

Decoding value

*A manual to assess ROI
in ID solutions*



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Introduction

As organizations worldwide have recognized the significance of seamless client onboarding, reduced customer retention costs, and accelerated customer acquisition rates, the demand for innovative solutions has surged.

Gone are the days when clunky, time-consuming onboarding processes deterred potential customers. Today, forward-thinking businesses are embracing advanced technologies that not only expedite onboarding but also minimize friction, ensuring a streamlined and delightful experience for users. This evolution has been underpinned by breakthroughs in biometrics and privacy-preserving identity platforms all of which contribute to a more secure, efficient, and user-centric approach.



As businesses strive to explore the offer on digital identity verification solutions, the need for effective Return on Investment (ROI) measurement has become paramount. While the immediate impact on customers' authentications is evident, understanding the quantifiable impact on the bottom line is essential for informed decision-making.

ROI measurement provides a tangible link between the investments made in identity solutions and the outcomes achieved. It empowers leaders to gauge the effectiveness of their strategies and allocate resources efficiently.

By delving into the metrics surrounding the implementation of an ID solution, you'll have the insights needed to refine your approaches and optimize business overall performance.

Throughout this eBook, we will explore how identity solutions are streamlining client onboarding, reducing customer retention costs, and boosting customer acquisition rates.

With benefits and use cases, we'll equip you with the knowledge and tools necessary to navigate the intricacies of ROI measurement in the dynamic landscape of identity solutions. Whether you're a business leader or an IT decider, this guide is designed to provide valuable insights that bridge the gap between innovation and tangible returns.

How to navigate this eBook?

If you're in a hurry, that's ok. At the conclusion of each section, you will find a brief summary of the key points discussed. These summaries are designed to help you quickly grasp the main ideas and takeaways from each section. To begin measuring the ROI of ID solution implementation, flip over to page 22, where you will find instructions and guidance on the ROI measurement process.

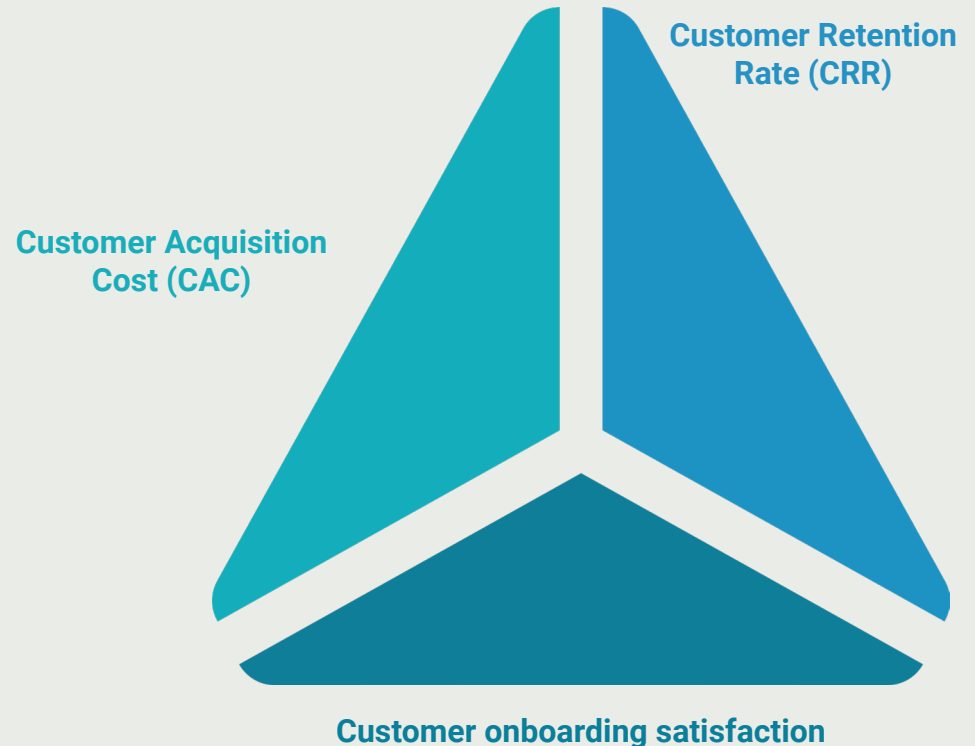


I. Understanding key metrics

The importance of understanding key metrics can't be overstated. These provide valuable insights into the health and effectiveness of a business. In this section, we'll delve into three critical key metrics that play a pivotal role in assessing the benefits of implementing an ID solution:

- Customer Acquisition Cost (CAC)
- Customer Retention Rate (CRR)
- Customer onboarding satisfaction

While the first two are quantitative metrics, client onboarding is much more about evaluating overall customer satisfaction with the onboarding flow and how it ties with other business processes.



