

zeta



THE FUTURE OF CARDS IS NOW

Illuminating the 12 Experiences Your
Card Program Needs Today

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Card Innovation: Imperative to Disrupt the Status Quo

The US credit card market is saturated with products offering nearly identical features, primarily revolving around cashback, points accumulation, travel rewards, or introductory low-interest rates. This lack of innovation has led to a perception problem: over 60% of cardholders view their card's rewards program as indistinguishable from those of competitors in the market¹. This homogeneity creates a challenging business environment where issuers face a dilemma. Attempting to compete on price or by enhancing rewards can negatively impact profitability without substantially increasing market share or value proposition to the cardholder.

To break through this saturated market, card issuers need to transcend conventional offerings and redefine the credit card's value proposition. Innovation emerges as the critical enabler, empowering issuers to distinguish themselves and disrupt the industry's status quo.

60%

cardholders view their card's rewards program as indistinguishable from those of competitors

While many issuers recognize the need to innovate, their efforts are often stymied by antiquated card processing systems that not only extend development cycles but also amplify overall system complexity, hindering progress.

This ebook showcases the diverse avenues for innovation and differentiation in card programs powered by next-generation card processing platforms. It explores the defining attributes of next-generation credit cards and presents an array of innovative experiences to illuminate the exciting future of card services and inspire issuers to develop truly transformative programs.

Beyond Credit:

Rethinking Digital Engagement with Credit Cards

While banking and financial services have undergone significant evolution, credit cards have remained remarkably unchanged. For 60 years, credit cards have been a transactional product, with little to no innovation in their core features.

The advent of next-generation card processing platforms finally allows a radical reimagining of credit cards as a tool for digital engagement and cardholder empowerment.

We trace the evolution of cards and their core capabilities in three generations, as follows

Evolution of Credit Cards across Three Generations



Gen 1

cards represent the original plastic cards characterized by static Annual Percentage Rates (APRs) and undifferentiated reward models. The majority of card programs today remain anchored in this foundational design.



Gen 2

cards, over the last decade, have evolved with incremental digital capabilities like digital issuance and transaction controls; however, the core features of the card have remained the same.



Gen 3

cards, powered by next-gen technology, are sophisticated digital instruments that enable delightful user experiences, robust security controls, new business models and the development of purpose-built products and services for niche segments.

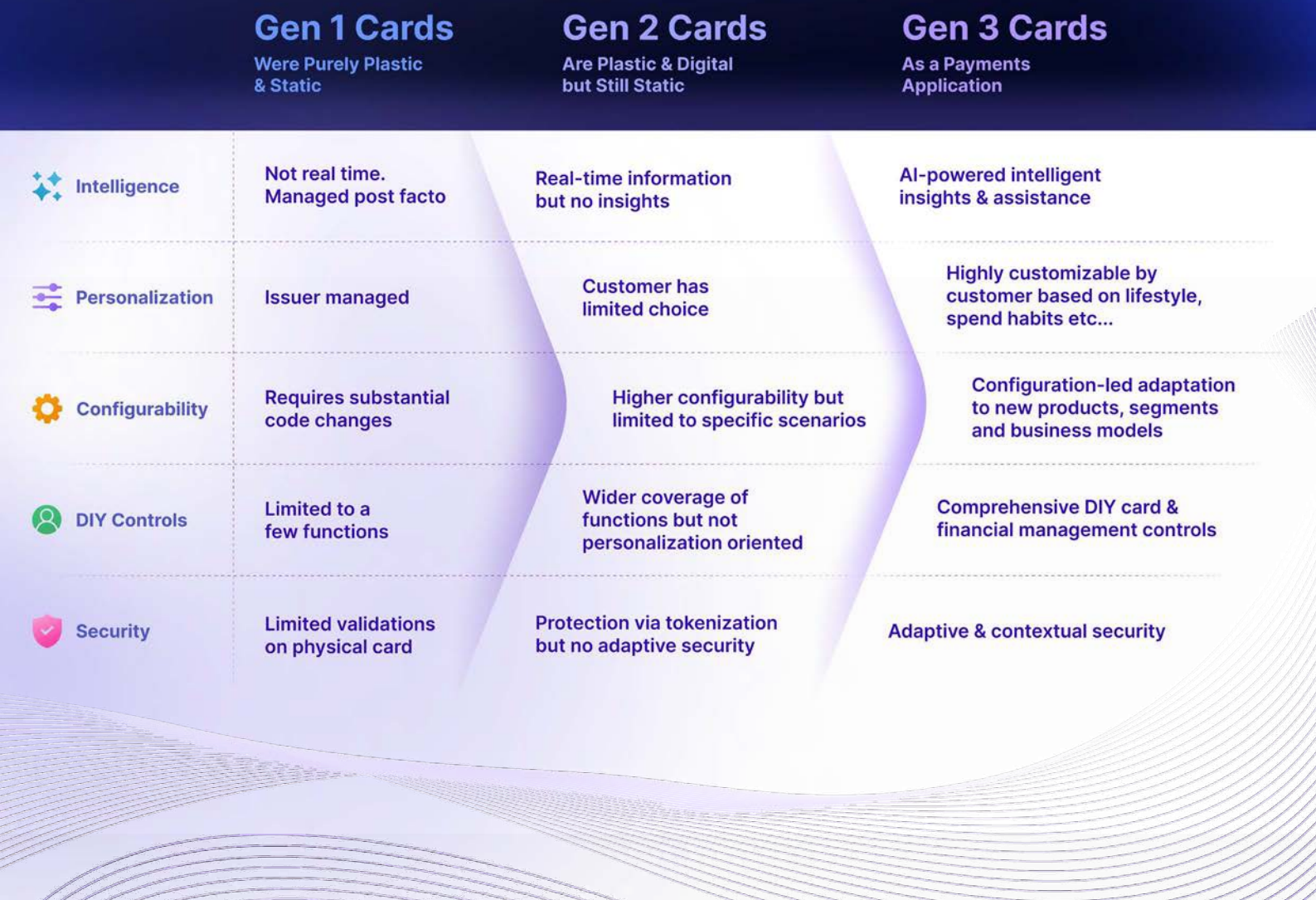
5 Defining Attributes of Gen 3 Credit Cards

