

# Harnessing “The Rocket Effect”

Best Practices to Boost Digital  
Customer Acquisition



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Now that more digital applications for new financial products are started from a mobile phone than ever, customer expectations around speed, simplicity and availability have drastically changed. While the pandemic continues to cause conditions and expectations to shift, financial and banking experts agree that financial institutions have an imperative to develop faster digital customer acquisition and onboarding to stay ahead and continue to grow. Getting a handle on better onboarding is vital to staying at the top of the game—new market leaders are popping up seemingly overnight, due largely in part to their ability to capitalize on what Cornerstone Advisors’ Sam Kilmer refers to as the “Rocket Effect.”

## What Is the “Rocket Effect?”

In a recent conversation, Kilmer discussed the impact of the “Rocket Effect,” a phrase referring to the lightning-fast significant market gains made by Quicken Loans after launching their simple, mobile-native, convenient Rocket Mortgage product. Five years ago, senior managers and boards at financial institutions rarely talked about Quicken as a competitor—now, Quicken is the #1 market share provider in terms of loan volume, which is a massive, nearly overnight change for the most complex financial product many people will ever acquire.

While loans are not apples-to-apples with deposit onboarding, online banks have dramatically increased their primary financial institution market share in the last six months. This success reflects the fact that the industry has been in the process of moving to faster digital delivery even before the pandemic to accommodate customers who do 100% of their financial activities online.

The key to Rocket Mortgage’s success is the balance between time, comprehensiveness and engagement. Research has shown that the longer it takes to complete an application, the more likely a potential customer will abandon that application. Same goes for onboarding to a new account or product—the longer it takes to orient and set up a new account, the less engaged a new customer becomes. In fact, [recent research from Microsoft shows](#) that adding Strong Customer Authentication (like one-time-passwords) to eCommerce check-out processes positively impacts conversion rates.

So how have companies like Quicken and online-only banks leveraged the “Rocket Effect” to make sure the application and onboarding process is fast while still gathering all the vital customer information they need for operational and compliance purposes?

## Customers Care About Convenience—Not Trends

In a recent survey, respondents said they did business with fintechs and digital banks because they were easy and simple to navigate, not because they were “innovative” or flashy. People are looking for convenience in their banking and financial management, because that is what they have come to accept in a society where you can shop online 24/7, get next day delivery, submit insurance claims through an app, etc.

However, convenience and simplicity does not mean the same thing to everyone. For example, customers have come to take the effortless of Amazon shopping for granted, but Amazon is built to provide several different types of “effortless” shopping. Amazon 1-Click for Quick Purchases is ideal for customers who know exactly what they want and need to make a quick purchase (e.g. Mobile Phone Charger). 1-Click was so revolutionary, Amazon was granted a patent until 2017, a patent even Apple paid a royalty to use. But plenty of customers still wanted the Amazon Shopping Cart for more involved purchases, like comparing several items or shopping for an event like Christmas or a birthday. The Shopping Cart still makes perfect sense for customers who want to put items in the cart, review with a spouse, and maybe finish a transaction they started on their phone from a computer.

Just like Amazon, convenience means different things in banking digital onboarding. The key is to integrate information and processes from multiple digital channels, including marketing, to provide a straightforward, adaptable experience that centers good mobile experiences, simplifies application and information-gathering processes and designs interfaces with various customers and purchasing behaviors in mind.

## 5 Best Practices to “Rocket-ify” Digital Customer Acquisition

There are many ways that banks and credit unions can incorporate aspects of Rocket Mortgage’s success into their digital onboarding strategies, but the most important practices center around simplicity, speed and thoughtful user design. By focusing on these top five ways to “Rocket-ify” the onboarding experience through design and marketing tools, institutions of any size and industry can implement similar approaches and processes that have made fintechs and online-only banks especially successful during the pandemic.

### 1 | **Make sure the “Apply” button is front and center**

When visiting your organization’s website, people either want to log into online banking or apply for

a product. All too often, the “apply now” button is buried behind several paragraphs (or pages) of content about product details, comparisons, etc. To capture a page visitor’s immediate motivation and attention, homepages need a clear directive button, not a hyperlink hidden in a chunk of text.

Additionally, your organization knows what sets you apart, and your differentiating product or campaign is likely driving most traffic to your site. Your differentiator should be front and center on your page—highlight the most important products and make it clear that people can click right away to start the application process.

### 2 | **Nurture paused or abandoned applications**

Most people who come to a website and start an application do not stop their application because they changed their mind—life gets in the way! One of Temenos’s clients found that 40% of the people they contacted by phone became borrowers after a team member offered to help finish the partially complete application the bank had saved. Reasons for stopping the application ranged from loss of internet to needing to attend a meeting to sick children—many were glad for the chance to submit the application.

Boost your ability to nurture leads by collecting contact information up front so you can follow up and help with application completion. This seems like a no brainer, but, surprisingly, many banks do not do it. Nurturing leads requires that organizations look at their staff and proactive outbound calling resources and decide what level of return they need to make staffing up for better outreach worth it.

### 3 | **Ask tough questions last**

Capitalize on motivation by making the entrance into the application easy with information that people know off the top of their heads (name, email, phone, address, date of birth, etc.). Once that information has been provided, move on to the items that people will need to leave the computer (or stop looking at their phone) to get or search through documents to find. Leading with more complex requests creates an unnecessary barrier and runs

the risk that people abandon the application before providing any way to get in touch with them.

## 4 | Design for mobile first, then scale up

People do most tasks on their smartphones now, including loan applications, opening accounts, applying for credit and other significant financial tasks. For one of Temenos' US clients, more than 50% of their applications came from mobile devices, and the completion rate was also much higher—64% of applications begun on a mobile device were completed. In the age of increased integration between desktops, laptops, phones and smart watches, mobile design reigns supreme. Do not design for desktop and then try to compress the design to fit on a mobile: design for mobile first and then scale up to desktop.

## 5 | Focus on simple design, not fancy widgets

As stated earlier, when people open accounts with fintechs or online-only banks, they are doing so mainly because they seek convenience, not bells and whistles. Sometimes it can be harder to strip things down and get to the core of what's really important. It is tempting to create an interactive virtual reality portal in attempt to get "wow" factor, even though the "wow" factor people really want is the total opposite of that.

One way to gain this simplicity is to look at integrations with mobile carriers, which can auto-populate a lot of information that people have stored with these companies. These integrations can replicate the simple set-up and fast onboarding consumers experience when setting up their Apple Card account.

## The Takeaway: Simple Functionality and Convenient Accessibility Define The "Rocket Effect"

At the heart of what Quicken and other successful digitally-focused organizations are doing right is tuning in to customer behavior, attention and engagement and then designing and marketing to it aggressively by incorporating these best practices and other tips for effective digital onboarding, financial institutions can continue to grow their business, even during uncertain times, and take advantage of the sharp increase in reliance on mobile and digital banking. Convenience is king! Work hard to make it easier for people and they will reward you with their business. We've proven this time and time again with our clients.

For even more insight into how to create successful digital onboarding experiences that contribute to significant growth, download Temenos's whitepaper, [10 Tips for a Highly Effective Onboarding Experience at Your Bank](#).

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