Modern approaches to digital onboarding

Summary results January 2023

Who did we survey?

Between August 2022 and January 2023, Gatepoint Research invited selected executives to participate in a survey themed *Modern Approaches to Digital Onboarding*.

Candidates from several industries were invited via email and 201 executives have participated to date.

Management levels represented are all senior decision-makers: 19% hold the title CxO or are VPs, 21% are directors and 60% are senior or department managers.

100% of responders participated voluntarily; none were engaged using telemarketing.

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Executive summary

When it comes to the customer onboarding process, many businesses find they need a strategy that provides an engaging experience for the customer while also protecting the enterprise from fraudulent activity and fake accounts. The customer experience is driving growth, but many also report an increase in the rate of bots and fake accounts over the past year with only moderately effective tools to manage and prevent such occurrences. How are companies finding balance?

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This survey asks respondents to report:

Why is your digital customer onboarding strategy important to your company's growth?

What technologies do you use to detect new user risks? What types of fraud have been detected in your onboarding process recently?
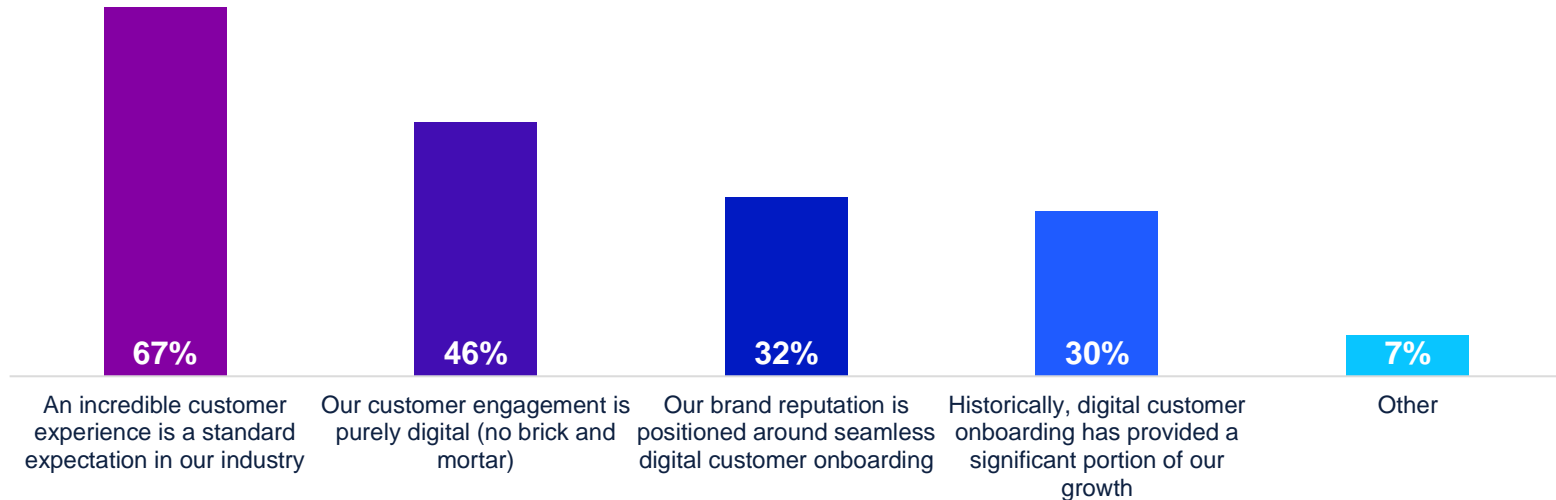
How has the rate of fake and fraudulent accounts changed over the past year?

What business outcomes drive investment in digital customer onboarding technology?