Credit cards have been adopting digital capabilities incrementally, but the transformative experiences of Gen 3 cards are defined by a few central attributes that are only possible with next-generation card processing platforms. These are:

- › **Hyper-personalization:** Rethinking loyalty and rewards journeys across products and services
- › **Enhanced Security:** Building trust digitally with granular security controls
- › **DIY Controls:** Empowering users with control over card and financial management
- › **Intelligent Insights:** Deep integration of AI into insights and experiences
- › **Augmented Configurability:** Purpose-built applications for niche segment needs

The following image highlights how these attributes redefine credit cards in Gen 3.

Evolution of Credit Cards in 3 Generations



12 Transformative Experiences

Your Card Program Needs

Being digital-native and software driven, Gen 3 cards offer issuers unlimited scope for rapid innovation without the burden of expensive development. Of the infinite new experiences issuers can build on next-gen technology, we've curated 12 that can have an outsized impact on issuers and cardholders. Each experience is shaped by one or more of the defining attributes of Gen 3 cards:



Intelligence



Personalization



Configurability



DIY Controls



Security

Any one these experiences can be a 'winning' feature that places your card program firmly at the top of the wallet of your cardholder; put together, they are transformative.





Configurability



Personalization



Intelligence



DIY Controls



Security

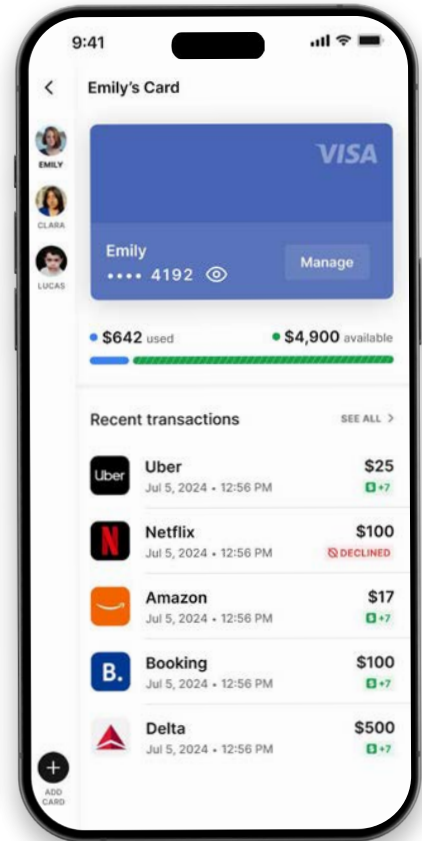
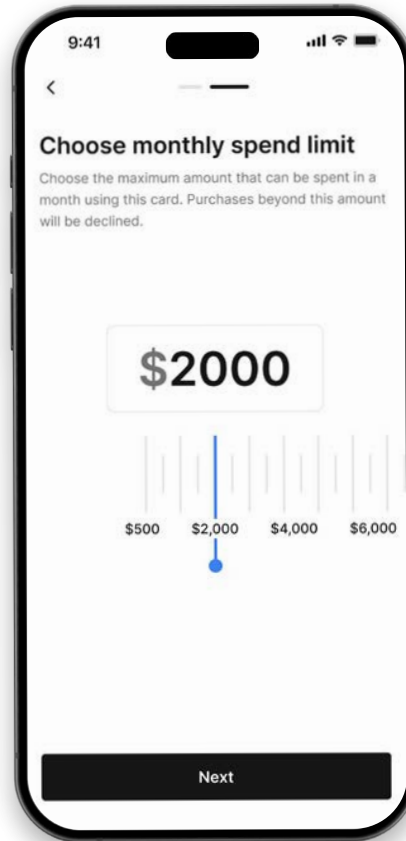
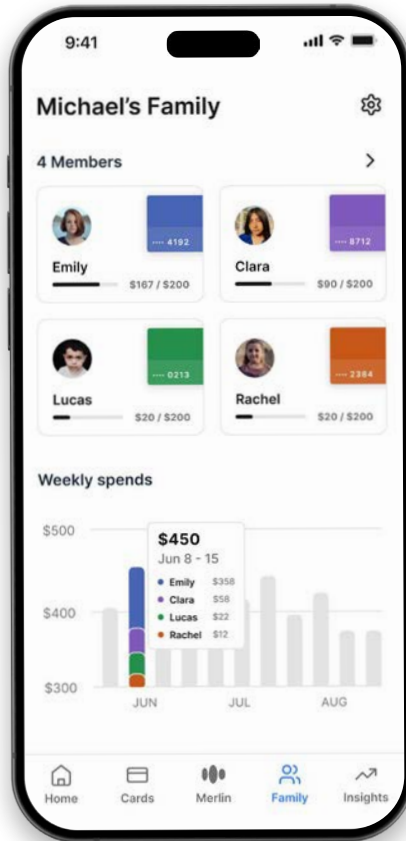
Cards for the Whole Family

The family hub experience offers families a compelling reason to bank together and helps issuers grow a multi-generational user base.

Michael, the primary cardholder, can track total and card-wise spend across all cards with the family insights dashboard

He can also tailor spending limits for each card with easy slide controls

He can view each family member's transactions in his card app



Moving the Needle

For Issuers

- Faster user acquisition through family member addition
- Higher customer loyalty and stickiness
- Usage across household increases customer lifetime value

For Cardholders

- Better financial oversight improves customer satisfaction
- Enhanced experience with DIY card controls



