



**BLUE RIDGE**  
**BANK**

*ATTRACTING THE  
NEXT GENERATION  
OF CUSTOMERS*

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Project*

# ***THE NEXT GENERATION OF BANKING***

As the next generation begins to enter the banking space; speed, convenience, and digitalization are the future.



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# UNDERSTANDING THE P2P LANDSCAPE 01

- Digital payment apps have not only transformed the way people handle transactions but also opened **opportunities for banks to attract and engage the younger generation with innovative financial solutions.**
- Digital payment apps have experienced exponential growth and are now an **integral part of the financial landscape, particularly among the younger generation.**
- They offer a **convenient, quick, and user-friendly** way to send and receive money, splitting bills, and manage finances, all through a smartphone..

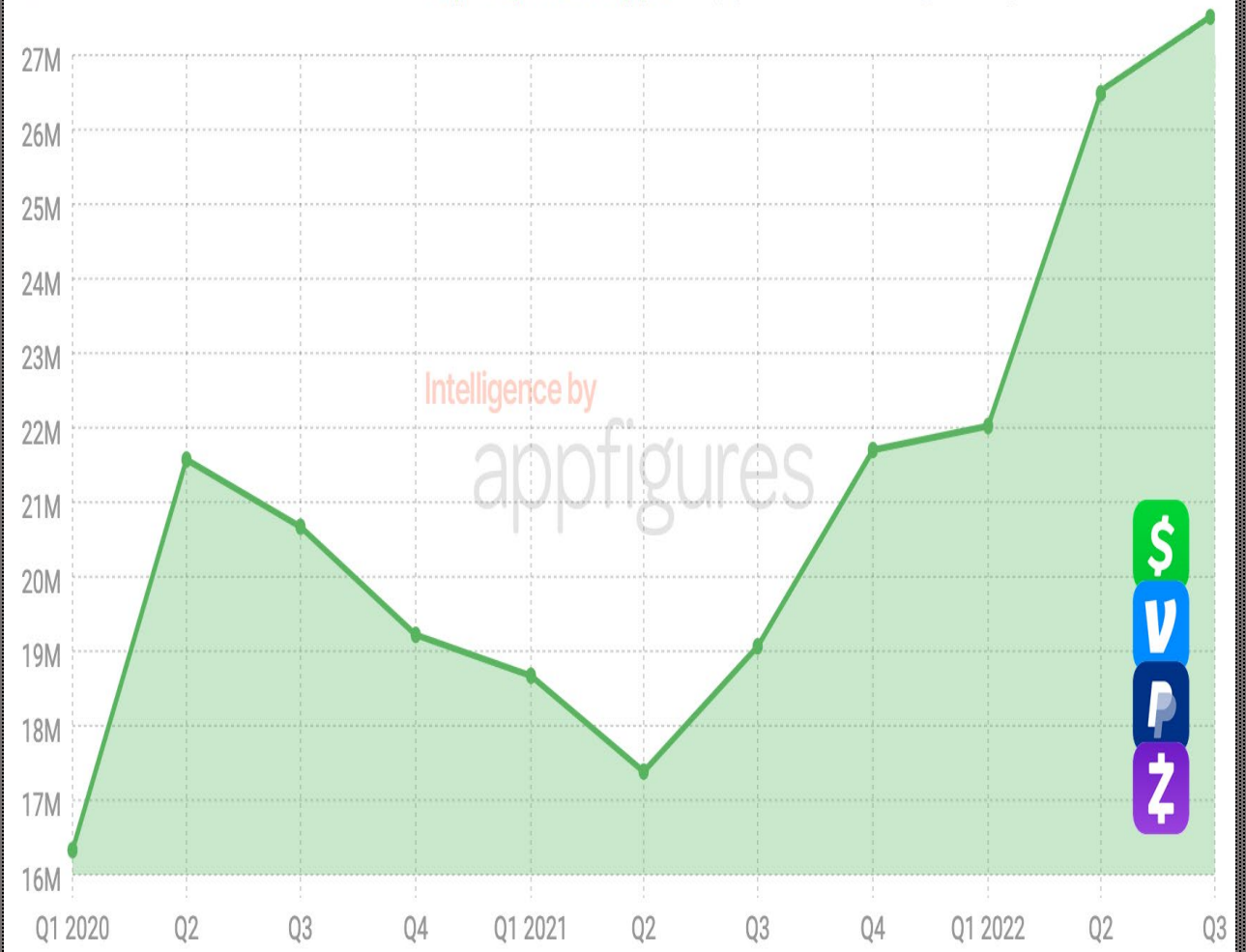
[Venmo](#), known for its social integration and payment splitting features, has gained widespread recognition and popularity among younger users.

