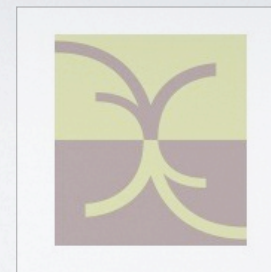


I D E N T I T Y  
ENABLES A NEW DIGITAL RELATIONSHIP

adrian**chernoff**

*Vice President of Digital Strategy*

Broadridge Financial Services



# Identity enables a New Digital Relationship

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## IDENTITY USE CASE

- 1 — WHO WE ARE
- 2 — THE CONSUMER
- 3 — INDUSTRY CHALLENGE
- 4 — THE OPPORTUNITY
- 5 — THE POWER OF IDENTITY

# IDENTITY IS CORE TO OUR DIGITAL PRODUCT OFFERING

I D E N T I T Y  
SECURITY PRIVACY ACCESS

# “Broadridge is the most important firm on Wall Street that you’ve never heard of”

Former New York Stock Exchange chairman and CEO Dick Grasso

- Responsible for sending out proxies and tallying shareholder votes for tens of millions of stock owners around the world
- Processes 85% of all outstanding shares voted in the U.S. and 72% of shares voted outside of the U.S.

*Excerpts from the November 18, 2013 issue of Forbes*

<http://www.forbes.com/sites/steveschaefer/2013/10/30/the-broad-reach-of-broadridge-the-most-important-financial-firm-youve-never-heard-of/>

## A Financial Industry Communications Hub

### 3 billion distributions annually

*across North America, proprietary technology drives 60% + suppression rates*

**950+**  
**Banks & Brokers**



**550+**  
**Mutual funds**



**Institutional investors**



**Retirement Plans, VA's/TPA's**



**12,000**  
**Corporate issuers**



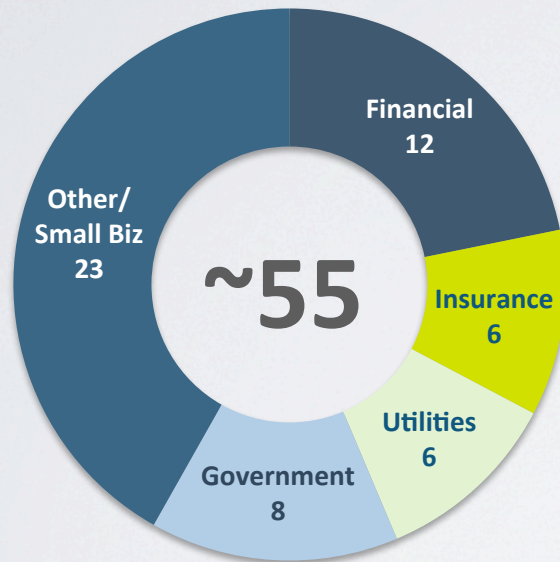
**140,000,000 +**  
**Individual Accounts**



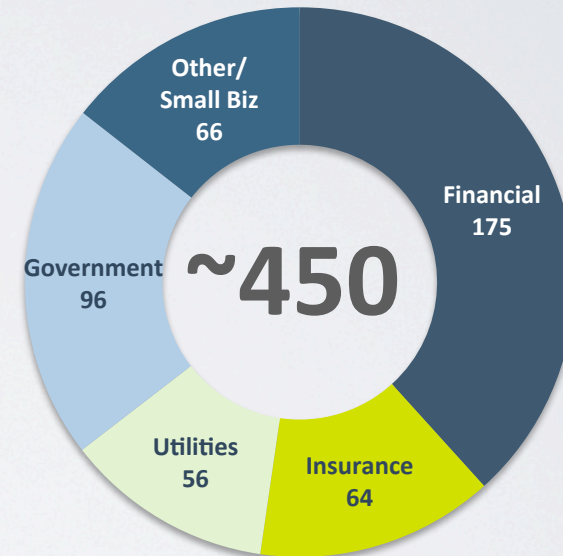
# I WHO WE ARE

*Out of the ~55 providers that consumers receive printed communications from - financial is a significant portion*

## Relationships



## Annual Communications



*Research\* shows that for consumers to adopt "DIGITAL COMMUNICATIONS" they need to be able to access at least 60% of their content through a channel of their choosing versus needing to use 55 different web sites or apps*

\*Research from Infotrends report "The Future of Multi-channel Transactional Communications in the U.S."

