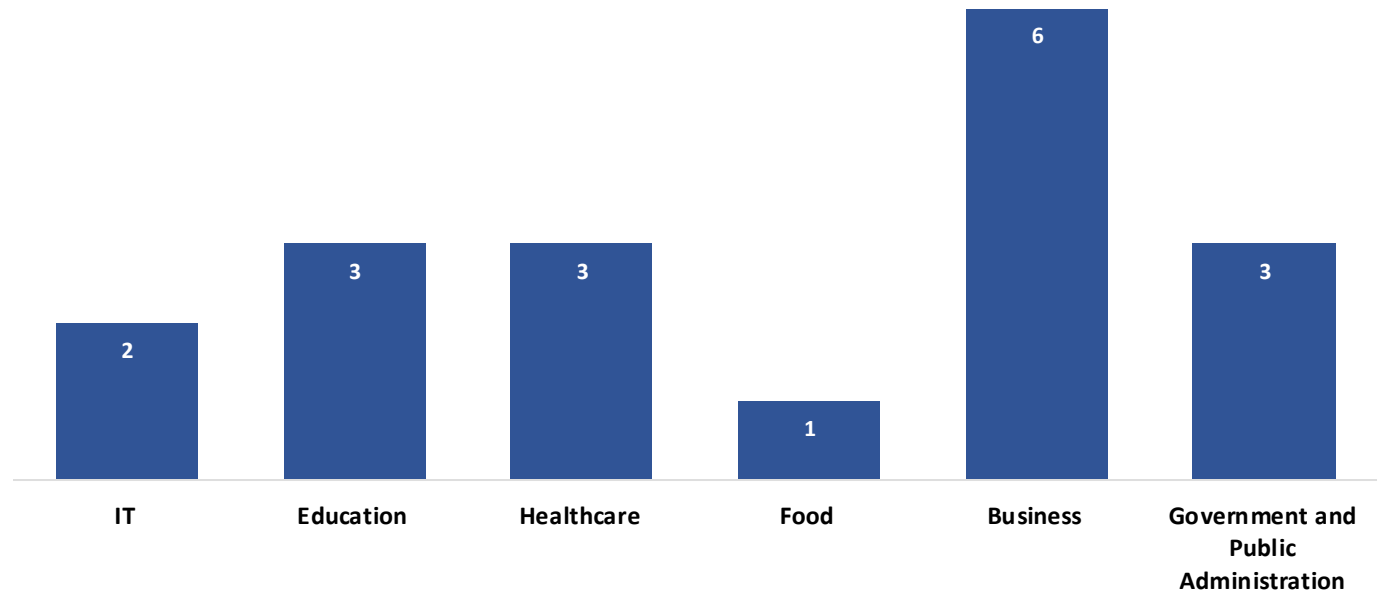
22-60 yr.



Most participants are from age group 18-45 yr.

02

OCCUPATION



Spread across different industries.

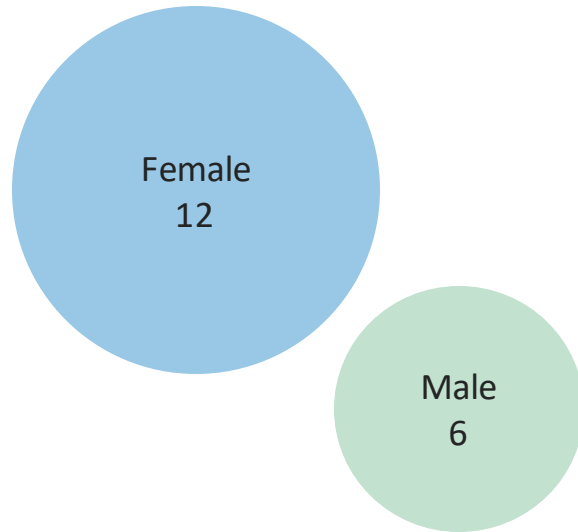
Participants were recruited through [User Interviews](#)