Why is your digital customer onboarding strategy important to your company's growth?
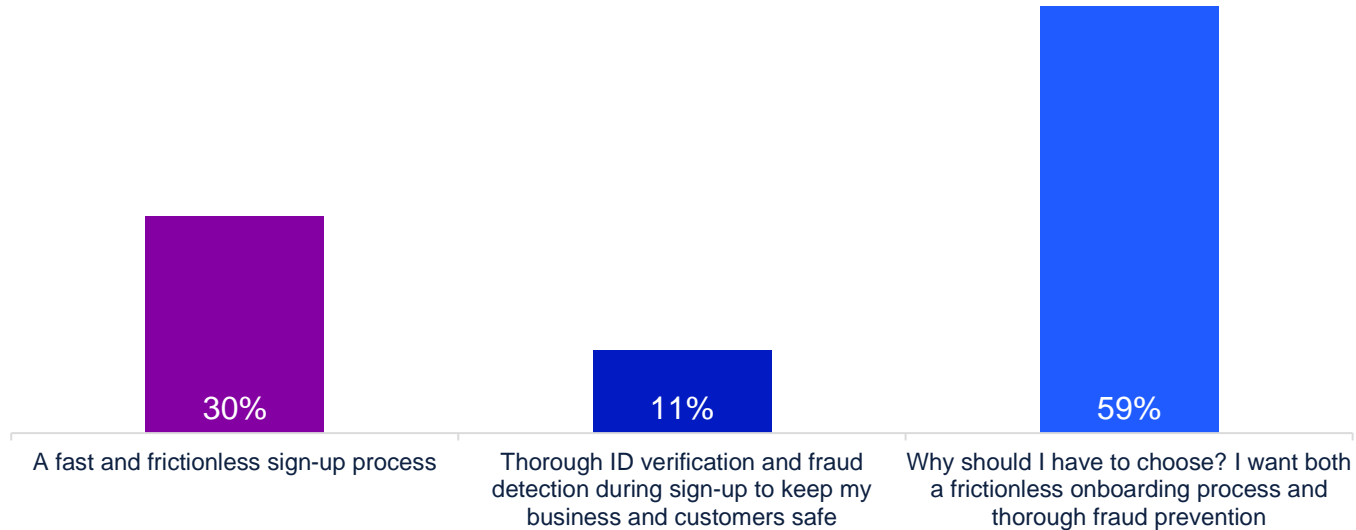
67% say they need to have an incredible customer onboarding experience to stay competitive in their industry, necessitating an engaging and effective strategy.

67%	**46%**	**32%**	**30%**	**7%**
An incredible customer experience is a standard expectation in our industry	Our customer engagement is purely digital (no brick and mortar)	Our brand reputation is positioned around seamless digital customer onboarding	Historically, digital customer onboarding has provided a significant portion of our growth	Other

Respondents were asked to check all options that apply

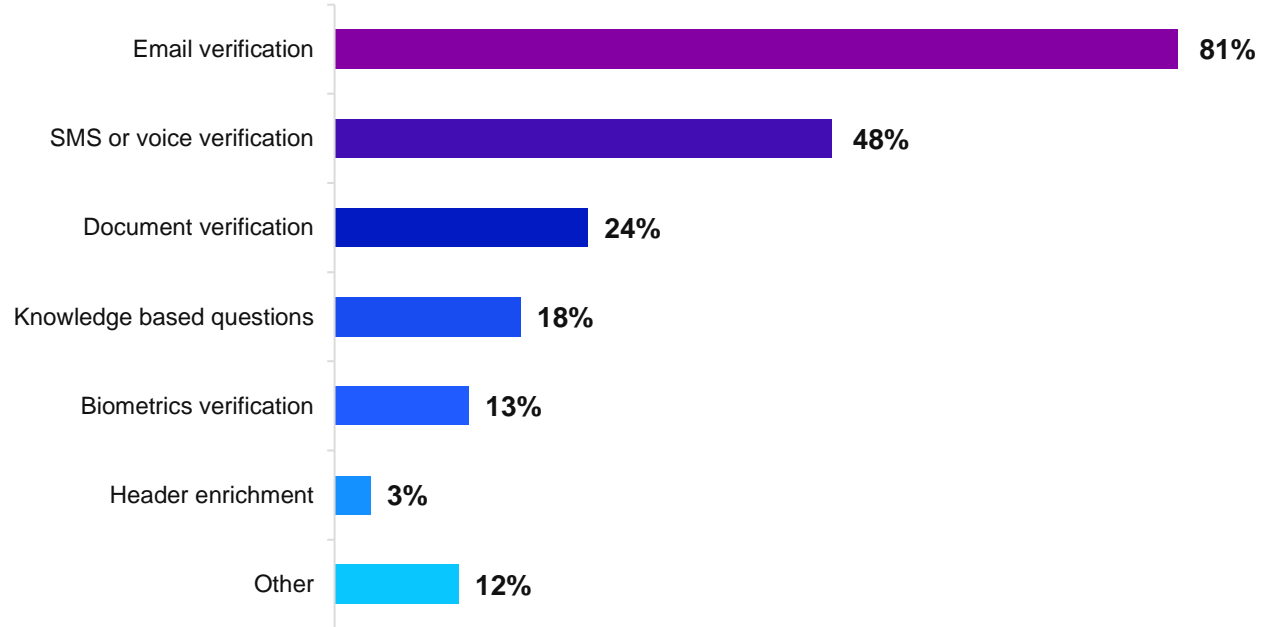# Which of the following customer onboarding outcomes is most desirable?