TO UNDERSTAND IDENTITY WE FIRST  
NEED TO KNOW OUR CONSUMER

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## 2 THE CONSUMER

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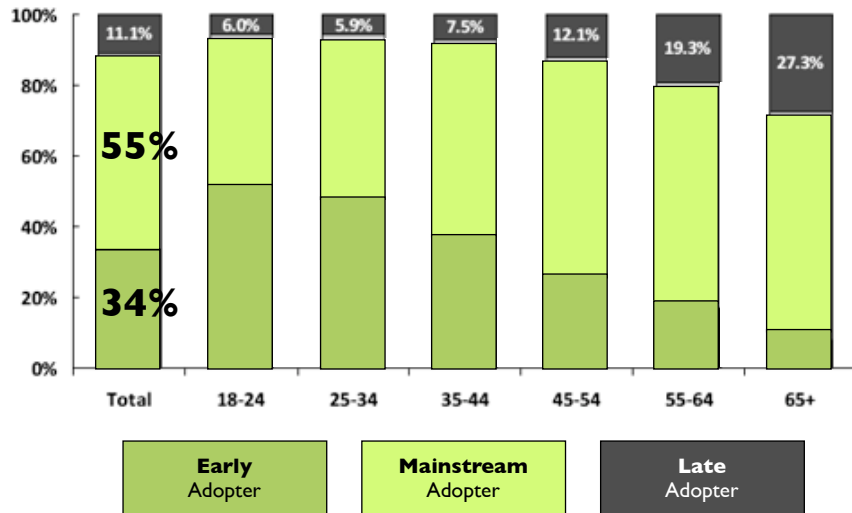
*Successful digital solutions prioritize the needs of the consumer*

- Consumers are moving to digital at an unprecedented rate
- Financial services firms have yet to fully take advantage ...
- Resulting in high print-mail costs and un-fulfilled opportunities to enhance customer relationships
- Research illustrates solutions must be consumer centric and digital interactions must be superior to physical experiences they replace



# 2 THE CONSUMER

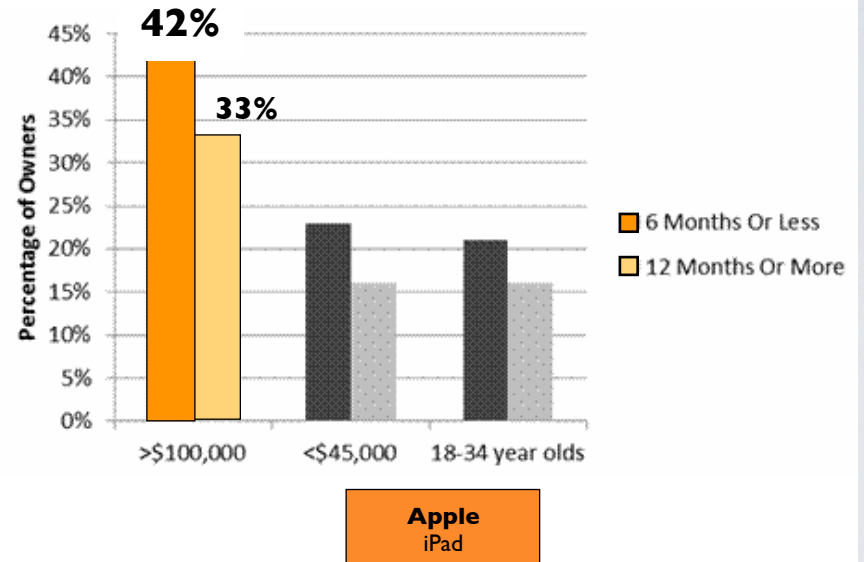
## Adoption by Age of New Technologies



Early Adopter Mainstream Adopter Late Adopter How would you describe your personal approach to new technologies?

Source: InfoTrends The Emergence of Digital Mailbox Services Report, November 2011