# Who did we talk to?

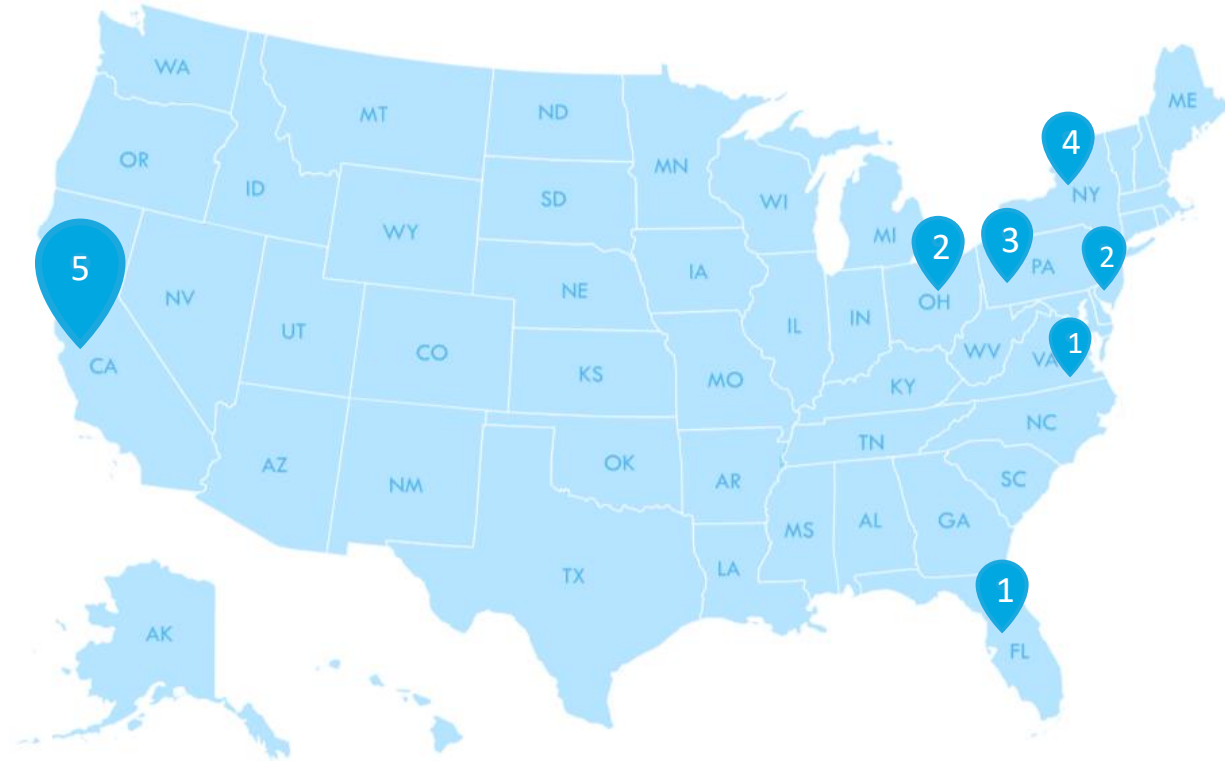
03

GENDER



04

LOCATION



Participants were recruited through [User Interviews](#)