Respondents want it all – 59% say they don't want to compromise when it comes to having a smooth onboarding process and reliable, comprehensive fraud prevention.

30%	11%	59%
A fast and frictionless sign-up process	Thorough ID verification and fraud detection during sign-up to keep my business and customers safe	Why should I have to choose? I want both a frictionless onboarding process and thorough fraud prevention

What ID verification methods do you deploy to onboard new users?

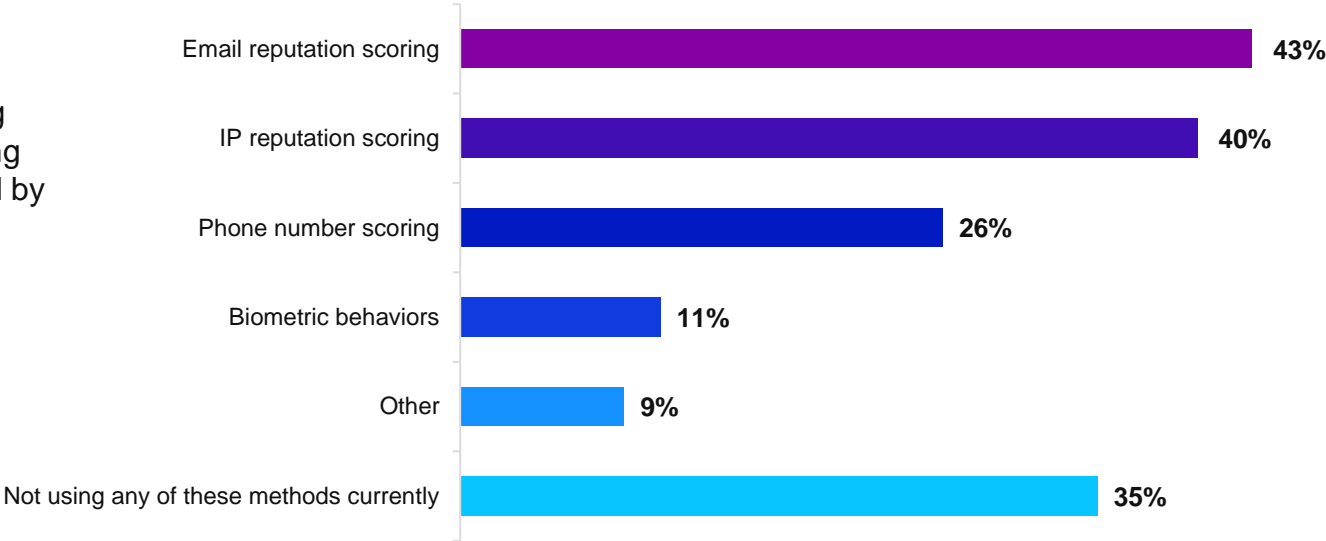Email verification is by far the most used method to verify ID, cited by 81%.

SMS or voice verification also has some traction among respondents, selected by 48%.

Method	Percentage
Email verification	81%
SMS or voice verification	48%
Document verification	24%
Knowledge based questions	18%
Biometrics verification	13%
Header enrichment	3%
Other	12%