## Adoption by Income of iPads

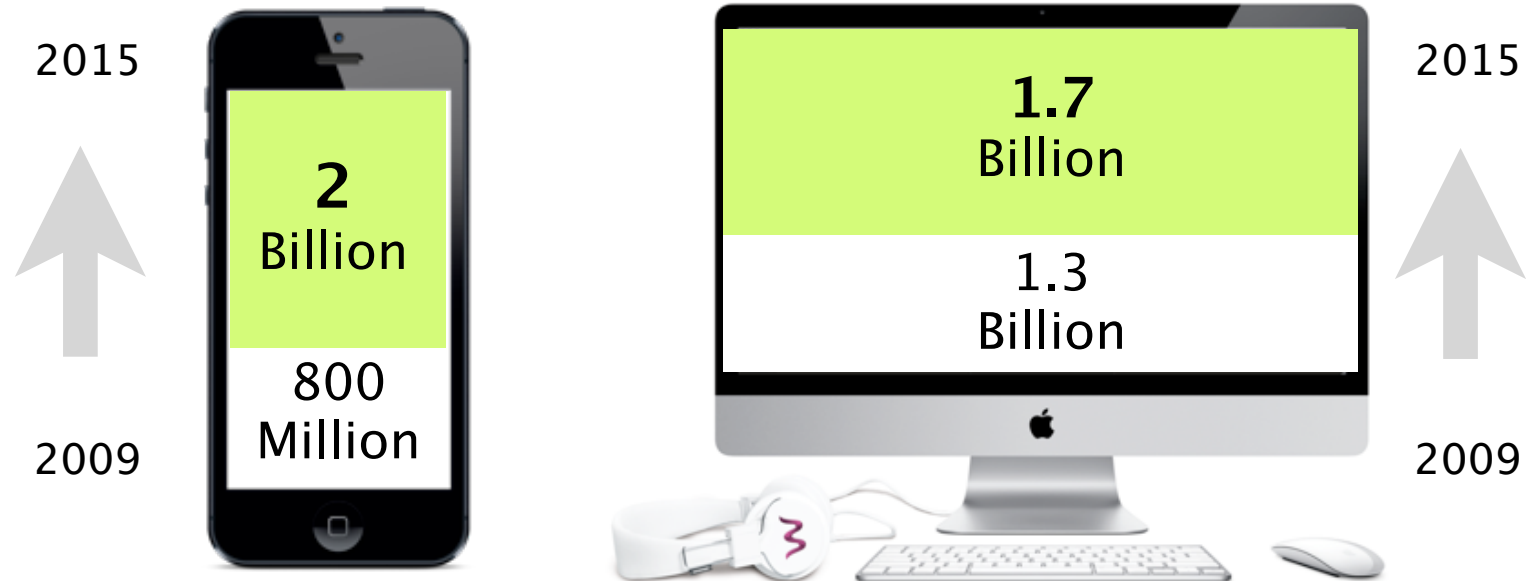


2/12/2012 – iPad owners tend to be older and have more money

Source: [https://www.npd.com/wps/portal/npd/us/news/press-releases/pr\\_120217/](https://www.npd.com/wps/portal/npd/us/news/press-releases/pr_120217/)

### Mobile vs. Desktop

Global Internet Users



Source: Morgan Stanley Research <http://www.slideshare.net/guest1222bdb/mary-meeker-april-2010-internet-trends>

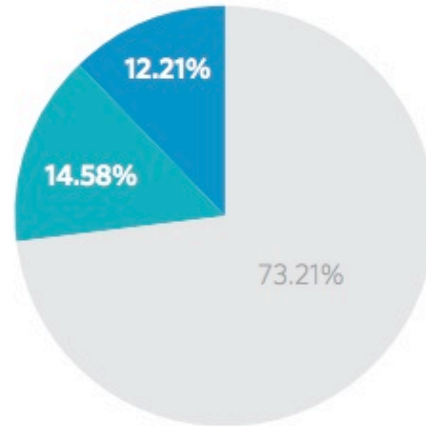
time spent with **mobile is growing at 14 times the rate of the desktop**

Source: [http://m.cmo.com/articles/2013/1/3/the\\_5\\_digital\\_ds\\_of\\_.html](http://m.cmo.com/articles/2013/1/3/the_5_digital_ds_of_.html)