Configurability



Personalization



Intelligence



DIY Controls



Security

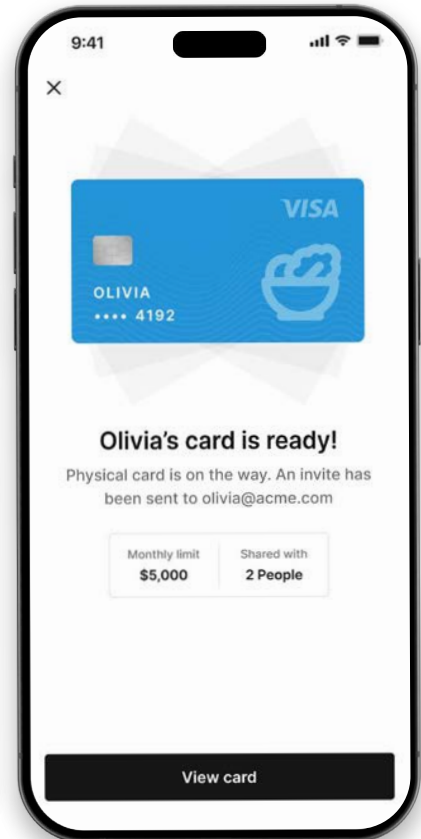
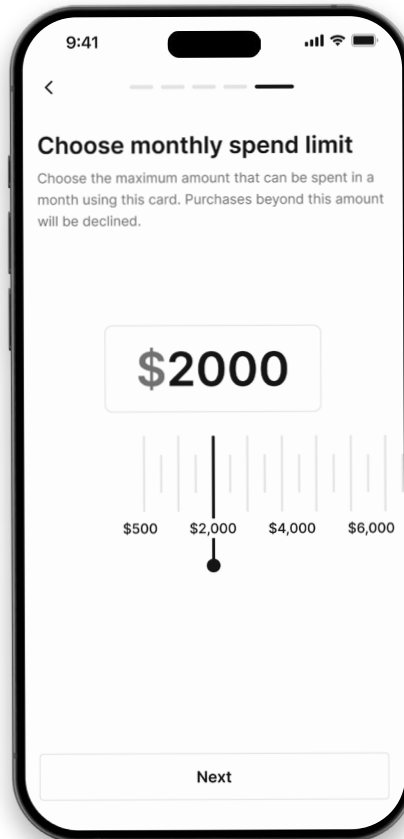
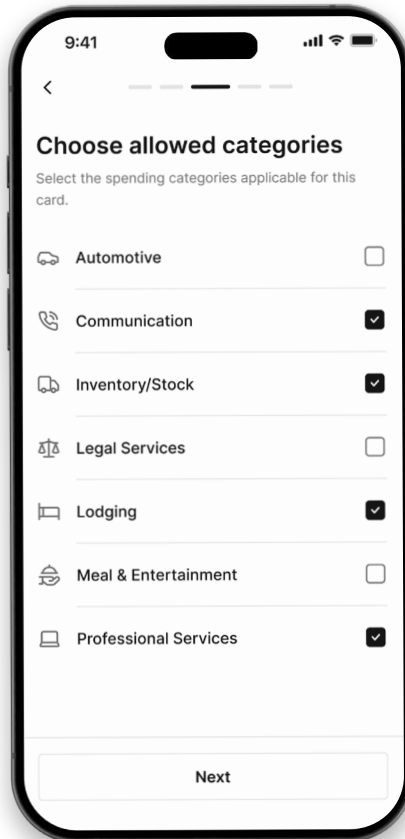
Expense Management for Businesses

Small businesses have specialized expense management needs – a massive opportunity that is today addressed by fintechs like Brex and Ramp. An expense management card helps business owners streamline all their business expenses under a single card with specialized workflows.

A business owner, Sarah, can add an employee card using her card app and limit its use to select categories

Sarah can tailor spending limits for each employee card with easy slide controls