Respondents were asked to check all options that apply

What technologies do you use to detect new user risks?
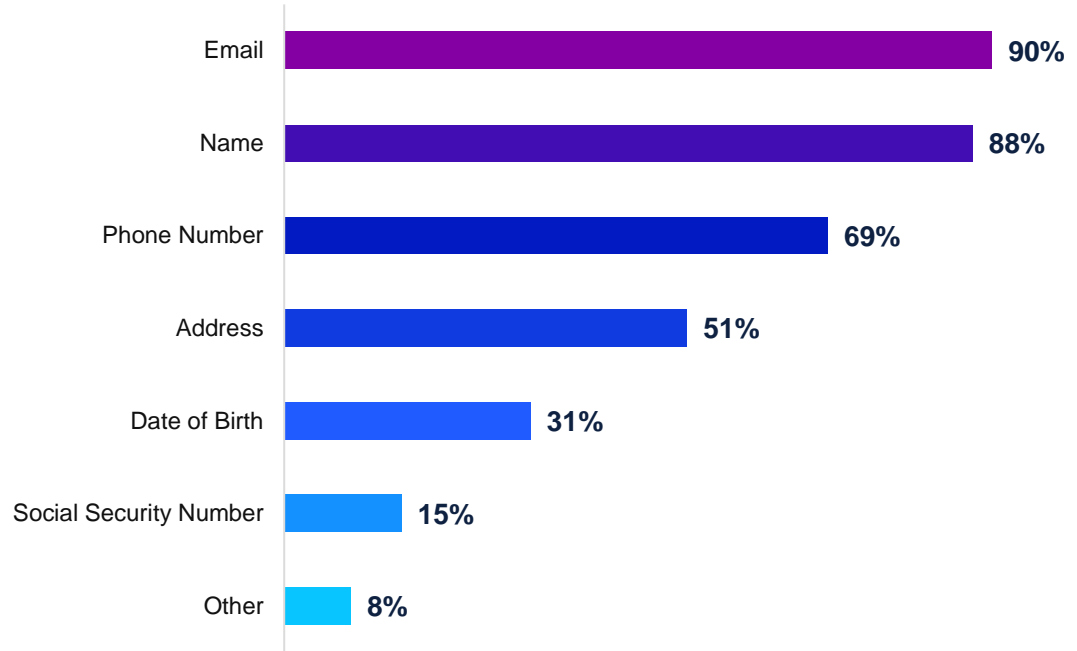
Survey respondents are using email and IP reputation scoring to detect new user risks, cited by 43% and 40% respectively.

Technology	Percentage
Email reputation scoring	43%
IP reputation scoring	40%
Phone number scoring	26%
Biometric behaviors	11%
Other	9%
Not using any of these methods currently	35%

Respondents were asked to check all options that apply
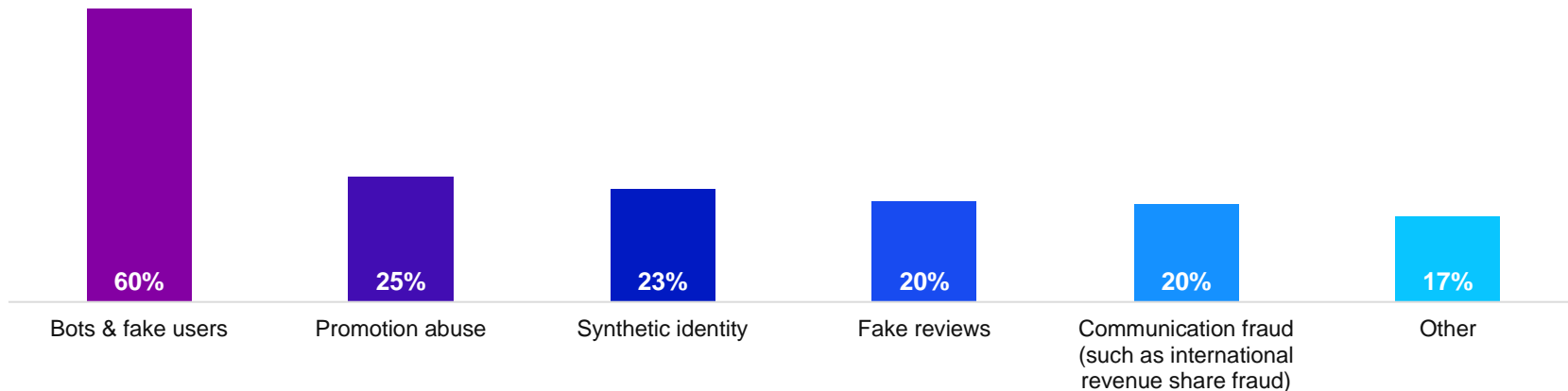
What information do you currently collect at sign-up?

Emails and names are collected in nearly all sign-up processes. Over half are also collecting phone numbers and addresses, while relatively few require date of birth or SSN.