## 2 THE CONSUMER

### WEBSITE TRAFFIC BY DEVICE

Q4  
2013

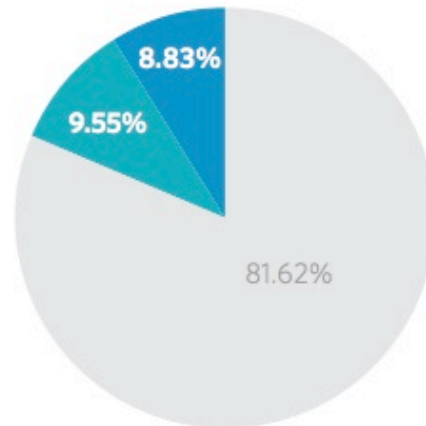


DESKTOP

TABLET

SMARTPHONE

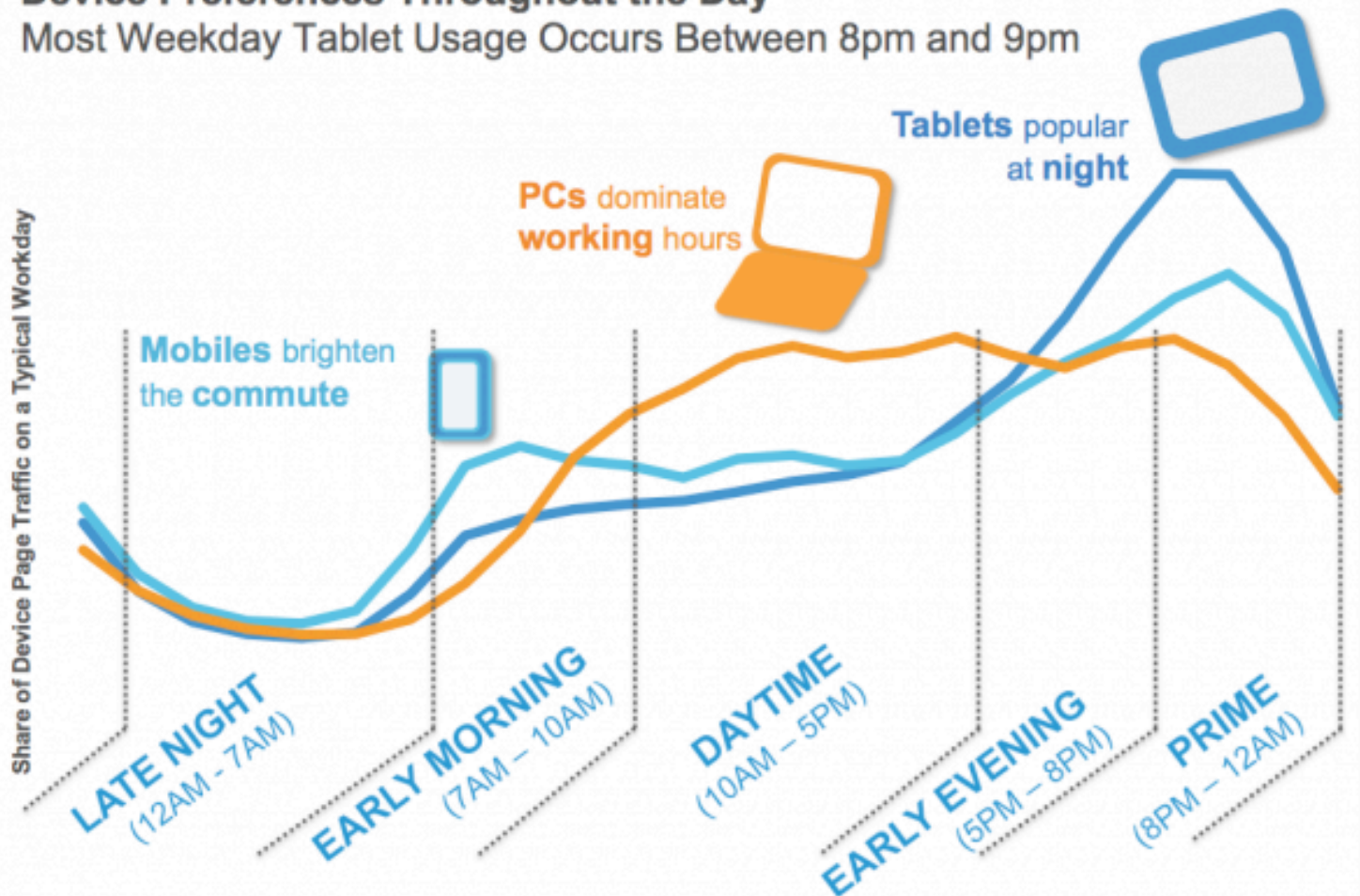
Q4  
2012



## 2 THE CONSUMER

### Device Preferences Throughout the Day

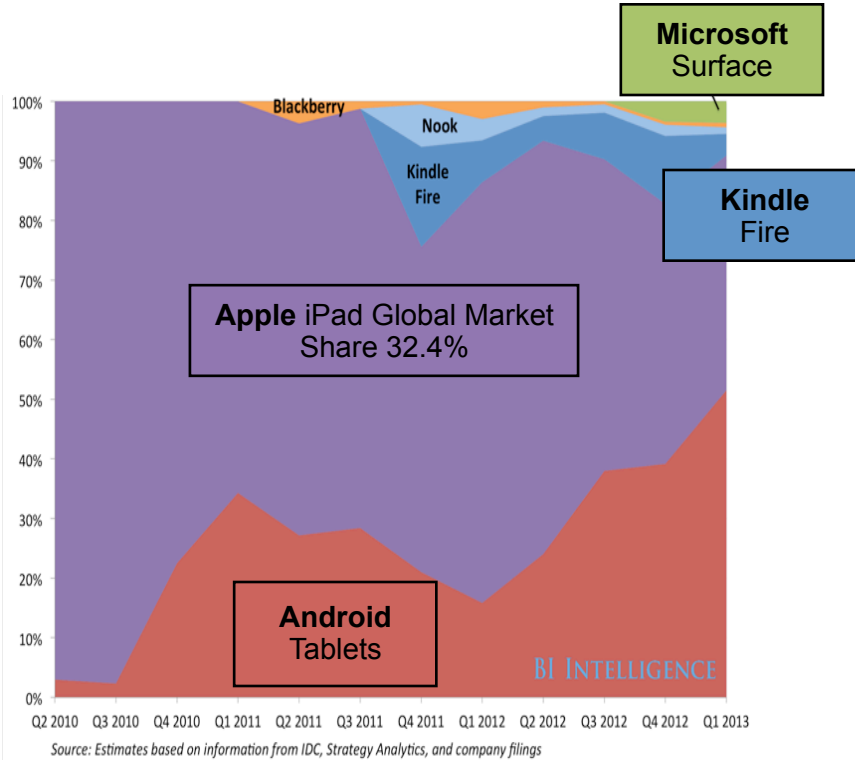
Most Weekday Tablet Usage Occurs Between 8pm and 9pm



<http://comscore.com/>

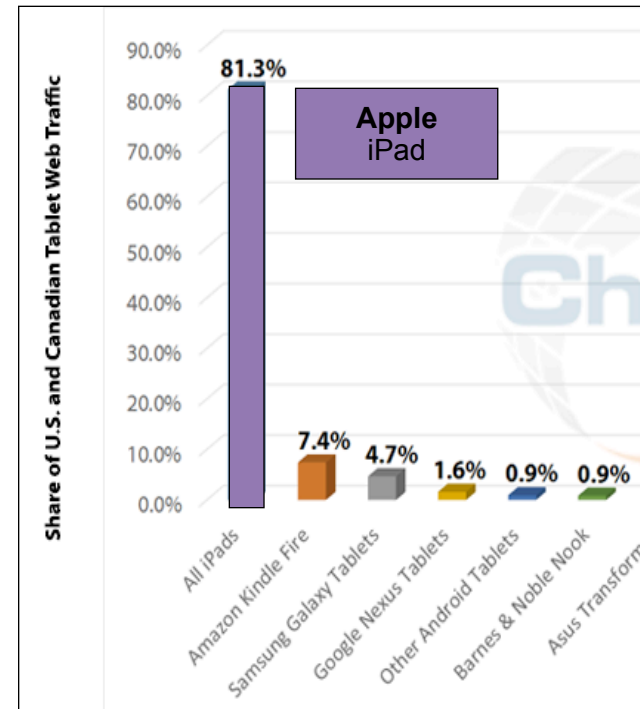
# 2 THE CONSUMER

## TABLET GLOBAL MARKET SHARE



<http://www.businessinsider.com/ipads-dominate-tablet-usage-2013-5#ixzz2g22INtdV>

## TABLET WEB TRAFFIC



<http://chitika.com>

## 3 INDUSTRY CHALLENGE

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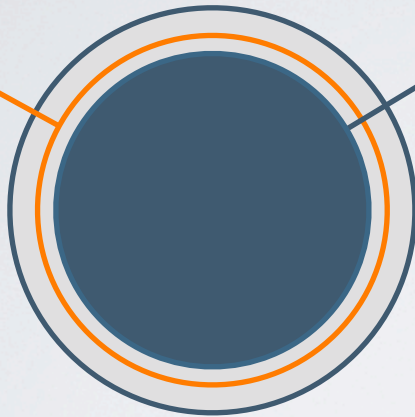
HOW EFFECTIVE IS THE INDUSTRY  
AT ENGAGING CONSUMERS

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### 3 INDUSTRY CHALLENGE

*Unfortunately with the exception of retail banking, financial firms have had difficulty in taking advantage of these trends*