Representation in east and west coast areas

# 04

User journey map of trillionaire banking customers and cashback offer programs



# Insight key

How to interpret insights in this report



Foundational user need



Observations and user ideas shared

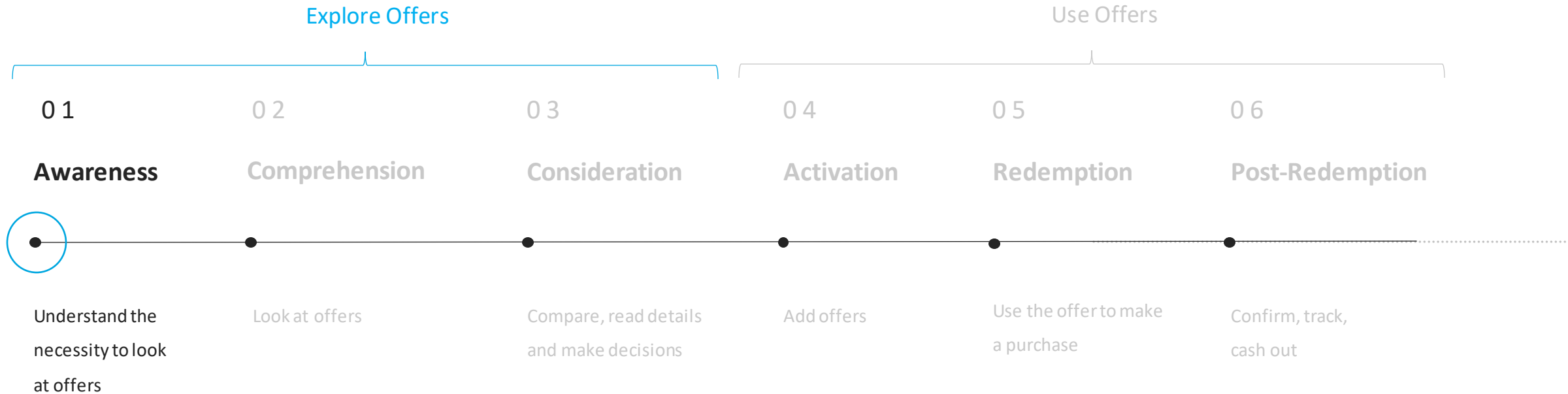


Significant UX issue



UXR Recommendation

# Awareness: motivation to look at offers



## 2 Offer notifications should be proactive

- ! **Regardless of how many cashback offers they're participating in, users don't know what offers are available to them when they are ready to shop**
- 💡 **Users expect to receive relevant offer notifications in the context of shopping, so they can use the offers immediately and spend less effort searching offers themselves**

### CDLX

requires users to actively search and add offers, taking more effort compared to proactively recommending offers based on customers' needs within the context.

- + "If I'm activating deals, it does take me a little bit longer because I'm scrolling through all the offers and physically activating them." -- 26-35, PA
- + "I have to be a bit more proactive about it versus me shopping and it just reminds me I'm shopping here and we have this offer." -- 26-35, OH

### ! **In-store offers are even more difficult to keep track of.**


Most customers prefer to check offers before going shopping for in-store shopping, because searching for offers in the store makes the shopping time longer than they want it to be.

- + "I don't want to stare at my phone when I'm in the store. I want to get in and out as quickly as possible. So it takes more time to really know if there is the offers available." -- 36-45, PA



## 2 Offer notifications should be proactive

### User Preferences

-  7/18 users want to receive location-based alerts when there're new offers available to use (in-store)

- + "If I'm passing by a store and get a offer, it will be more enticing for me to go buy something. If I don't see a cashback then I probably don't want to buy it there." -- 46-55, NY


-  Need permission to access location information

Most users don't mind giving permission for location data.

- + "I don't mind using my location data and they should actively use that data to communicate with me and help me save money." -- 26-35, OH

-  6/18 users prefer to use browser extensions for offers because they help save time and effort looking for offers to use (online)

- + "I like not having to go out and search for offers." -- 18-25, OH
- + "I like the extension because it'll remind me to look and see if there's a deal." -- 36-45, NJ


-  Browser extensions could be invasive and annoying if pop up on every page and take too much space on the screen

- + "Every time I refresh the page, it pops up again." -- 26-35, NY
- + "I don't want a giant window peeking up the entire screen." -- 26-35, PA

### RECOMMENDATION

Consider offering location-based notifications to promote relevant offers, but give users options to turn it on/off

## 4 Notification of new offers is desired

 Customers expect to receive notifications about new offers so it's easier for them to browse and activate offers without having to log into the bank apps

- + "It's nice to have a reminder to notify me when there's something new." -- 26-35, CA
- + My target app will notify me if something's on sale. And then if I click on it, I can automatically add that to my cart." -- 26-35, PA

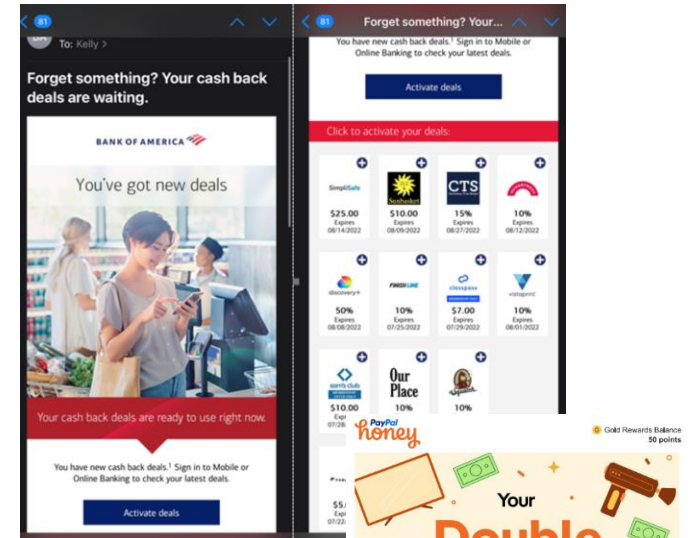
### CDLX

Some CDLX banks don't have notifications about new offers. Or customers don't know where and how to enable the option.