Email **90%**

Name **88%**

Phone Number **69%**

Address **51%**

Date of Birth **31%**

Social Security Number **15%**

Other **8%**

*Respondents were asked to check all options that apply

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What types of fraud have been detected in your onboarding process recently?

Fraudulent activity from bots and fake users is the most commonly detected, reported by 60% of respondents.

Bots & fake users	Promotion abuse	Synthetic identity	Fake reviews	Communication fraud (such as international revenue share fraud)	Other
60%	25%	23%	20%	20%	17%

*Respondents were asked to check all options that apply

# How would you rate your organization's onboarding ability to detect fake users during sign-up?

Only a quarter report a very effective ability to detect fake users.

On the other hand, the majority say there is room for improvement in this area, with 47% reporting moderate effectiveness, and 11% citing overall ineffectiveness.

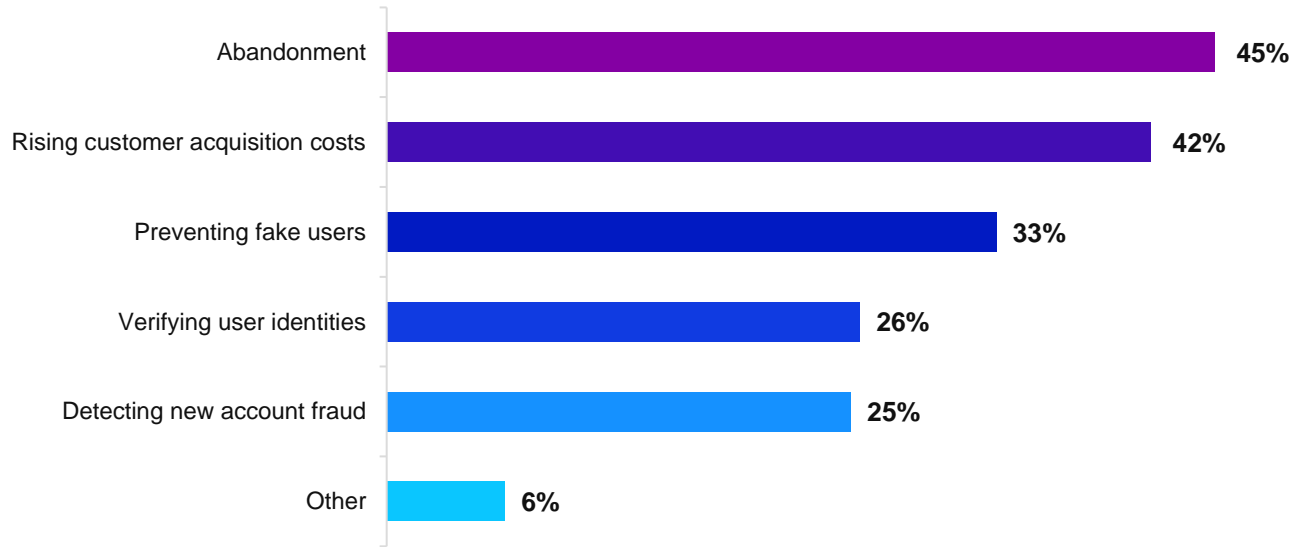|				
25%	47%	9%	2%	16%
Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	I'm not sure
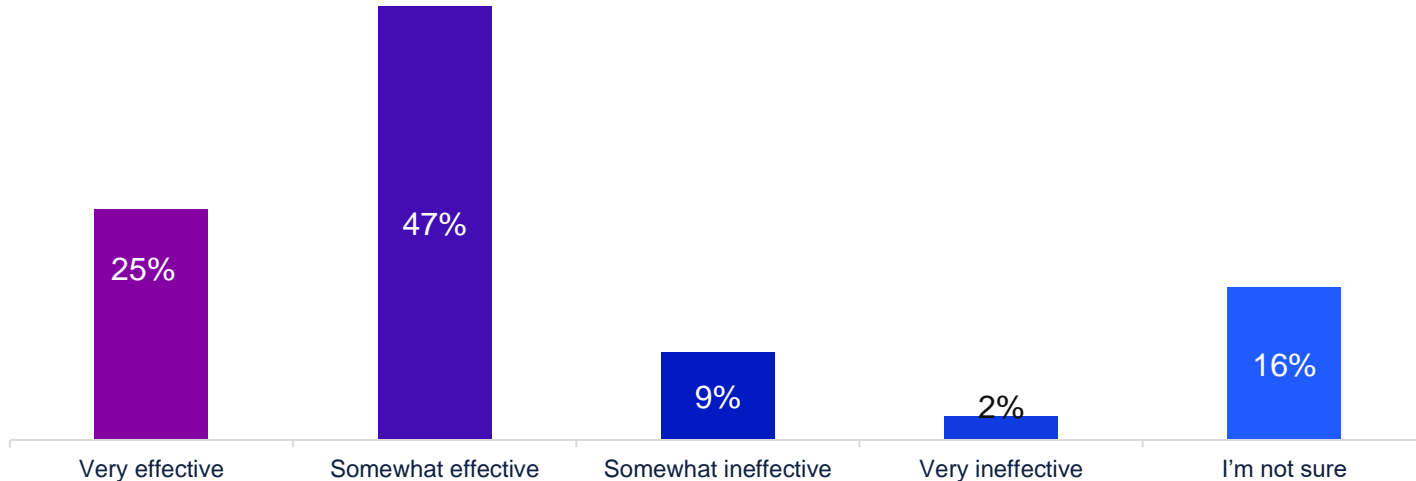
How has the rate of fake and fraudulent accounts changed over the past year?