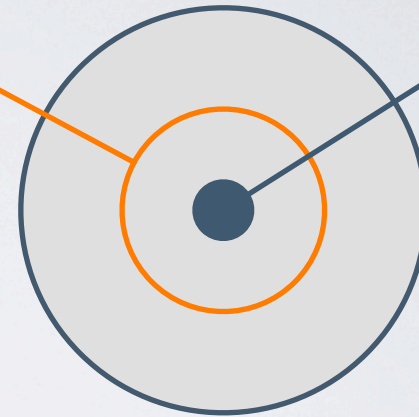
75% OF CLIENTS  
CREDENTIALIAED



**RETAIL BANKING**

60% OF CLIENTS  
ACTIVE USERS

25% OF CLIENTS  
CREDENTIALIAED

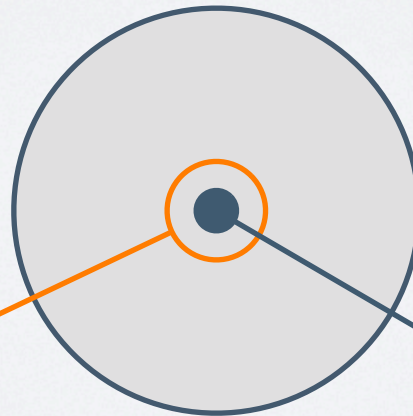


**WEALTH MANAGEMENT**

5% OF CLIENTS  
ACTIVE USERS

**INSURANCE**

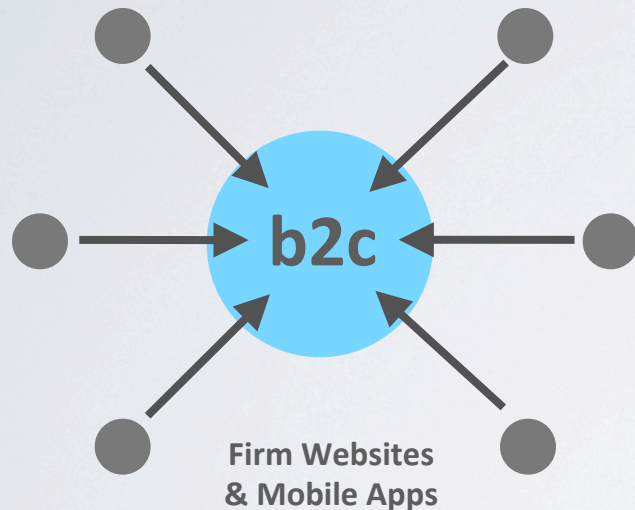
6% OF CLIENTS  
CREDENTIALIAED



1% OF CLIENTS  
ACTIVE USERS

### 3 INDUSTRY CHALLENGE

*Most companies utilize a Business to Consumer (b2c) model when it comes to digital efforts.*



- In essence financial service companies are telling their clients to “COME TO ME”
- There are many reasons companies prefer this approach:
- Control of the overall experience and content
- Ability to Ensure Regulatory Compliance
- Security
- Unfortunately this approach often does not resonate with consumers



### 3 INDUSTRY CHALLENGE

*Given the number of options consumers have ... A "COME TO ME" strategy has resulted in firms getting lost among giants*

