



Building Lifetime Consumer Relationships With Dynamic Personal Experiences

How to Transform Digital Banking Into Your Brand Differentiator

Over the last decade, as digital banking evolved to become an indispensable consumer convenience, it also dulled community financial institutions' sharpest weapon against surging competition: Relationships.

Now, the evolution of digital banking technology has reached a tipping point. And it changes everything.

Next-level technology and new thinking have combined to deliver a powerful new tool to re-sharpen your edge. We call it dynamic personal experiences.

Dynamic personal experiences transform commodity banking transactions into differentiating consumer engagement. When you get personal and continually deliver the next best experience to your account holders, relationships strengthen and endure. You build loyalty that keeps people—and their deposits—solidly with your institution, not chasing marginally better interest rates from competitors.

As consumers across generations choose the convenience of digital channels, you can now build lifetime relationships without traditional in-branch connections—at a scale never before possible. Using data insights to predict needs, dynamic personal experiences deliver the most relevant mix of precisely timed financial solutions. More than targeted offers alone, it's loyalty-building help when people need it most.

The Cross-Generational Call to Get Personal

74%

of people, across generations, want more personal banking experiences

70%

trust their financial institutions to use data and AI for personal experiences

2024 Harris Poll research commissioned by Q2



Digital
experiences
will be the
key user
experience
differentiator
going forward.

Chris Miller | Senior Director,
Cornerstone Advisors



The Time to Get Personal Is Now

Status quo and one-size-fits-all are no longer options. Research is clear that consumers want the same level of personalization in banking that they get in other areas of their digital lives (Think: Spotify, Amazon, Uber). They expect you to demonstrate that you know them—even when their interactions are largely, even exclusively, online. According to Forrester, though, most banks and credit unions are missing the mark on personalization—and with it, missing big opportunity. Capturing that opportunity takes a shift in technology and approach.

The data you capture digitally tell the stories that empower you to improve lives, earn trust, and build valuable relationships. Get it right and you transform commodity consumer banking transactions into differentiated, personalized experiences that rescue and elevate your brand in a sea of sameness. From deposit growth to improved account holder value, with dynamic personal experiences, you can achieve any strategic goal—regardless of interest rates, economics, or political environment.

INTRODUCING Q2 ENGAGE:

The Way to Dynamic Personal Experiences

So, how do you create dynamic personal experiences? It starts with turning the data you have into the insights you need to generate meaningful, continual account holder engagement. Most digital banking solutions, though, don't provide the path to get there.

That's why we introduced Q2 Engage, a suite of consumer banking solutions designed to acquire and build lifetime relationships through dynamic personal experiences. Q2 Engage includes all existing and new consumer banking solutions from Q2. Each works in harmony or on its own, so you can evolve your consumer banking experience at your pace, based on your goals.

Q2 Engage is different because it uniquely supports a strategic framework to know, serve, and grow consumer relationships—beginning at account opening and throughout people's lives.