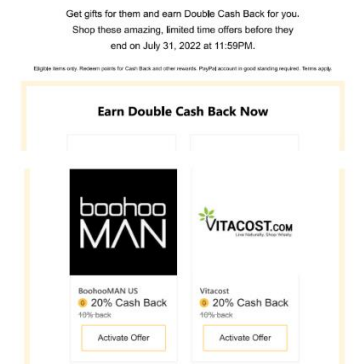
- + "I don't receive notifications from them about new offers. I have to go into the app and check through my bank. I would like more notifications from them when new offers are available" -- 26-35, NY
- + "If Chase sends notifications such as Walmart 10% cashback starts today and lasts till August, it would make me more likely to use that." -- 36-45, CA

## RECOMMENDATIONS

- + Consider send out promotional notifications about new offer updates to remind customers go checking out the offer section
- + Improving the awareness of notification options by increase the visibility of the setting
- + Offer notifications should be more specific with offer details (time, requirement, percentage back)



BAC offer email



Honey offer email



# Main notification types

## Email

Good for who prefer to read about offers in their free time or plan for shopping

The subject line should include key information about offers to catch users' eyes

*"I like that they send emails about offers with store names in the subject, because I can just glance at it. If it's a store that interests me, I will save the email. If it's not then I'll just delete it." -- 36-45, NY*

 10/18 participants prefer

## Push

### Notification

Good for quick actions; click or dismiss

Should be brief and include necessary information: specific offers or sales

*"They're really easy to get rid of. They don't clutter up my email inbox, so clog up my text message box." -- 18-25, NY*

 5/18 participants prefer

## Text Message

Load quicker than emails, can include more details

Should include offer details and links for action

*"I'd like to get text messages with details on the offer requirement, a list of all offers sent every week or month. so it's easier for me to review instead of having to log into my account. The emails are pretty graphic intensive and loads very slow." -- 36-45, CA*

 4/18 participants prefer

## No Notification

For customers who look for offers proactively

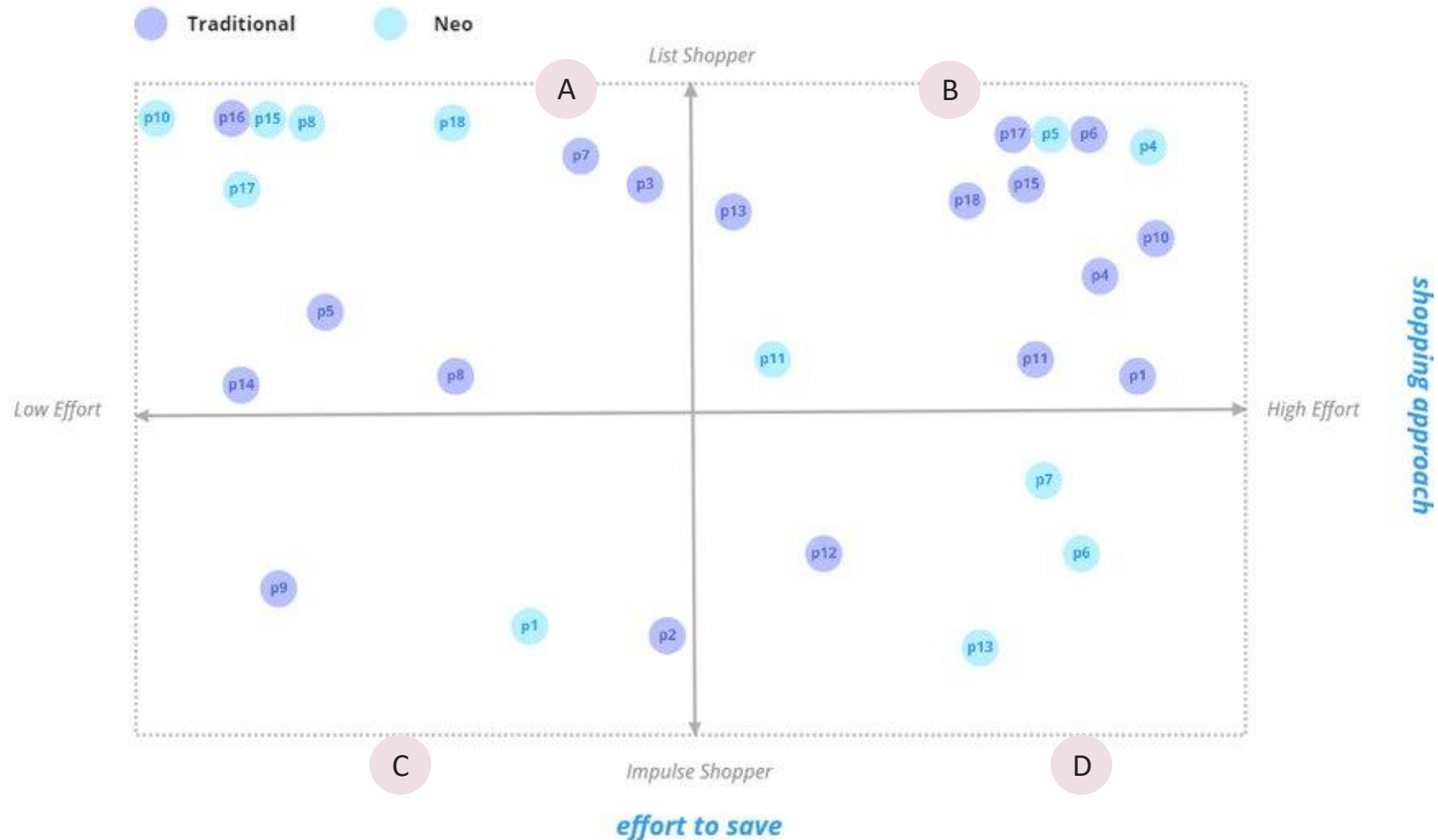
Customers are more interested in offer collections or simplified search to make it easy to find offers that are interested in