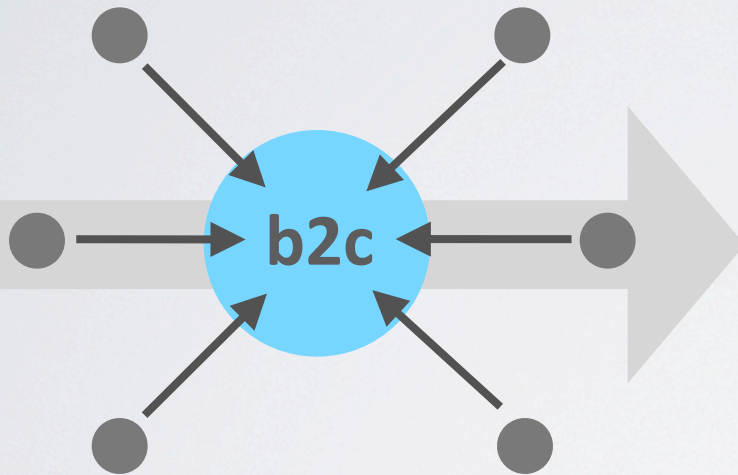


## CHANGING THE BUSINESS MODEL

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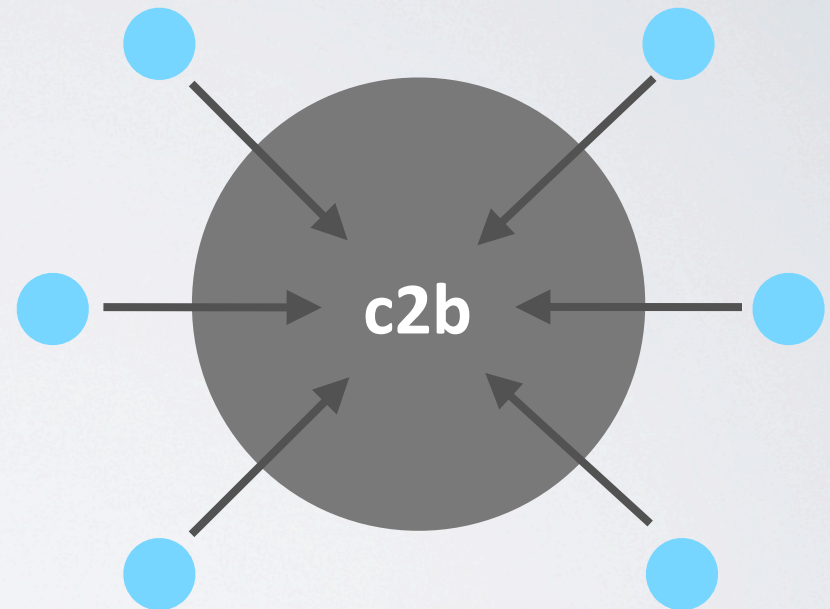
## 4 THE OPPORTUNITY

*A better approach would be to shift from a business focused model to a consumer focused model*



**“COME TO ME”**

has yet to resonate with consumers and has been largely unsuccessful despite significant investments



**“GO TO THEM”**

# 4 THE OPPORTUNITY

*For firms to go where the consumers already "live" - Identity is key*



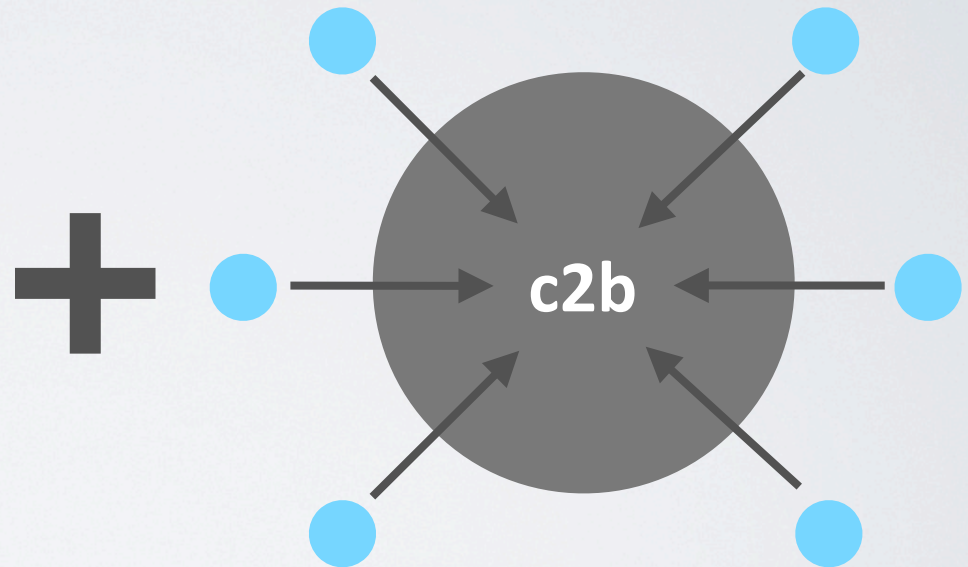
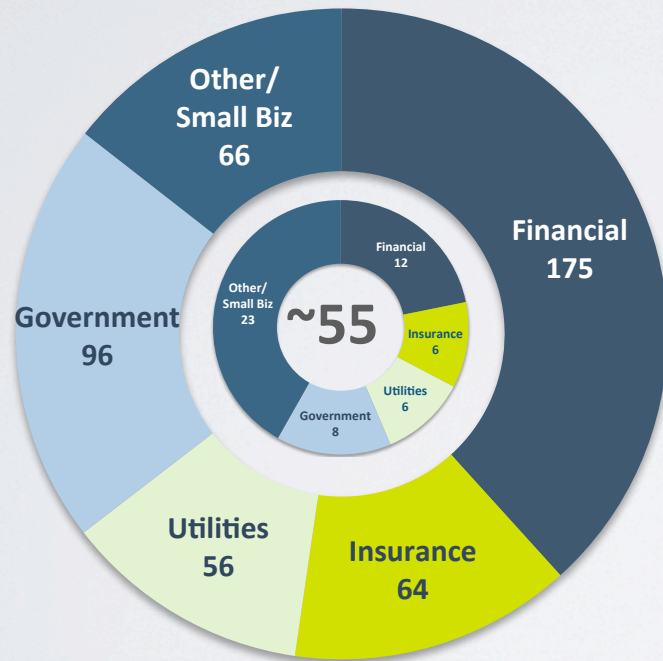
## IDENTITY POWER'S OUR BUSINESS MODEL