An employee card for Olivia is issued instantly, with an invite sent to her business ID for onboarding.



Moving the Needle

For Issuers

- Added value in expense card utilization increases card spend
- Instant virtual card issuance drives usage fee revenue
- Granular expense insights increase cross-sell potential

For Businesses

- Automated expense management reduces operational overhead
- DIY card-level controls improves compliance with expense policies



Configurability



Personalization



Intelligence



DIY Controls



Security

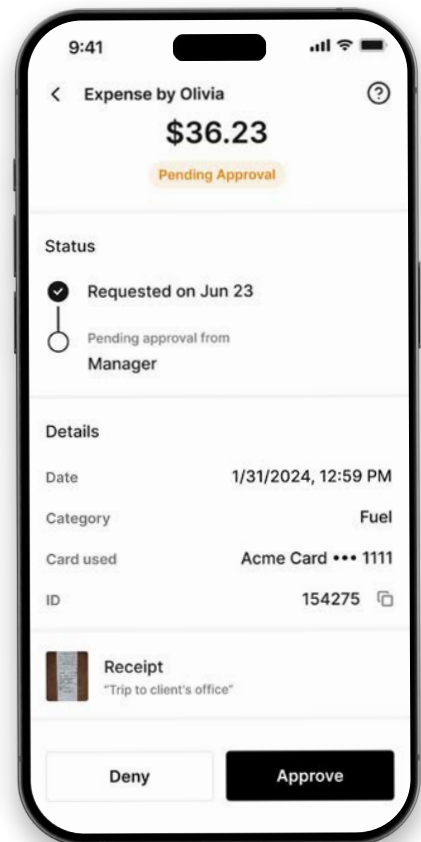
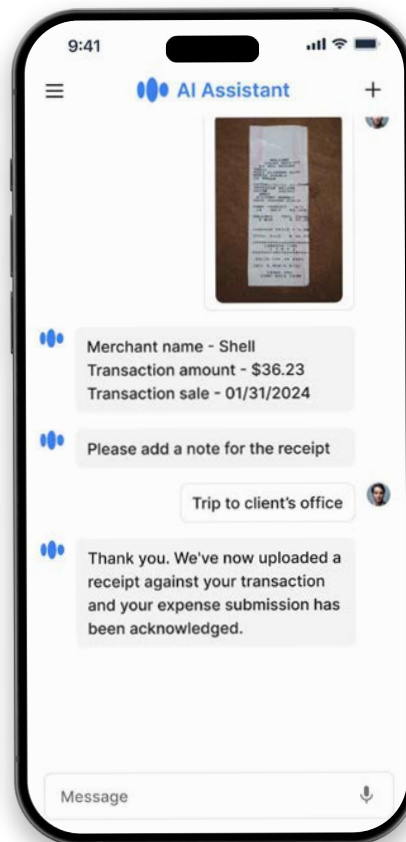
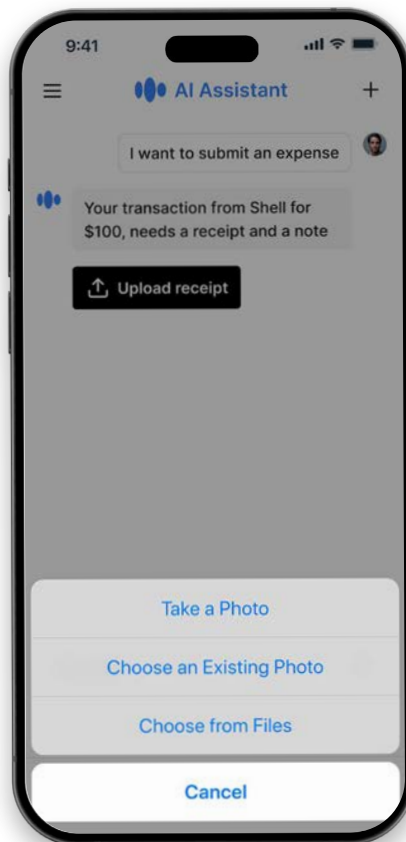
AI-Powered Expense Reporting for Businesses

