

# Using A2A

## to Unlock New Revenue Opportunities



### 1. A New, Young Market Unfolds

Growing up alongside the growth of the Internet and social media, the Gen Z (1997 – 2013) generation has long been comfortable operating in a digital world. Accustomed to on-demand, digital experiences, from texting to sharing pictures to getting food delivered to their door, this generation caught on quickly as P2P payment services emerged, sending friends money in real-time and managing their banking needs online.

As they've grown up and their financial needs have now matured to include loans, savings, and investments, their expectations around simplicity, convenience, and digital-first services remain. And with the \$68 trillion 'great wealth transfer' on the horizon <sup>1</sup>, Gen Zers are set to inherit massive wealth from baby boomers, potentially making their influence and buying power much greater than older generations.

To capitalize on the opportunity to acquire and sufficiently serve this new generation, financial institutions (FIs) and brokerages must rethink their strategies and modernize their infrastructure.



**\$68**

trillion 'great wealth transfer' on the horizon <sup>1</sup>



## 2. Catering to the Youth

By 2030, the last cohort of Gen Z would have entered the workplace. With \$33 trillion at their disposal, accounting for over a quarter of the world's income <sup>2</sup>, this sets them up to significantly disrupt economies, financial markets, and social systems.

This segment leverages its immense influence to demand convenience above all, expecting to open a new account, trade, or move funds between accounts with the same efficiency as sending a text message.

As a result, catering to the Gen Z generation has become a business imperative, and requires FIs to focus on:

**Delivering Enhanced User Experiences** — Deliver digital, user-friendly tools to help Gen Z customers control their finances at their own pace and refine customer experience at a micro level.

**Digital Immediacy** — New and existing customers aren't keen on waiting days for funds to land in any of their financial accounts (checking, savings, or brokerage). 90% of surveyed Gen Z believe that instant access is important <sup>3</sup>.

**Providing Self-Service Options** — Instant access to information at any time is the new normal. 99% of Gen Z use a mobile banking app to view account balances, check their credit score, deposit a check, redeem rewards, and more <sup>4</sup>.



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### 3. Real-time<sup>5</sup> A2A Transfers may be the Key to Gen Z Loyalty

Ensuring these banking experiences are easy, fast, and 100% digital is crucial to gaining the attention and retention of the fastest generation to hang up while on hold. Enabling real-time<sup>5</sup> account-to-account transfers (A2A) is one important part of nurturing Gen Z loyalty.

In addition to potentially gaining a new, influential customer segment, FIs **can use A2A to help:**



Drive loyalty among existing customers by enabling a real-time funds disbursements program — 66% of surveyed businesses believe it will give them a competitive advantage<sup>6</sup>.



Generate revenue by charging transaction fees on transfers into and out of accounts — a composite organization achieved \$1.4 million in service fee revenue<sup>6</sup>.



Differentiate from the competition and keep up with innovation.



Improve customer acquisition by maintaining frictionless money transfers.

Recognizing this opportunity is the first step toward building a modern business. But, establishing the right infrastructure remains a challenging endeavor, and overcoming it necessitates the right partner.





## 4. Fast, Secure, and Direct

Providing your customers with an efficient way to move money between their accounts—at different institutions—even in different countries requires an innovative solution.

**Visa Direct** can help.

Visa Direct helps enable financial institutions and brokerages to streamline domestic and cross-border <sup>7</sup> money movement through a single connection all while ensuring secure payments, a favored capability among Gen Z <sup>8</sup>.

With 5.9B global transactions processed in 2022, over 2,000 programs around the world, reach to over 190 countries, and nearly 7 billion endpoint capabilities across cards, accounts, and wallets, Visa Direct helps businesses meet tomorrow's money movement needs, today. The demand for real-time A2A transfers is on an upward trajectory. Bolster your bottom line by addressing this need.

~7B<sup>1</sup>

endpoint capabilities

5.9B<sup>2</sup>

global transactions

## Want to know more?

Visit [visa.com/visadirect](https://visa.com/visadirect) to learn more

1. Article. Strategies to navigate the \$68 trillion 'great wealth transfer,' according to top-ranked advisors. CNBC. October 2022.

2. Article. Gen Z incomes predicted to beat millennials' in 10 years and be 'most disruptive generation ever'. CNBC. November 2020.

3. Report. Real-Time Payments: An Urgent Priority for Financial Institutions. Javelin. October 2021.

4. Article. Millennials and Gen Z are the most likely to use mobile banking apps—here's why, plus budgeting tips. CNBC. March 2023.

5. Actual fund availability varies by receiving financial institution, receiving account type, and whether transaction is domestic or cross-border.

6. Report. The Total Economic Impact™ of Real-Time Funds Disbursements vs. Traditional Methods. Forrester. June 2020.

7. Availability varies by market. Please refer to your Visa representative for more information on availability.

8. Article. Gen Z Favor Secure Payments Solutions when Selecting Banks. Banking Exchange. February 2022.