- ADDITIONAL BENEFITS
- Adaptive
  - Reconfigurable
  - Better for Customers
  - Better for Clients

I D E N T I T Y  
SECURITY PRIVACY ACCESS

# 5 THE POWER OF IDENTITY

our business model  
leverages the power of identity



putting the consumer in control, by pushing communications through the channels they use every day

# 5 THE POWER OF IDENTITY

*Facilitates secure communication between brands and consumers*




## Identity Management

- Investing
- Banking
- Telco
- Healthcare
- Insurance
- Small Business



**NSTIC**  
NSTIC PILOT

First step for Broadridge to introduce innovative services that enhance user experience and privacy, lower industry costs, and drive new sources of revenue



**IDW**  
ID/DataWeb

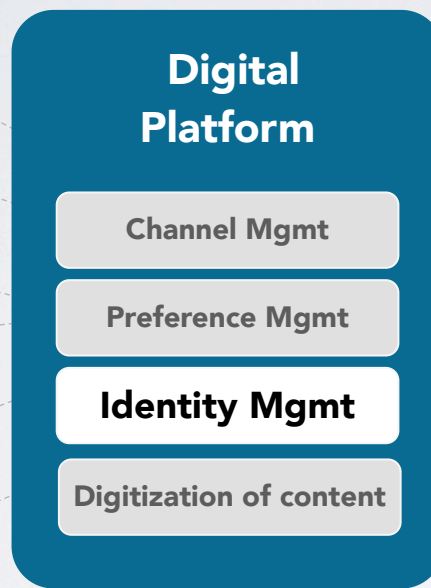
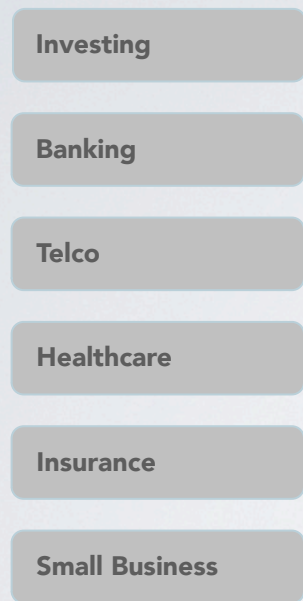
Working with IDW on several solutions both domestically and internationally that will utilize IDW's attribute exchange to validate consumer identities

- Online Banking
- Cloud Drives  
(e.g. Dropbox, Evernote)
- Aggregation sites  
(e.g. Mint.com)
- Digital Mailboxes  
(e.g. Canada ePost)
- Social Networks

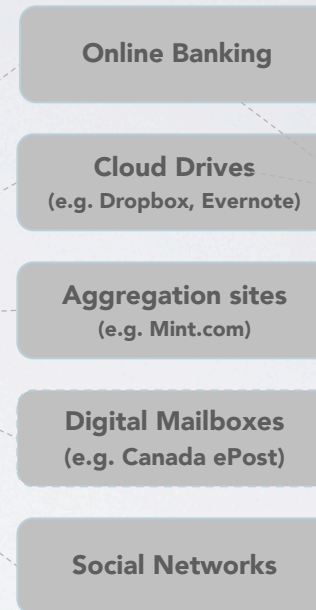
# 5 THE POWER OF IDENTITY

*Identity is the glue in our model to enable consumer adoption*

## Brands (i.e. mailers)



## Channels



## Consumers



- Brands across multiple verticals participate
- Brands have one integration point
- Brands control security (a federated model, as brands store data behind their firewalls)

- Platform connects to the channels brands support and consumers are using

- Consumers receive additional content from channels they are already using



# TAKE AWAYS

- Technology is changing consumer behavior
- Consumers have multiple digital relationships and they want an easier way to connect
- Broadridge is changing the business model by leveraging Identity
  - to improve the customer experience
  - to empower consumers with more choice
  - to improve consumer adoption
  - to drive digital relationships
  - to give brands more flexibility
  - to help brands reduce costs
- Identity is the glue that makes our business model happen
  - enabled by NSTIC and IDW

# I D E N T I T Y

## ENABLES A NEW DIGITAL RELATIONSHIP

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Broadridge Financial Services