Manual expense filing burdens small businesses and owners crave automated solutions for cashflow control and visibility. The AI assistant streamlines business expense reporting on-the-go.

Olivia, Sarah's employee, can simply prompt the intelligent assistant in her card app to submit receipts against her card transactions




The assistant uses OCR and Gen AI to read the image and generate the expense submission

Sarah receives instant notification of Olivia's expense submission & can approve the expense with no manual effort





Moving the Needle

For Issuers

-  Seamless expense management encourages increased card usage
-  Value added service improves customer loyalty
-  Detailed expense data improves targeted marketing

For Businesses

-  Error free expense filing with AI
-  AI-based automation boosts timely expense filing



Configurability



Personalization



Intelligence



DIY Controls



Security

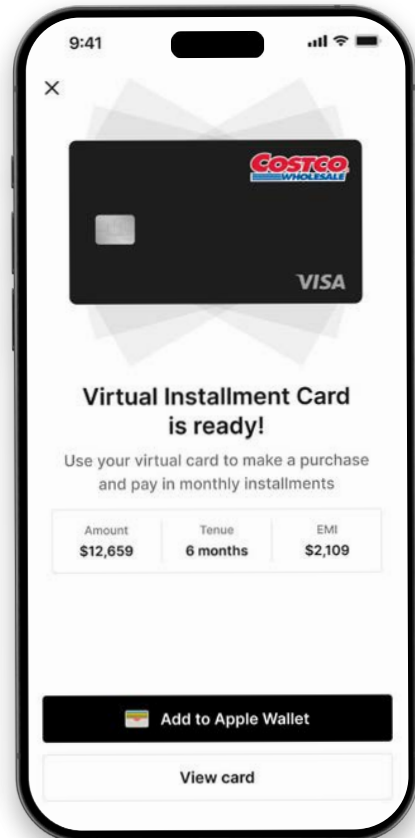
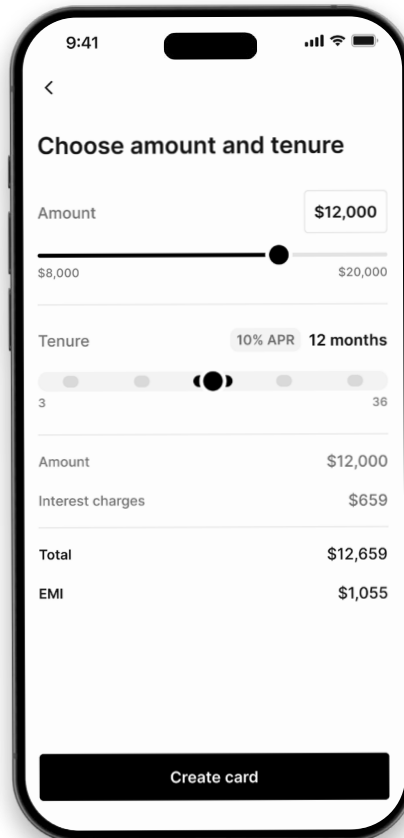
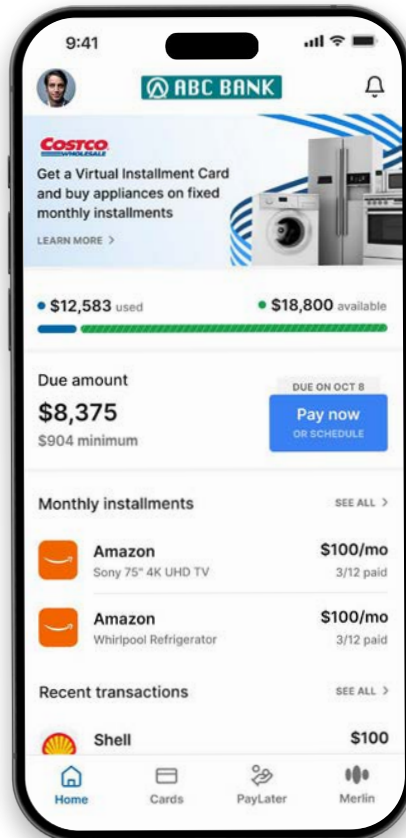
Virtual Installment Cards