*"I don't look at emails but I would just go on the app and go to weekly deals." -- 18-25, VA*

 3/18 participants prefer



# User segments



- A** Low effort, list shopper  
Spend less time comparing offers, only check offers when need to buy specific products
- B** High effort, list shopper  
Spend long time comparing offers to find the best deal, only use for items want to buy
- C** Low effort, impulse shopper  
Casually browse offers to see what interest them. Will make unplanned purchases with good offers.
- D** High effort, impulse shopper  
Check multiple platforms to find good offers, and make purchases with high cashback.

## ★ RECOMMENDATION

Consider conducting future research to build persona profiles



# 06

About trillionaire banking customers and their banks



# Customer-to-bank interactions

Customers prefer to use **digital banking** to access bank services instead of in-person visits or calling, especially after the pandemic

All 18 participants prefer online banking over in-person interactions

## CHANNEL

### bank mobile app

for quick tasks  
(check balance, make transactions)

*"If I have to check a balance or see one of my posts went through, I do it on the app because I just log in and logged out." -- 36-45, CA*

## CHANNEL

### website browser

for complex tasks  
(create accounts, investment)

*"If I have to do a lot I tend to do on the computer because I just see more on the bigger screen." -- 26-35, OH*

## CUSTOMER SUPPORT

### social media

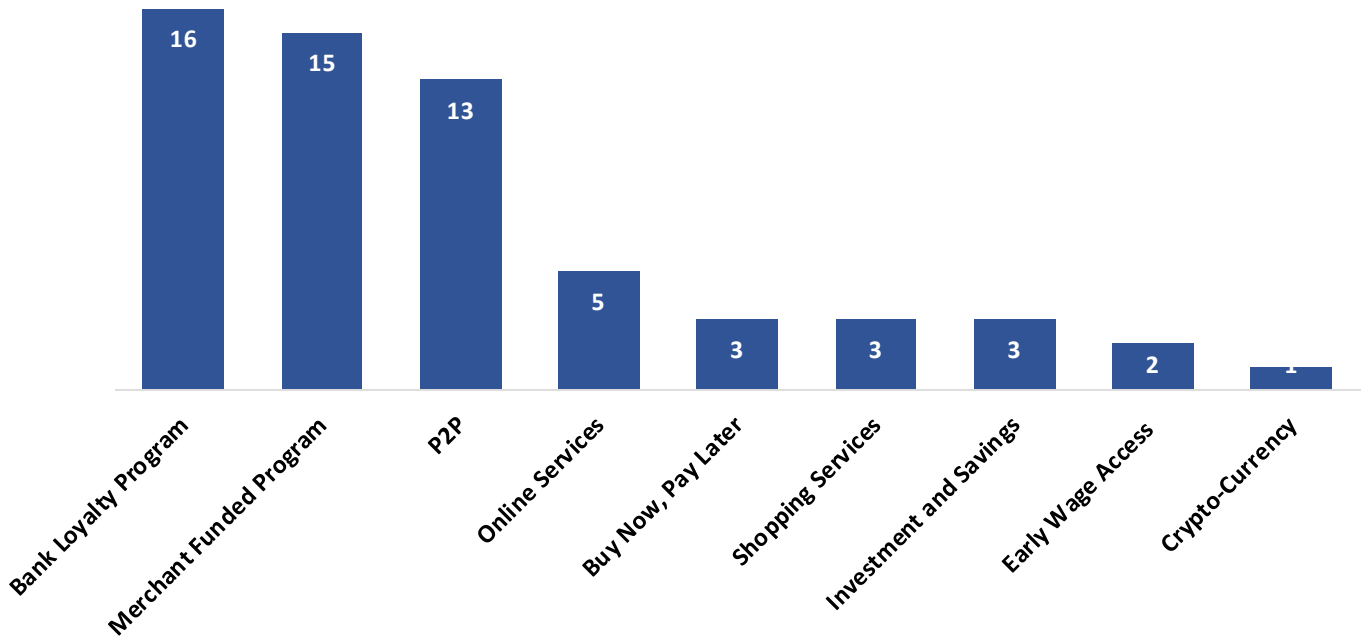
fast response

*"I will send Chase support through Twitter if I have any problems. I like a bank that I don't have to make a phone call and I can just send them either a message or an email." --46-55, NY*



# Banking features and services

Which bank services are the most important for customers to choose/stay with a bank?



- + Customers like bank loyalty programs being flexible in how they can get rewards by using cards
- + Customers think merchant-funded rewards programs that give large % cashback is good to have and motivates them to try new stores
- + P2p is considered an essential feature within bank apps

18 participants

9 services

selected top 3-4 services

Top

1

Bank Loyalty Program

2

Merchant Funded Rewards

3

Person to person payment



# 07

Defining the trillionaire banking customer segment



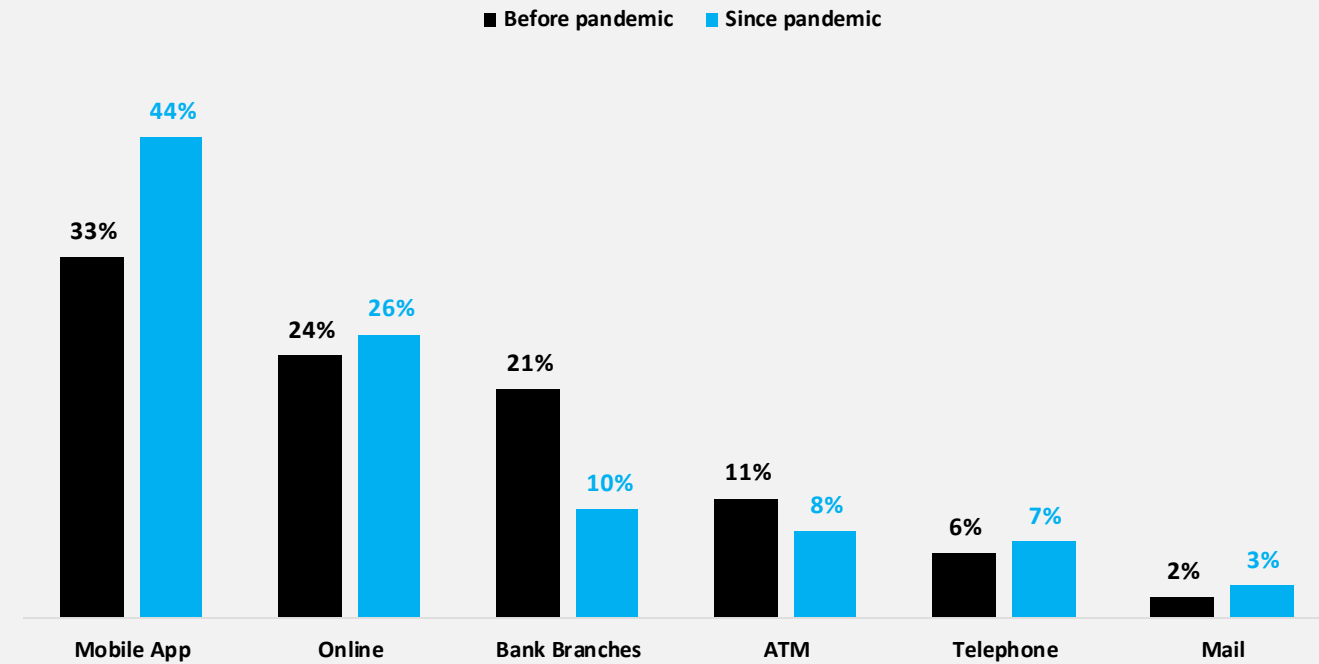
There's been an increased use of **mobile** and **online banking** services since the pandemic

And consumers are leaning toward mobile banking.