Customer Acquisition Cost

Customer Acquisition Cost (CAC) is a fundamental metric that **measures the total cost incurred by a business to acquire a single new customer**. This metric usually takes into account all expenses related to marketing, advertising, sales, and any other efforts aimed at bringing in new customers. By calculating the CAC, companies can gauge the efficiency and effectiveness of their customer acquisition strategies.

A high CAC relative to the revenue generated from each customer can be indicative of inefficiencies in internal processes. The goal is to keep the CAC as low as possible while still effectively bringing in valuable customers. Conversely, a low CAC might suggest effective strategies that drive cost-effective customer acquisition. **The goal is to keep the CAC as low as possible while still effectively bringing in valuable customers.**

Monitoring CAC over time allows businesses to optimize their acquisition strategies, allocate resources more effectively, and ultimately improve the return on investment (ROI) for their marketing efforts.



Customer Retention Rate

Customer Retention Rate (CRR) is a critical metric that **measures the percentage of customers a business successfully retains over a given period**. This metric is a reflection of customer satisfaction, loyalty, and the overall quality of a company's products or services. A high CRR indicates that a company is not only attracting customers but also providing them with value that keeps them coming back.

Improving customer retention can be more cost-effective than constantly acquiring new customers. A higher CRR reduces the need for heavy investment in customer acquisition efforts, as the existing customer base continues to generate revenue. **By analyzing CRR, businesses can identify trends, patterns, and pain points that might be causing customers to churn**, allowing them to implement strategies to enhance customer experience and satisfaction.



Client Onboarding

Client onboarding is **the process by which new clients or customers are introduced to a company's products, services, and operational procedures**. It encompasses a series of well-coordinated steps aimed at seamlessly integrating clients into the business ecosystem.

Effective client onboarding involves clear communication, personalized assistance, and streamlined workflows. A smooth onboarding experience not only creates a positive first impression but also sets the foundation for building strong, lasting relationships, fostering customer satisfaction, and enhancing the overall success of the business-client interaction.

Identifying bottlenecks, eliminating unnecessary steps, and enhancing the overall client experience are essential steps to ensure streamlined onboarding workflows. This, in turn, can contribute to improved customer retention rates and long-term business success.



In a nutshell

Understanding key metrics is like having a compass for navigating the success of your ID solution implementation:



Customer Acquisition Cost (CAC) is akin to the price tag for bringing in new customers. When your CAC is low, you're getting more customers without breaking the bank. Over time, keeping an eye on CAC helps you fine-tune your strategies, making them more cost-effective.



Customer Retention Rate (CRR) measures your ability to keep your customers coming back for more. A high CRR means you're doing things right, often costing less than constantly hunting for new customers. By monitoring CRR, you uncover ways to enhance satisfaction and build lasting relationships.



Customer onboarding satisfaction is a crucial element in establishing and maintaining a successful business-customer relationship. When customers have a positive onboarding experience, they are more likely to feel valued, understand the product's value proposition, and become engaged users.

II. Customer Acquisition Cost: Maximizing investment efficiency

There is a direct relationship between CAC and customer identity verification. Customer identity verification involves the process of confirming the identity of customers during the onboarding or registration process. This process is crucial for various reasons, such as complying with legal regulations, preventing fraud, ensuring security, and building trust with customers.

The relationship between CAC and Customer Identity Verification becomes evident when considering the following points:

Cost efficiency: Implementing a robust identity verification process might incur some upfront costs, such as investing in verification technology. However, these costs contribute to a more secure and trustworthy onboarding process. While identity verification itself isn't a direct customer acquisition cost, it can significantly impact the overall efficiency of customer acquisition efforts.

Quality of acquired customers: Implementing strong identity verification measures during customer onboarding can help prevent fraudulent or dishonest sign-ups. This, in turn, contributes to acquiring higher-quality customers who are genuinely interested in your products or services. While this might not directly reduce the monetary cost of acquisition, it can enhance the value of customers acquired and their potential lifetime value.

Reduce churn: Customers who have been properly verified are more likely to be genuine and trustworthy. This can result in a reduced likelihood of such customers engaging in malicious activities or fraudulent behaviors, which can lead to disputes, chargebacks, and churn. A lower churn rate indirectly impacts CAC by extending the customer lifetime value and reducing the need for frequent customer replacements.