For most, the rate of fraudulent activity at sign up has either remained the same (22%) or increased (35%) over the past year.

Increased	Decreased	Remained approximately the same	I'm not sure
35%	11%	22%	32%

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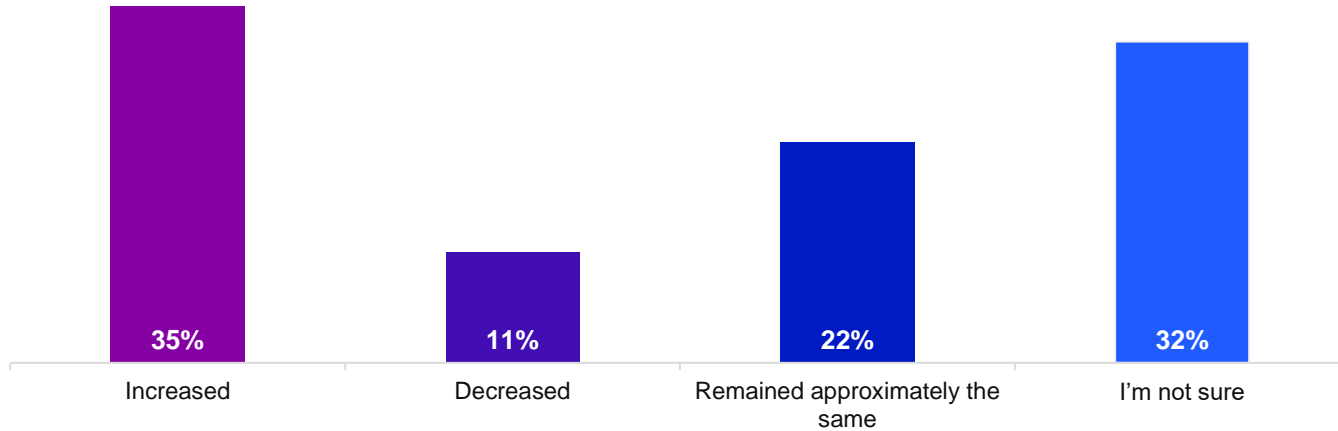
# What are your top onboarding challenges right now?

Respondents are experiencing all of these onboarding challenges, with customer abandonment (45%) and rising acquisition costs (42%) topping the list.

Challenge	Percentage
Abandonment	45%
Rising customer acquisition costs	42%
Preventing fake users	33%
Verifying user identities	26%
Detecting new account fraud	25%
Other	6%