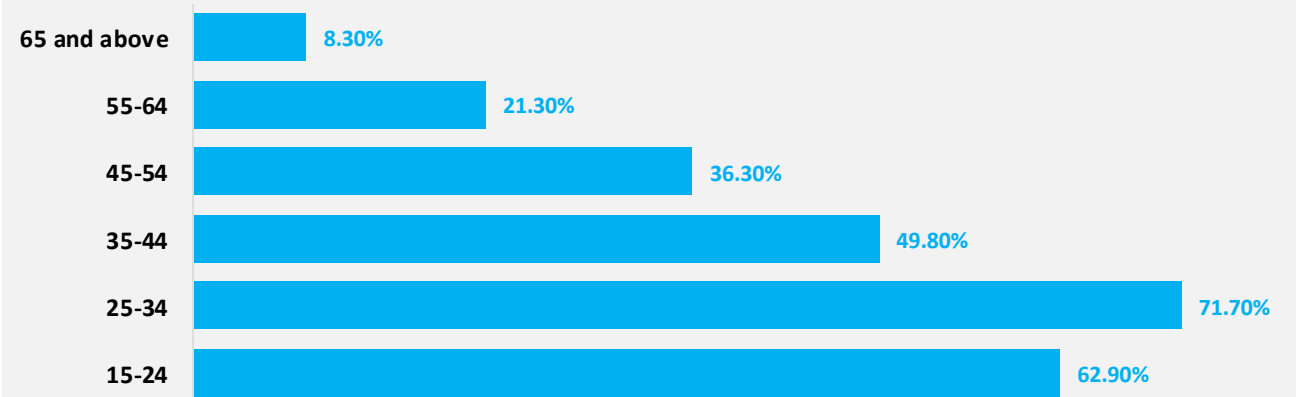
Age groups 15-54 yrs. are more likely to use mobile banking as their primary method to access bank accounts.



Share of [banked households using mobile banking](#) as primary method to access bank account in the United States 2019, by age group



Share of banked households using mobile banking as primary method to access bank account in the United States

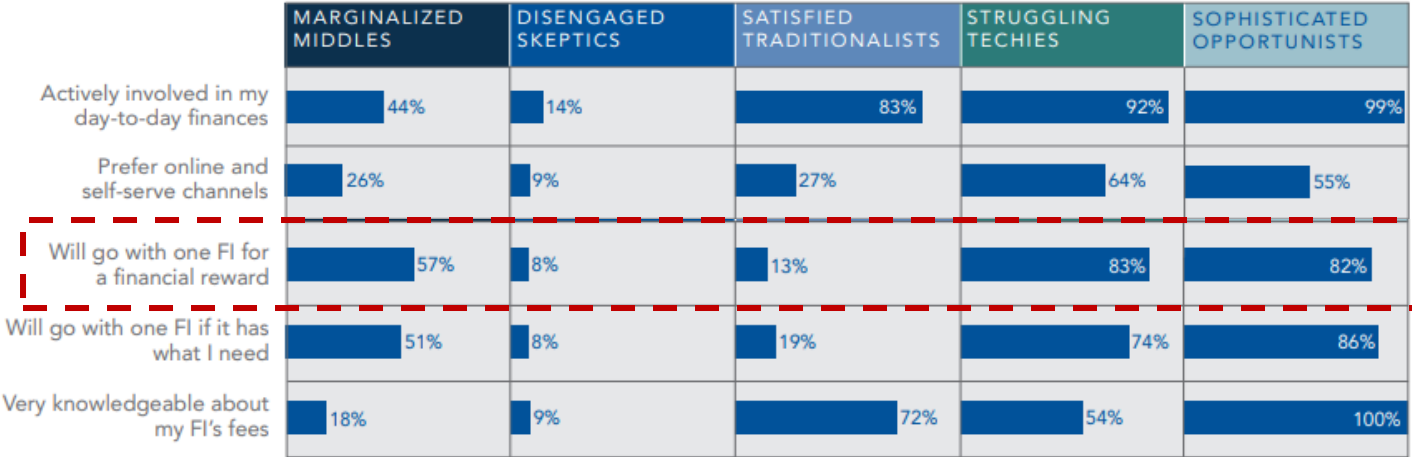


# 5 Banking Consumer segments

Financial rewards is a significant motivator for many people when choosing banks.

Aligning channels and sales configurations according to segment mix and positioning of your financial institution is critical for revenue growth.