Regulatory compliance: Depending on your industry and location, there might be legal requirements for identity verification to prevent money laundering, fraud, and other illegal activities. Non-compliance can lead to penalties and damage to your brand's reputation. Incorporating identity verification as part of your onboarding process is essential for both legal compliance and building a credible brand image.

In essence, while customer identity verification might not be a traditional component of CAC measurement, it plays a crucial role in the overall effectiveness, quality, and long-term value of customer acquisition efforts. A well-implemented identity verification process contributes to acquiring trustworthy and valuable customers, which aligns with the broader goals of customer acquisition strategies.

Use Case

Reducing CAC in digital banking account opening

Digital transformation has become a cornerstone for financial institutions seeking to stay competitive and cater to the evolving preferences of customers. One critical aspect of this transformation is the process of customer acquisition, particularly in the realm of digital banking account opening.

A complex and lengthy account opening process can deter potential customers from completing their application. By simplifying and streamlining the user experience, banks can encourage more users to finish the process. This involves minimizing the number of steps required, eliminating unnecessary documentation, and implementing intuitive procedures.

Leveraging digital identity verification solutions can significantly reduce both time and costs associated with identity verification. Utilizing AI and biometric technologies, banks can authenticate customers' identities quickly and securely, mitigating the need for physical visits or manual document checks.

In a nutshell

CAC is deeply intertwined with the process of customer identity verification, particularly during onboarding. Robust identity verification may involve initial technology investments, but it significantly enhances the efficiency and trustworthiness of the customer acquisition process. While customer identity verification may not be a conventional component of CAC measurement, it plays a pivotal role in enhancing acquisition quality, effectiveness, and long-term value. A well-implemented identity verification process aligns with broader customer acquisition strategies and objectives.

III. Customer Retention Rate: Building long-term relationships

In a marketplace characterized by fierce competition and ever-evolving consumer preferences, **maintaining existing customers and fostering long-term relationships can significantly contribute to sustained growth and profitability.** This section delves into this metric, highlighting its importance, and how an ID solution can increase CRR.

Customer retention holds immense significance for several reasons. First and foremost, acquiring new customers can be significantly more expensive than retaining existing ones. Therefore, focusing on retaining current customers can lead to cost savings and improved overall profitability.

Loyal customers tend to be more receptive to upsells, cross-sells, and new product offerings, further enhancing revenue streams.

Additionally, satisfied and loyal customers can become brand advocates, sharing their positive experiences with friends, family, and through online reviews. This organic form of marketing can bolster the company's reputation and attract new customers. Furthermore, long-term customer relationships provide valuable insights into consumer preferences, enabling businesses to fine-tune their offerings and strategies.

A strong and reliable ID solution plays a pivotal role in addressing this challenge, and its impact on enhancing CRR cannot be overstated:

User experience

Simplifying the registration, login, and account recovery processes through seamless ID verification methods reduces friction for customers. This frictionless experience is crucial for customer retention, as it eliminates the frustration that can drive customers away from a platform. An effortless and efficient interaction with an application or service encourages customers to remain loyal.

Personalization

A sophisticated ID solution software can gather valuable insights from user data, helping businesses understand their customers better. This data can be used to create personalized experiences, tailored recommendations, and targeted marketing campaigns. When customers receive content and offers that resonate with their preferences and needs, they are more likely to stay engaged and loyal.

Prevention of unauthorized activities

Fraudulent activities, such as account takeovers and unauthorized transactions, can lead to customer dissatisfaction and churn. By preventing unauthorized access, companies can maintain a secure environment and reduce the risk of customers leaving due to security concerns.

Security and trust

Identity fraud and data breaches have a profound impact on customer retention rates, often causing significant harm to a company's reputation and bottom line. Instances of identity fraud erode customer trust, as individuals fear that their personal and financial information may be compromised. Similarly, data breaches, where sensitive customer data is exposed, can lead to feelings of vulnerability and betrayal. When customers perceive their information as unsafe, they are more likely to sever their ties with a company, resulting in higher churn rates. Rebuilding this trust is a challenging endeavor, and businesses must not only invest in security measures. A robust ID solution establishes a strong foundation of security, safeguarding customers' personal and financial data from unauthorized access.

