



Article

The debit market is changing: Meet the needs of the next generation

Unlock lasting growth with Gen Z customers

As money moves between banks, consumers, businesses and beyond in a complex, never-ending cycle, debit cards continue to play a leading role in the payment experience. In today's rapidly evolving financial landscape, understanding the unique needs and preferences of different generations is crucial for financial institutions. One generation that has been gaining significant attention is Gen Z. Born between the mid-1990s and early 2010s, Gen Z is the first generation to grow up with the internet and digital technology as an integral part of their lives. This digital nativity has shaped their expectations and behaviors, especially when it comes to financial services – whether their money is at rest, in motion or at work.

The debit market is undergoing significant changes, driven by evolving consumer behavior and regulatory pressures. Financial institutions are constantly seeking ways to identify efficiencies and reduce costs, both in-house and for their clients. This is particularly important in the debit market, where the economics are influenced by factors such as changing consumer behavior and regulatory requirements.

Here are four steps to help you adapt to changing debit market.



1. Modernizing technology for a digital-first approach

Gen Z consumers expect seamless digital experiences, from account provisioning to wallet integration. Financial institutions must modernize their technology stacks to meet these expectations. This includes providing services in a digital format, from account enrollment to regulatory data provisioning. The challenge lies in the ability of financial institutions to invest in and keep pace with the rapid changes in digital technology.

2. Monetizing real-time data

The debit market is not just about moving payments; it's also about the data that comes with it. Financial institutions have access to vast amounts of real-time data, which can be monetized to provide valuable insights. This data can be used to create personalized alerts and services, tailored to the needs of individual customers, whether it's for operational efficiency or fraud prevention.

3. Engaging with Gen Z

One of the biggest challenges for financial institutions is engaging with Gen Z. This generation is bombarded with opportunities to move to non-bank financial services, making it easy for them to switch providers. To retain these customers, financial institutions must understand their unique needs and preferences. This includes being present on the digital platforms that Gen Z uses, such as TikTok, Snapchat and Instagram, and providing authentic and relevant messaging.

4. Building long-term relationships

For financial institutions, building long-term relationships with Gen Z starts with offering products that meet their immediate needs, such as debit accounts. As these customers grow and their financial needs evolve, institutions can provide additional services, such as credit products, loans and financial advice. This journey from debit to more complex financial products helps retain customers and build trust over time.

Conclusion

The debit market presents both opportunities and challenges for financial institutions. By understanding the unique needs of Gen Z and modernizing their technology and services, institutions can better engage with this generation and build long-term relationships.

The key is providing seamless digital experiences, monetizing real-time data and offering products that meet the evolving needs of younger customers. By taking the steps outlined, financial institutions can better mitigate the risks associated with the changing debit market and the unique needs of Gen Z consumers.

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And as a technology partner, we can support you on every step of your digital journey – not only digitizing your card program but also running as much of it as you need to keep money moving safely and efficiently.

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at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



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in motion

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Money
at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

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