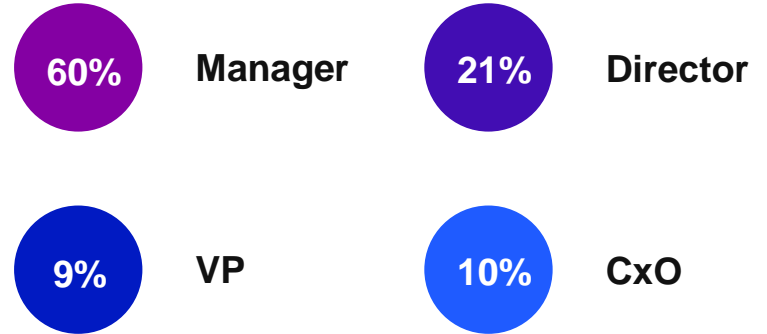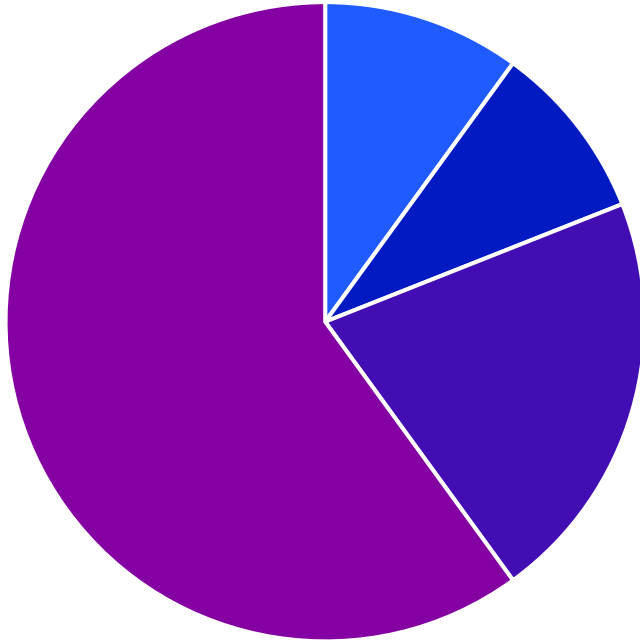*Respondents were asked to check all options that apply*

What business outcomes drive investment in digital customer onboarding technology?

Growth is the top investment driver overall, say 71%. ROI (55%) and security (50%) round out the top three.

Category	Percentage
Growth	71%
ROI	55%
Security	50%
Expense reduction	33%
Other	6%
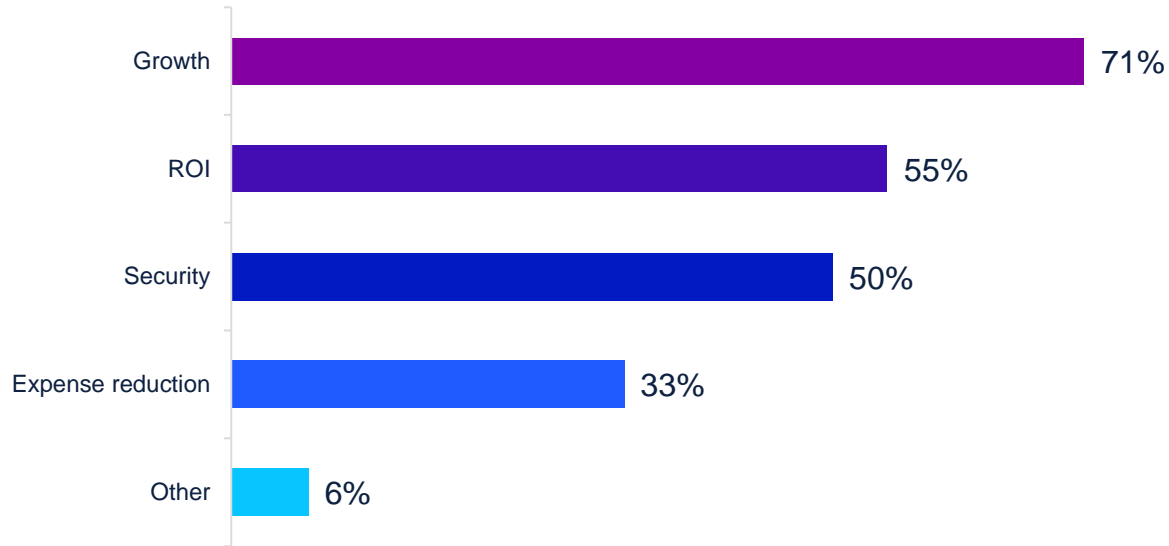
Respondents were asked to check all options that apply

What is your job level?

60% Manager **21%** Director

9% VP **10%** CxO

40% of respondents to this survey hold executive or director-level positions in their organization.

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