Recovery and continuity

Password resets and account recovery processes are common pain points for users. An ID solution that leverages face authentication will eliminate the need for passwords, OTPs, magic links and other sorts of credentials, reducing frustration and enabling customers to access quickly your products or services. This emphasis on continuity and convenience contributes to positive user experiences and strengthens customer loyalty.

Use Case

Customer retention in the hospitality industry

Customer retention in the hospitality industry goes beyond offering comfortable rooms and exceptional service. It hinges on creating memorable experiences that resonate with guests long after their stay. Loyal guests become advocates, sharing their positive encounters with friends and online communities, driving new bookings and sustained revenue.

The integration of an ID solution into the remote check-in process has the potential to revolutionize guest experiences and retention rates. With this approach, guests can bypass the traditional front desk check-in and use their mobile devices to authenticate their identity securely prior to arrival. This process not only minimizes queues and wait times but also aligns with the contemporary preference for self-service and contactless interactions.

It demonstrates the hotel dedication to staying at the forefront of technological innovation, catering to modern travelers' expectations. This makes a positive impression, encouraging guests to return for future stays. Also, it contributes to a stress-free start to the guest's stay, influencing their overall perception and likelihood of revisiting.



In a nutshell

Customer Retention Rate (CRR) is the cornerstone of long-term success, especially in today's competitive market. Seamless ID verification simplifies registration, login, and account recovery, reducing friction and frustration. An effortless interaction encourages customer loyalty. Also, ID solutions bolster security, mitigating identity fraud and data breaches. Trust is vital; breaches erode customer confidence and lead to higher churn rates.

IV. Client Onboarding: A crucial first impression

While not a KPI, but a process, **client onboarding serves as the cornerstone of establishing a lasting relationship between a business and its customers.** It is the initial touchpoint that shapes perceptions and sets the tone for the entire customer journey. A well-executed onboarding process not only ensures customer satisfaction but also contributes to long-term loyalty and advocacy.



Seamless onboarding is the art of welcoming clients to a product or service with utmost ease and clarity. It involves crafting an intuitive process that guides users through the necessary steps while minimizing confusion and frustration. This entails creating user-friendly interfaces, providing concise instructions, and addressing potential pain points upfront. By focusing on simplicity and transparency, clients embark on their journey with confidence and optimism.

Striking a balance between rigorous identity verification and user convenience is paramount. By reducing friction during identity verification, you'll prevent customer drop-offs and accelerate the path to engagement.

Complex onboarding processes with multiple steps and security checks can lead to user drop-offs.

Traditional onboarding processes often involve cumbersome tasks like filling out forms, remembering passwords, and uploading identification documents. Biometric identification simplifies this process by replacing these steps with a quick and natural action, such as looking into a camera. This minimizes user effort, reduces friction, and expedites the overall onboarding journey.

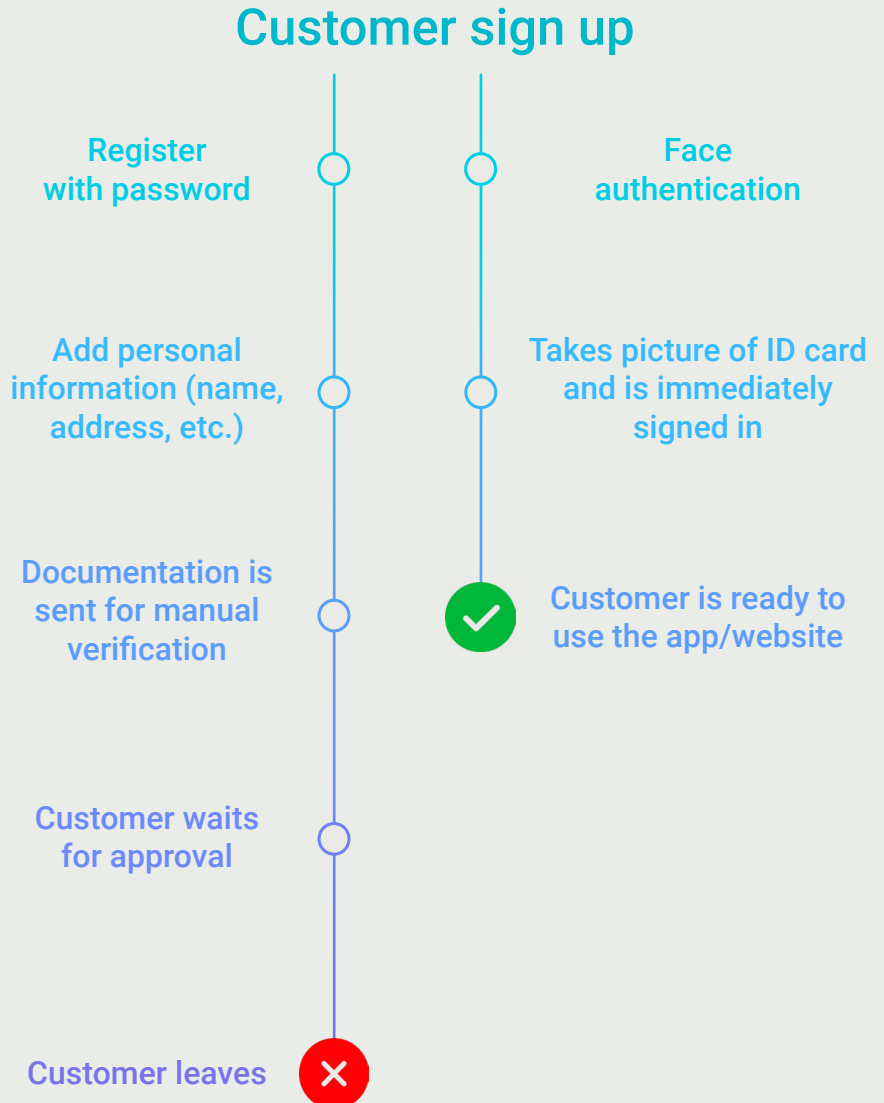
Biometric ID solutions enable near-instant authentication, eliminating the need for users to wait for manual verification processes. This speed is especially valuable in industries where time-sensitive actions are required. Users can complete onboarding swiftly, leading to increased satisfaction and engagement.