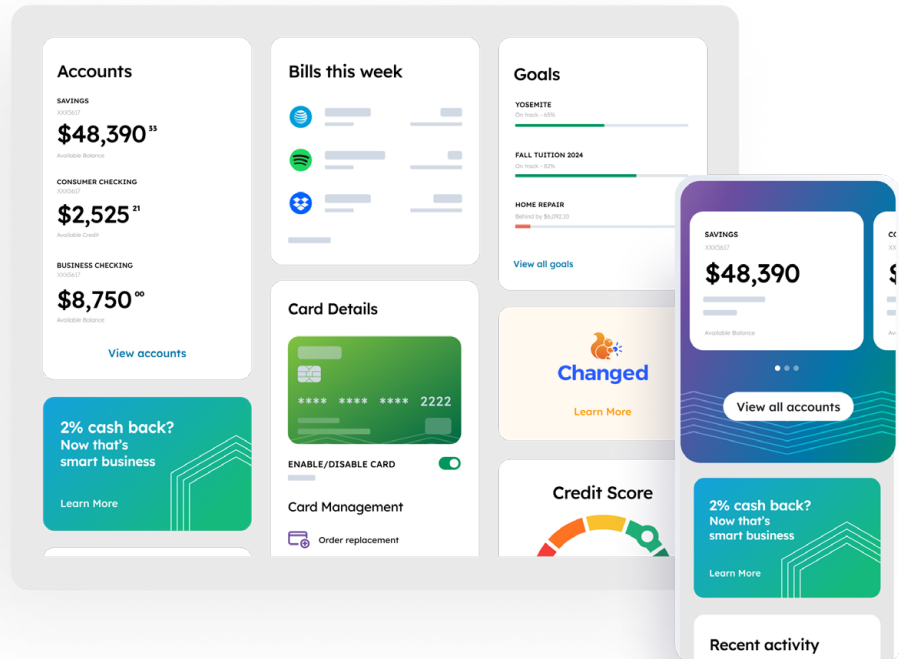


Account holders log
into digital banking

20+

times per month

Based on Q2 user data



Transform every login to an opportunity to build relationships with personalized landing pages tuned into people's evolving needs.



The Know, Serve, Grow Framework

Upleveling digital transactions to relationship-building digital connections requires a strategy to continually:

- **Know** people through data and AI
- **Serve** them with solutions that predict their needs and make their lives better
- **Grow** your relationships through financial solutions beyond traditional banking—using a rich ecosystem of fintech partners, APIs, and a robust SDK, or with your own internal resources

We call this the Know, Serve, Grow framework.

All three parts of the framework are essential to attracting and building lifetime relationships. Each is interdependent and part of a continual process of curating personal experiences that evolve with your account holders and your financial institution.

To show how it all comes together, we'll break down the three stages, demonstrating how key Q2 Engage solutions support them, and highlight the outcomes of one financial institution successfully putting it into practice.



KNOW

Use Data and AI to Understand Needs Across Account Holder Journeys

Account holders log into digital banking more than 20 times per month. That's more than 20 opportunities for you to get to know them and engage them.

Every login tells a story: a single mother saving for a child's education; a financially vulnerable family struggling to cover expenses after job loss; a small business owner on the verge of expansion; a recent college graduate juggling income and expenses for the first time.

To understand the human experience behind the transaction, look closely through the lens of data:

- After a long history of good money management, an unusual pattern of negative balances and missed payments suggests financial trouble for a longtime account holder
- A new account holder with a growing balance and regular payroll direct deposits just funded 95% of a goal-based savings account for a car
- Joint account holders with an external brokerage account are making larger, more frequent transfers

The Framework in Action With



When Data Changes Lives

Founders Federal Credit Union (Founders) considers data the key differentiator in the experiences it delivers to members.

The \$4.8 billion credit union continually uses data insights to understand target groups and their needs. In one instance, when data revealed that members were relying on predatory lenders charging 200% to 500% interest, Founders knew it could do better and wanted to help.

Members used the high-interest, short-term loans for needs like car repairs to get to work or food between paychecks—worsening already-fragile financial positions.

Founders improved lives when it partnered with Q2 and a third-party vendor to launch Express Loans, an alternative emergency loan with far better terms than predatory lenders. Now, after a five-minute application process, qualified account holders receive the emergency funding they need to get back to their lives, avoiding major financial setbacks.



Leveraging data is the key difference in the experiences we deliver.