[CashApp](#), developed by Square, offers a range of features beyond peer-to-peer payments, including bitcoin purchases and a cash card, appealing to tech-savvy individuals.

[Zelle](#) backed by major U.S. banks, provides a seamless way to transfer funds directly from one bank account to another, addressing the demand for interbank transfers.

## Payments Go Mobile

Est. Downloads in the 🇺🇸 US · Top Payment Apps · App Store + Google Play



# The Next Generation's Expectations

**Convenience** is a top priority for the next generation. They seek hassle-free and time-efficient solutions that fit their fast-paced lifestyles.

**Seamless and frictionless experiences** are crucial to the next generation. They expect transactions to be smooth, intuitive, and integrated across various platforms and devices.

**Personalization** is highly valued. The next generation appreciates tailored recommendations, targeted offers, and personalized financial experiences that align with their unique needs and preferences.

**Transparency and accessibility** are essential. The next generation expects clear and easily understandable terms, fees, and policies from both digital payment apps and banks.

**Social integration** is important. They enjoy the ability to share payments, split bills, and engage with friends within the app, fostering a sense of community.

The next generation values **security and privacy**. They seek robust authentication measures, data protection, and proactive communication from digital payment apps and banks to instill trust.



# KEY FEATURES OF PAYMENT APPS

## KEY FEATURES



- I. Quick Transactions
- II. Social Integration:
- III. Convenience of Splitting Bills:
- IV. Request Payments and Transaction History:
- V. Mobile Wallet Integration



## DESCRIPTION

- I. *enable users to send and receive money with just a few taps*
- II. *ability to like, comment, and share payment activities, creating a sense of connection and fun among friends.*
- III. *hassle-free way to split bills among friends*
- IV. *easily request payments from contacts, and maintain a detailed transaction history, allowing users to track their payments, review past transactions, and monitor their spending habits.*
- V. *integration with mobile wallets, enabling users to make purchases in stores or online with just their smartphones.*

# Integration with traditional banking

Banks have a significant opportunity to leverage the evolving payment app landscape to attract the next generation of customers. By integrating payment apps, **banks can offer a seamless and comprehensive financial experience that combines the convenience of digital payment apps with the stability and security of traditional banking institutions.**

- **Partnership with payment app** providers allows banks to enhance their services and benefits, offering a wider range of options to customers.
- Example 1: **Bank X partners with Venmo** to enable customers to **link their bank accounts to their Venmo profiles**, providing a **seamless transfer of funds between the two platforms. The partnership allows customers to forgo the transaction fee on Venmo.**
  - Banks can leverage payment app data and **insights to understand customer behavior better, personalize offerings, and provide tailored financial solutions.**
- Example 2 : **Bank Z introduces a payment app feature that allows customers to split bills and send payment requests to friends**, enhancing the social experience of their banking platform.
  - Banks can offer value-added services through payment apps, such as budgeting tools, savings features, or educational resources, **enhancing the overall financial well-being of their customers.**