In industries with stringent regulatory requirements, these solutions help businesses comply with identity verification regulations. Biometric data is often considered a reliable form of verification in legal contexts.

Measuring the success of client onboarding requires a blend of quantitative and qualitative metrics:

- Customer acquisition rates.
- Time-to-complete onboarding.
- Customer drop-off rates.
- User engagement.
- Qualitative feedback, gathered through surveys or user interviews.

By analyzing these metrics together, businesses can assess their onboarding flows and enhance the overall experience.



Use Case

Decreasing customer drop-off in crypto platforms

The process of Know Your Customer (KYC) verification is a crucial step for ensuring security, compliance, and legitimacy within the cryptocurrency ecosystem. However, it's no secret that many users tend to drop off during KYC processes on crypto platforms.

One of the primary reasons users drop off during KYC processes is the perceived complexity and length of the process. Lengthy forms, multiple document uploads, and intricate verification steps can be overwhelming for users, especially those new to cryptocurrencies.

Biometric authentication offers a powerful means to achieve this balance, enhancing the user experience while bolstering security measures. Also, it adds an extra layer of security beyond traditional username and password combinations. This is crucial to safeguarding users' funds and personal information from unauthorized access, hacking attempts, and phishing attacks.

In a nutshell

Client Onboarding isn't a direct KPI, but it's the foundation for establishing a strong rapport between a business and its customers. Overly complex onboarding can deter users, leading to drop-offs. Biometric ID solutions offer near-instant authentication, crucial in time-sensitive industries. They also aid in meeting stringent regulatory requirements as biometric data is often considered reliable for identity verification.

It's about simplicity, speed, and security, setting the stage for lasting relationships with your customers. A smooth onboarding process ensures not just customer satisfaction but also long-term loyalty and advocacy.



V. Beyond CAC, CRR, and customer onboarding: Additional benefits of ID solutions

The advantages of implementing an ID solution extend well beyond the above mentioned KPIs. Identity solutions offer a range of benefits that contribute to business operations and scalability. In this section, we explore these additional benefits in depth.



Scalability and future-readiness

As businesses expand and technology evolves, the scalability and adaptability of identity solutions become crucial. Implementing identity solutions that can seamlessly accommodate a growing user base and evolving technological landscape is a strategic investment. Scalable solutions ensure that the onboarding process remains efficient even during periods of rapid growth. Furthermore, a future-ready identity solution can incorporate emerging technologies and adapt to changing regulatory landscapes, preventing the need for constant overhauls or reinvestments.

Fraud mitigation

Identity solutions play a critical role in mitigating fraud and bolstering overall security. By implementing robust identity verification processes, the risk of unauthorized access, fraudulent activities, and data breaches is significantly reduced. Multi-factor authentication, biometric verification, and advanced encryption techniques fortify the defense against cyber threats. As a result, user data and sensitive information remain safeguarded, fostering trust among customers and partners alike.