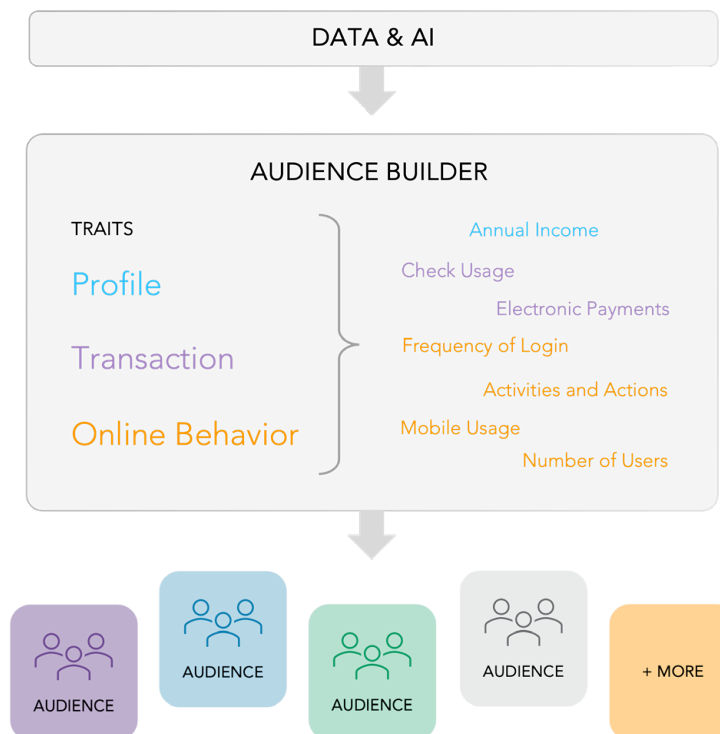
Stacy Thomas | Vice President of Digital Strategy & Optimization, Founders Federal Credit Union



Transaction patterns, account histories, and profiles reveal opportunities to help improve lives, build trust, and strengthen relationships. However, transforming all that data into knowledge takes time and resources. That's a major challenge for many financial institutions because the volume of managing data collected, across multiple sources, can be a high hurdle on the path to extracting its value.

With Q2 Engage's Audience Builder, you can easily turn raw data into actionable insights by creating target audiences from 450+ behavior and profile traits in our self-service trait store. To build an audience, choose one trait (e.g., new accounts opened in the last 30 days or account holder age) or combine multiple traits (e.g., account holders who don't have a travel rewards credit card with you and have funded 50% of their vacation savings account goal). Easily build segmented groups that you can target with specific offers, tools, or services to help meet people's needs and achieve your institution's strategic goals.

Use Insights to Target Your Most Valuable Audiences



There's no code needed with Audience Builder, so internal teams can quickly start using data for good. That's critical because once you know your account holders and their evolving needs, you want to remove any obstacles to serving them in ways that differentiate your brand and build loyalty.



SERVE

Deliver Dynamic Personal Experiences for the Moments That Matter

After using your data to segment audiences, you can start delivering differentiating personal experiences at scale. Targeted marketing campaigns are a good first step. Stop there, though, and you haven't gone far enough.

To plant the seeds of trust that grow into lifetime relationships, people want to feel known and supported, not just sold to. With Q2 Experience Builder, groups created in Audience Builder can be used in targeted marketing campaigns and for personalized landing pages with unique content and your branding. Relevant offers delivered on dynamically personalized landing pages combine for true brand differentiation. When these landing pages include the information and tools people need to build better lives, they won't have to go elsewhere for financial services.

The Framework in Action With



Capturing the Gen Z and Gen Alpha Opportunity

After uncovering 9,500 ACH transfers—totaling \$160,000—to competitor youth products, Founders uncovered an opportunity to help its teen and youth members start good financial habits and build trust early in their lives.

Using Experience Builder and Composable Dashboard, Founders is developing a branded landing page to appeal to Gen Zs and Gen Alphas. It offers age-appropriate educational content and account features relevant to its youngest members.

As Founders curates personalized landing pages (one is coming soon for small businesses), it's continually tracking usage to find opportunities to improve design, content, and experience.