# zelle

THIS IS HOW MONEY MOVES™

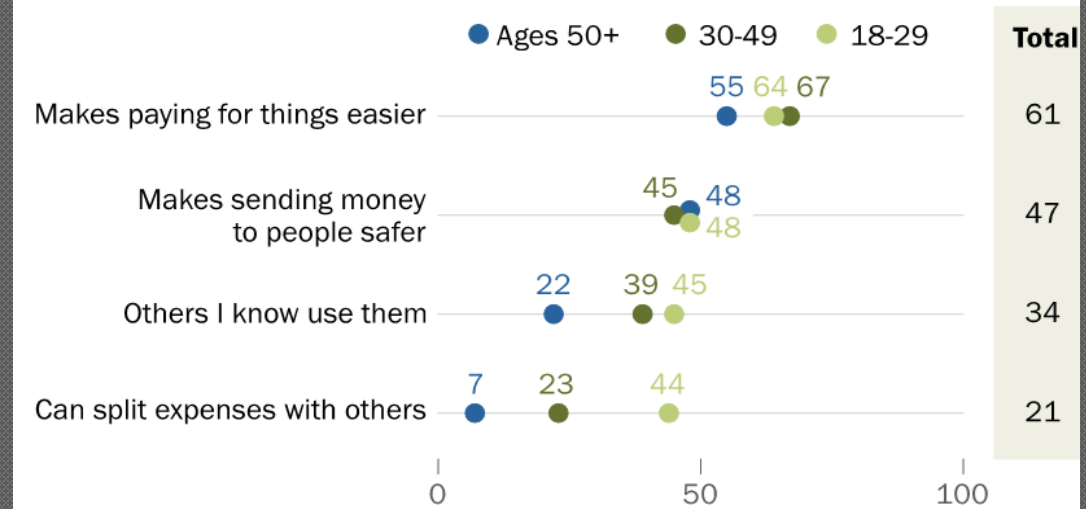


# ENHANCED MOBILE BANKING EXPERIENCE

- Banks **can develop their own mobile apps** that integrate payment features, offering a comprehensive financial solution within a single platform.
  - Developing their own **mobile apps allows banks to maintain control over the user experience, branding, and security, while offering seamless payment functionality.**
- **Collaboration with existing payment app providers** can also be a strategic approach for banks to enhance their mobile banking experience.
  - **Collaborations enable banks to offer expanded payment options and increased transaction speed**
  - By integrating payment apps within their mobile banking platforms, banks can **provide a unified interface for customers to manage their finances and make payments.**
- *Offering a seamless and user-friendly mobile banking experience demonstrates a bank's commitment to meeting the digital expectations of the next generation.*

## A majority of payment app or site users cite it being an easier way of paying as major reason for using; younger users stand out for citing splitting expenses

Among U.S. adults who say they have ever used PayPal, Venmo, Zelle or Cash App, % who say each of the following is a **major reason** they use these payment apps or sites

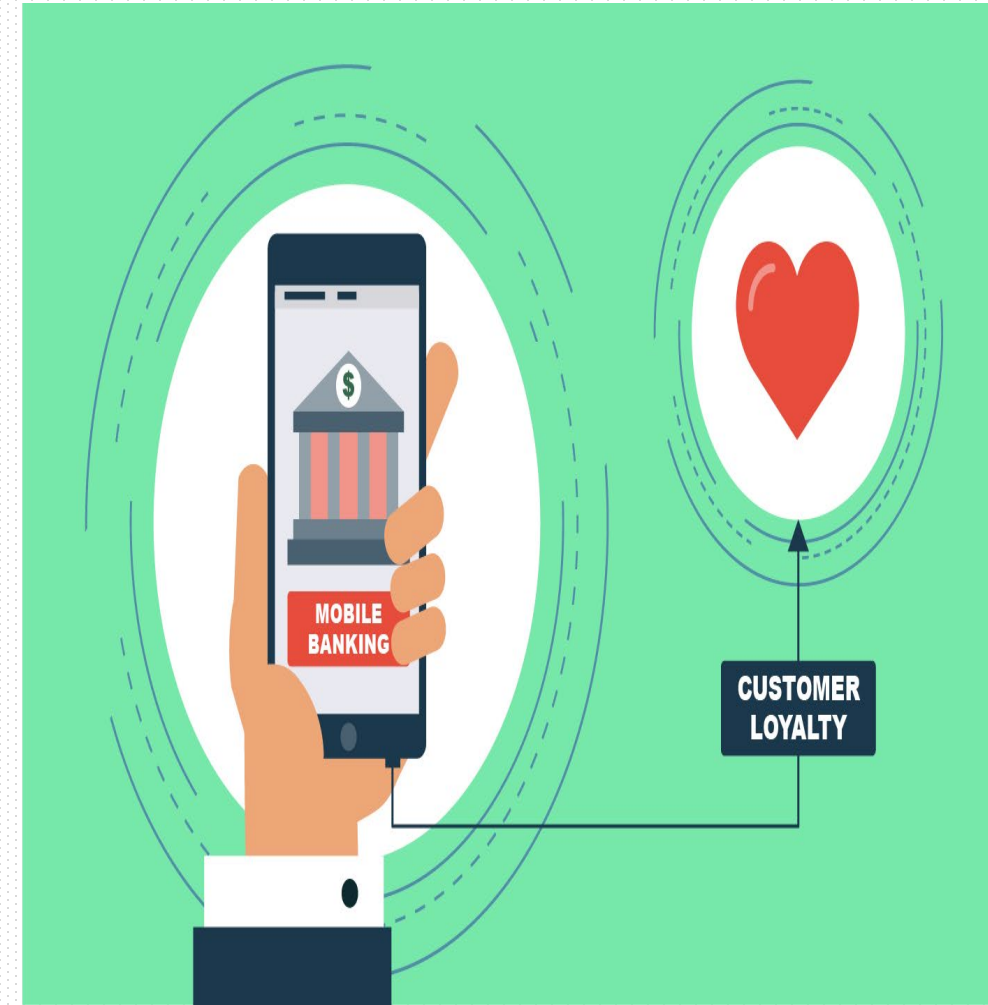


Note: Those who did not give an answer or who gave other responses are not shown.  
Source: Survey of U.S. adults conducted July 5-17, 2022.