Marginalized Middles 36%	Disengaged Skeptics 18%	Satisfied Traditionalists 18%	Struggling Techies 21%	Sophisticated Opportunists 7%
Below average age with above average income	Second oldest group with below average income	Oldest group with roughly average income	Youngest group with lowest income	Average age with highest income
Least satisfied with their primary financial institution while most confused about bank fees	Lowest monthly usage of most channels	Least likely to utilize online, mobile and debit services	Most likely to use online, mobile and debit services and to use them frequently	Very knowledgeable about the banking world and comfortable making decisions regarding their finances



## RECOMMENDATION

It is recommended to consider factors such as access to technology, preference of channels, knowledge of FI, and attitude about rewards in future persona and archetype work for UXR.





# 08

## Summary



# Research goals & findings

1. To identify the **customer segments** for traditional banking.
  - No specific criteria in demographics
  - More use in digital banking after the pandemic
  - 5 banking customer segments
2. To understand the **motivations** for saving behaviors and **preferences** across different channels\*.
  - Prefer to shop on computer for longer shopping
  - Prefer to use credit card over debit card
  - Prefer to receive notifications about new offers in holidays
  - Search and navigation should be simplified to reduce time finding offers to use
    - Search bar – 5
    - Sort – 4
    - Clearly defined categories -- 4
  - Offer construct should be designed for easy browse: show key info in offer card
  - Images help to understand offer content and recognize brands
  - Reminder email about expiring offers is helpful for using offers in time



Number refers to average ratings of importance of severity, on a scale of 1-5, 1=least important/severe.

# Future UXR ideas and considerations

- It is recommended to consider factors such as access to technology, preference of channels, knowledge of FI, and attitude about rewards in future persona and archetype work for UXR.
- It is recommended to conduct a market research survey dedicated to bank and feature surfaces in the future if we wish to learn more about customer's attitude of banking features.
- Consider offering location-based notifications to promote relevant offers, but give users options to turn it on/off
- Consider send out promotional notifications about new offer updates to remind customers go checking out the offer section
- Notification with offer information will also help users to quickly browse through available offers without logging into the bank apps
- Personalize notification content with more tailored offers by giving users options to select notification content types
- Offer notifications should be more specific with offer details (time, requirement, percentage back)
- Consider offer campaigns related to big holidays, or personalized exclusive offers for birthdays etc.
- It's recommended to conduct quantitative research to validate this assumption
- Simplify browsing experience with a variety of categories for retailers, offer sorting functions and quick search functions
- Category design should be noticeable and easy to understand
- Consider adding a quick search function for Activated and Redeemed offers.
- Mark the requirement for using offers with noticeable tags or icons
- Include key requirements in the item card, and reduce the effort for users to click to check details
- Additional quantitative research could be conducted for key requirements to be emphasized in offer construct if wish to learn more about this
- Include the clear image in offers to indicate brand identity and category to help customers understand the type of offers more easily



# Notes to other UXR



# Considerations for future participant recruitment

- Need to define “cashback” program when recruiting participants, not all bank card offers is card-linked offers, many participants confused “merchant-funded rewards” with “bank loyalty rewards”.
- There are enough traditional bank participants, but since we didn’t define "cashback program" well, only those who use stand-alone platforms + bank cashback programs were selected for this project to ensure everyone has experience using merchant-funded rewards program
- For this project
  - Aimed to have at least 15 participants by the end of the diary study. Recruited 20 participants, 2 dropped off after the entry interview, 1 was not qualified as the participant didn’t use a merchant-funded rewards program. Have 1 participant introduced by Beverly after her entry interview.



# Pro/cons of using User Interviews.com

## Pros

- The message function allows communication with participants quickly. They usually respond within a short timeframe.
- Participants can be recruited quickly.
- The incentive is distributed easily and quickly.
- Participant information can be easily exported into CSV files.



# Research goals details

To identify the **customer segments** for traditional banking.

- + Who are traditional banking customers?

To understand the **motivations** for saving behaviors and **preferences** across different channels\*.

- + When and how would users want to be exposed to offer and deals programs?
- + What motivates users to enact on deals and offers within their current experiences (bank apps, rewards apps, etc.)?
- + Why do users prefer a specific UX interaction over another?
- + When would users choose one offer channel over the others?

To understand **frustrations** that users encounter during current cashback experiences.

- + What works well in the current experience?
- + What is missing in the current cashback experience?
- + What pains do users have in their current experience?

To explore **similarities and differences** between traditional and neo-banking customers.

- + What are the similarities and differences in customer segments?
- + What are the similarities and differences in customer behaviors?



Channels refer to: Browser experience (desktop, mobile, browser extension), Mobile app (native banking apps, Dosh, etc.), Emails, Mobile push notifications