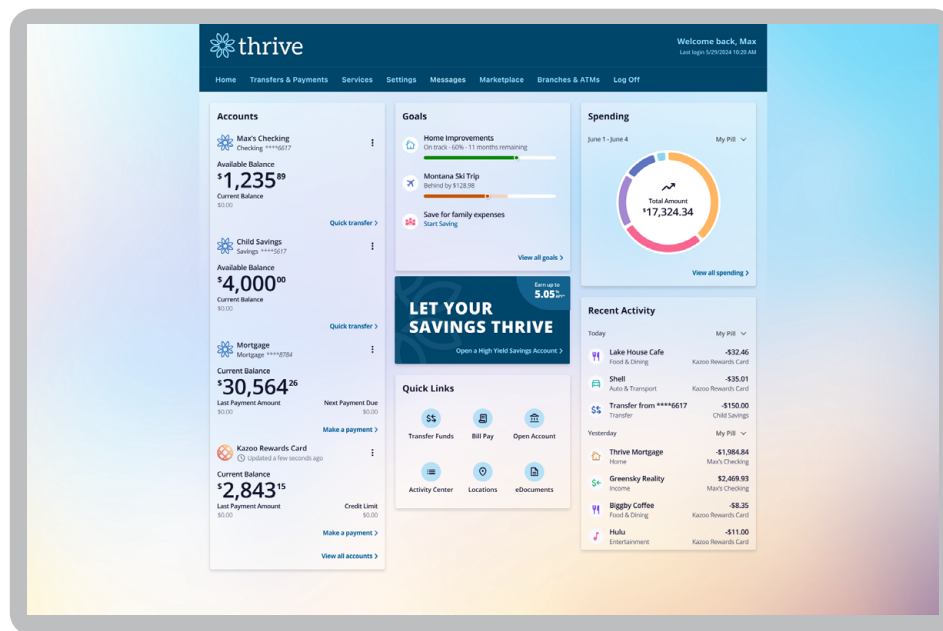
Visual Differentiation Made Easy

Because today's account holders get the most exposure to your brand through your digital channel, it strongly influences brand sentiment and perceptions. With Q2 Experience Builder's no-code, self-service design capabilities, internal teams can easily create pages that extend and elevate your brand while uniquely resonating with target audiences. You control text, navigation, themes, colors, and layout.

Differentiate With Loyalty-Building Experiences

With your brand's unique look and feel reflected on the page through themes and colors you choose, Experience Builder's Composable Dashboard Editor then enables you to layer in the most relevant blocks of content for your audience groups. Choose content blocks with offers, tools, and products most relevant to target audiences.

The result is upleveled personalization. When you apply what you know about people, and have the tools to easily deliver tailored solutions that resonate, meaningful experiences begin to take shape.



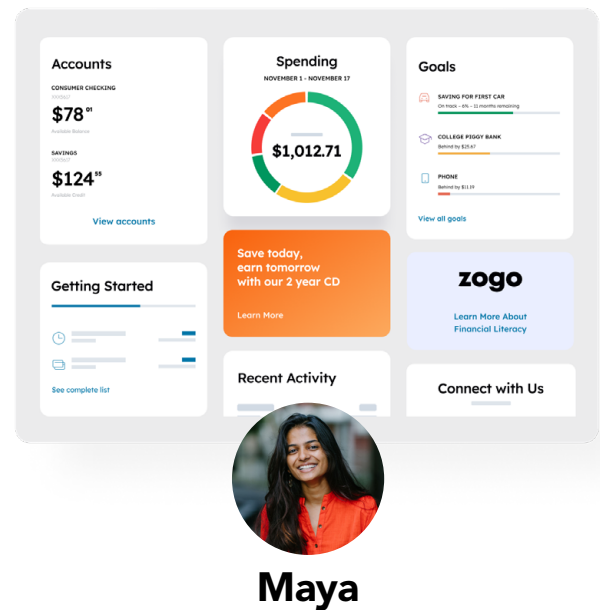
Easily create personalized landing pages with your brand's unique look and feel.

The Experiences You Could Be Delivering Now

No financial institution, especially now, can afford to waste resources offering what account holders don't want, or that they can easily get anywhere else. But when you understand needs, you can deliver experiences that improve lives and relationships. In the process, you become a long-term partner in achieving account holders' dreams and goals rather than another transactional banking commodity.