Reduced operational costs

By automating identity verification processes, businesses can streamline operations, reduce manual labor, and minimize the need for manual intervention. This leads to operational efficiencies and resource optimization, ultimately translating to cost savings over time.

Data quality and accuracy

Accurate and up-to-date user data is essential for effective business operations, personalization, and targeted marketing efforts. Identity solutions facilitate the collection and validation of accurate user information, reducing the likelihood of incorrect or outdated data entering the system. Clean and reliable data improves decision-making processes and enables businesses to better understand their user base.

VI. The journey to measurable success

The implementation of identity solutions transcends mere technological integration; it marks a strategic commitment to security, user experience, and regulatory compliance. This journey involves not only the adoption of cutting-edge technologies but also a deep understanding of the multifaceted advantages these solutions offer.

The path to success in identity solutions is marked by a continuous pursuit of excellence. From the seamless onboarding experiences for users to the fortified security protocols for businesses, the journey is one of transformation. By focusing on creating efficient, secure, and user-centric identity processes, businesses set themselves up for long-term success.

ID solutions' ROI assessment is a cornerstone for decision-making, encompassing:

- Financial gains.
- Enhanced security.
- Streamlined operations.
- Improved user trust.

Quantifying tangible and intangible benefits enables informed decisions aligning with business goals. A robust ROI analysis justifies the initial investment and guides ongoing strategies for identity solution enhancement. The future of identity solutions lies in harnessing the power of data. Every interaction, verification, and authentication generates valuable insights shaping business strategies and customer engagement.

Leveraging biometric ID solutions unlocks new levels of efficiency and innovation in business operations.

Embracing a data-driven approach allows businesses to:

- Refine onboarding processes.
- Personalize user experiences.
- Proactively address security vulnerabilities.

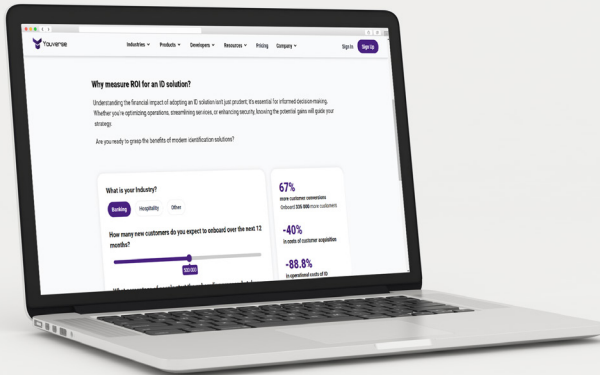
Appendix A: Glossary of key terms

Client Onboarding	The process of integrating new clients into a company's products and services, focusing on creating a smooth and positive experience.
Customer Acquisition Cost (CAC)	The total cost a business incurs to acquire a new customer, including marketing, advertising, and sales expenses.
Customer Identity Verification	The process of confirming customers' identities during onboarding, contributing to security, trust, and legal compliance.
Customer Lifetime Value	The predicted revenue a customer will generate throughout their relationship with a business.
Customer Retention Rate (CRR)	The percentage of customers a business retains over a specific period, reflecting customer satisfaction, loyalty, and product quality.
Identity Solutions	Technologies and processes used to verify customers' identities digitally, encompassing authentication methods, user experience enhancement, and more.
KYC Verification	The process of "Know Your Customer," confirming the identities of users in the cryptocurrency ecosystem to ensure security and compliance.
Multi-Factor Authentication	A security process requiring users to provide multiple forms of verification before gaining access to a system or application.
Return on Investment (ROI)	A financial metric measuring the profitability of an investment relative to its cost.
User Drop-Off	The phenomenon where customers initiate a process but do not complete it, prematurely exiting interactions due to various reasons.

Appendix B: Recommended tools for ROI measurement

We developed a **ROI calculator** tailored to evaluate the impact of biometric ID solutions, offering businesses a comprehensive tool to assess the tangible benefits and efficiency gains resulting from their implementation.

Calculate ROI



About Youverse

Youverse simplifies all customer interactions with private, convenient, and secure face authentication on any device. Ranking Top 5 for accuracy in live face matching in the combined business regions of Europe and the Americas, as independently certified by the international benchmark, Youverse enables a fully handsfree experience, bringing unprecedented levels of convenience and accuracy when adopting face authentication in daily routines.

No cards, no passwords, just people.

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