PEW RESEARCH CENTER

# REINVENTING LOYALTY PROGRAMS

- By linking loyalty programs to payment apps, banks can incentivize customers to use their app for transactions, increasing customer engagement and building brand loyalty.
- Example: Bank X's **loyalty program offers** customers **bonus points for every payment** made using their partnered payment app, encouraging frequent and active usage.
  - real-time reward redemption, allowing customers to instantly utilize their earned rewards for future transactions or to access partner benefits.
- Example: Bank Y's **loyalty program** provides **additional rewards** to customers **who refer friends** to the payment app, creating a viral growth effect.
- *Powerful opportunity for banks to reward customer engagement, strengthen brand loyalty, and create a mutually beneficial relationship with their customers.*





# Security and trust

## Security Challenges with Payment Apps:

**Data Breaches:** Payment apps are susceptible to data breaches, exposing sensitive financial information and personal details of users.

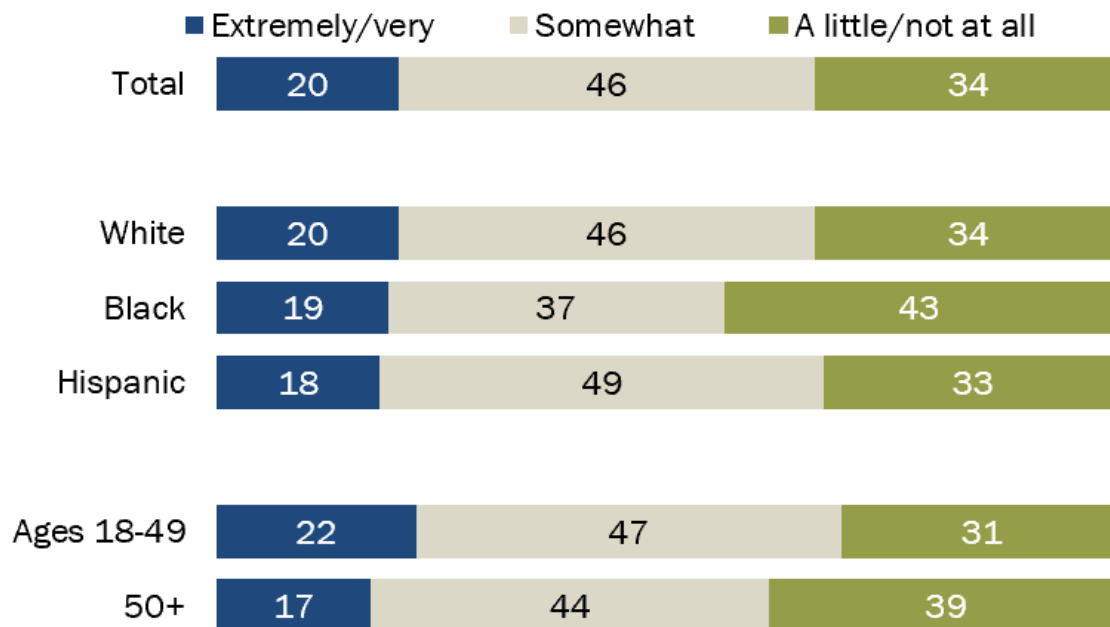
**Phishing and Social Engineering:** Users may fall victim to phishing attacks or social engineering schemes, compromising their login credentials and transaction details.

But.....

With the existing security measures and regulations within banks, consumers can feel more protected when using a bank sponsored peer-to-peer transaction method

## About a third of payment app or site users say they have little or no confidence that personal information is safe from hackers

*Among U.S. adults who say they have ever used PayPal, Venmo, Zelle or Cash App, % who say they are \_\_\_ confident that payment apps or sites keep people's information safe from hackers or unauthorized users*



## **CONCLUSION**

- ***Mobile Banking Evolution***
- ***Customer-Centric Approach***
- ***Competitive Edge***
- ***Future of Banking***



# Q & A



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**THANK YOU**

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