The experience for Maya, a recent college graduate, could include a landing page that features:

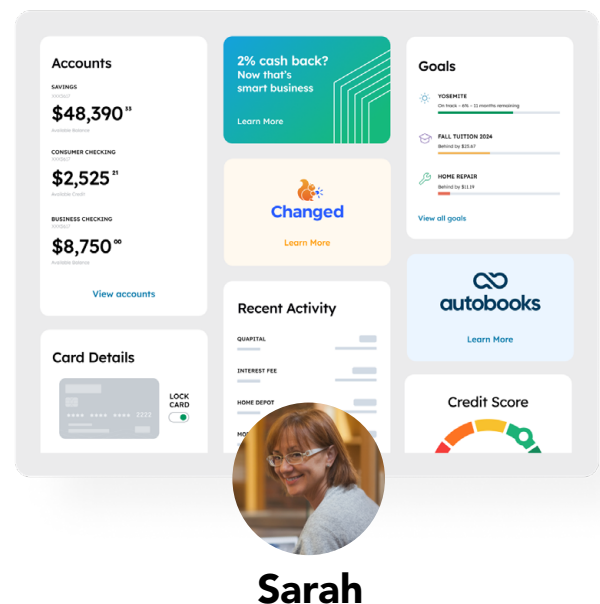
- Zogo app to improve her financial literacy and increase engagement
- Q2 CardSwap to help her manage online subscriptions and generate interchange revenue for your financial institution
- Q2 Contextual Personal Financial Management tools to track spending goals and budget income from her first job—with Gen Z-friendly visualization
- A new account opening checklist to remind her to set up direct deposit and make you her primary financial institution
- CD rate promotion to encourage saving for the future
- Savvy Money so she can monitor her credit as she saves for her first car



Maya

The experience for Sarah, a microbusiness owner could include a landing page that features:

- Her goal-based savings accounts to track progress and help her meet her goals
- The Autobooks app to help manage invoicing for her design business
- The Changed debt payoff app to manage student loans
- An offer for a new card to earn cash back on business expenses
- Savvy Money to monitor her credit in anticipation of a business loan



Sarah



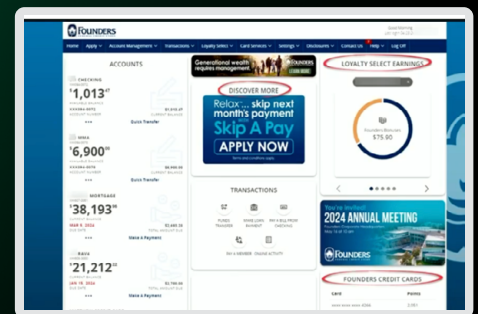
GROW

Deepen Relationships With Personal Engagement Beyond Traditional Banking

We know most people today bank with more than one financial institution. High-quality, hyper-specialized fintech solutions have created groundbreaking new financial offerings, fragmenting primary financial services relationships. With the right digital banking platform and ecosystem, though, you can now fold these specialized solutions into personal experiences that grow your relationships.

Engagement beyond traditional banking deepens relationships as account holders' needs evolve. Access to hundreds of pre-integrated fintech partners offering specialized solutions—from credit score monitoring to financial literacy to invoicing tools for small businesses—means you can meet needs in weeks, not months or years, using Experience Builder and its Composable Dashboard content blocks.

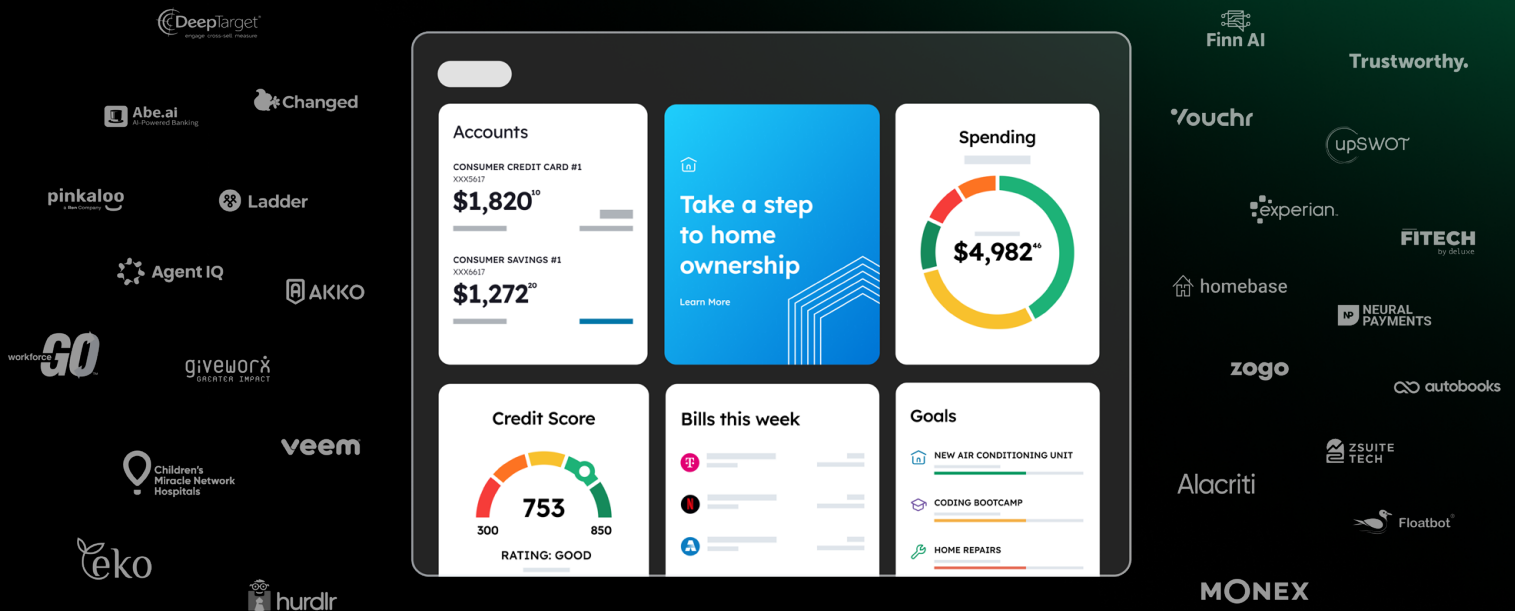
The Framework in Action With



An Open Path to Innovation

To create better experiences for its segmented member groups, Founders has leveraged Q2 Innovation Studio's SDK and fintech partner ecosystem. With custom-built content blocks, its Skip A Pay program and Loyalty Select savings account stand out on the landing pages of members who need them most, driving adoption and delivering value.

Curate Experiences With 150+ Pre-Integrated Partners



Quickly Innovate Your Way

Q2 Innovation Studio's fintech partner ecosystem provides the flexibility to innovate your way, on your timeline. You can use one of the 150+ pre-integrated fintech partner applications or leverage our robust SDK and API development options to build your own specialized solutions. Bundled solutions like these quickly deliver deep sets of offerings for the niche groups most important to your strategic goals, while driving non-interest income.

Financial literacy for kids

Charitable giving tools

Gen Z starter kit

Solutions for seniors

Savings and investment hub

Highly relevant financial tools and services help people improve their lives. They build the trust necessary for enduring, loyal relationships with your financial institution. By leveraging our easy access to fintech partnerships, deep set of development tools, or no-code, low-code capabilities, you have the power to innovate your way—on your timeline—and continually deliver differentiating value.

It's the optionality, flexibility, and scalability you need to navigate through any economic conditions or consumer expectations.

Conclusion: The Path From Commoditized to Differentiated Consumer Banking

At the intersection of people, money, and technology lies big opportunity for banks and credit unions. It's the start of the path to building enduring loyalty and thriving through whatever economic, political, or technology shift comes next. It transforms consumer digital banking into dynamic personal experiences that differentiate your brand.

Yes, digital banking is more essential than ever, but consumers' appetites for digital self-service don't have to replace the relationships you've relied on to differentiate. In fact, with the right strategy and tools, digital makes relationship-building far more efficient and scalable.

Welcome to the next-gen consumer banking relationship. Welcome to dynamic personal experiences.

Ready to learn more about how Q2 can help your financial institution differentiate with dynamic personal experiences? Let's talk.

Contact us at www.Q2.com/Engage or call 833-444-3469.