Virtual installment cards bridge the gap between traditional credit cards and BNPL services, offering pre-approved installment options before purchase. They give cardholders certainty about payment plans while allowing issuers to control risk.

Michael receives an offer for an installment card for his purchases at Costco

He can add the virtual installment card in 1 step with his preferred amount and tenure

Michael receives the card instantly in his card app and can add it to digital wallets for instant use



Moving the Needle

For Issuers

- Higher purchase influence leading to increase in interest revenue
- Structured payment plans potentially reduce default rates
- Purchase on installment creates lock-in and reduces customer churn

For Cardholders

- Lower APR and merchant discounts enhance perceived value
- Pay later options increase affordability & purchasing power

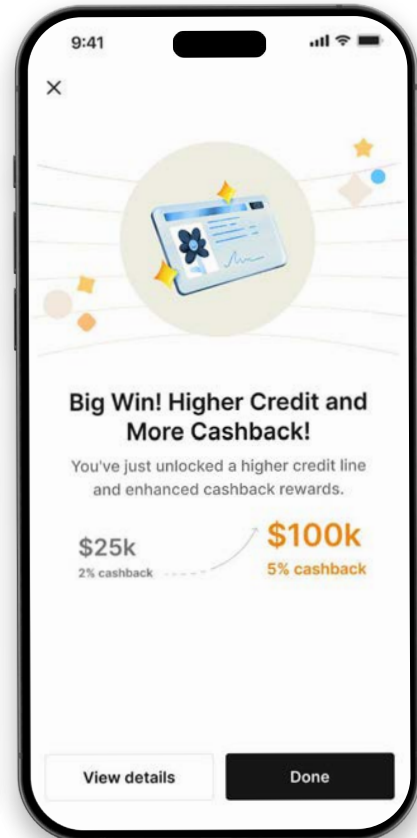
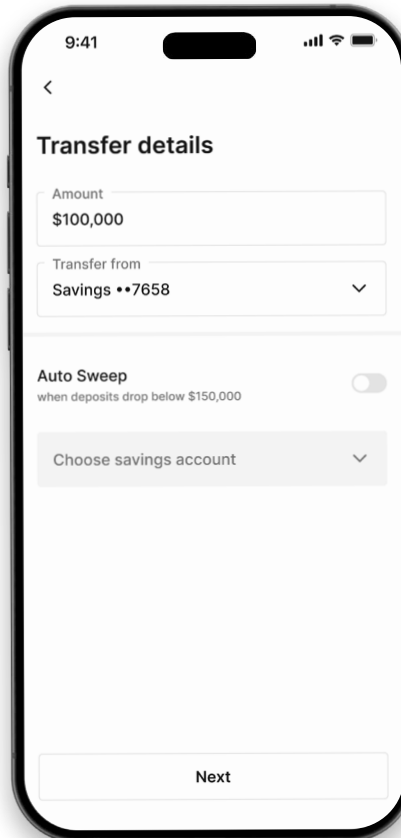
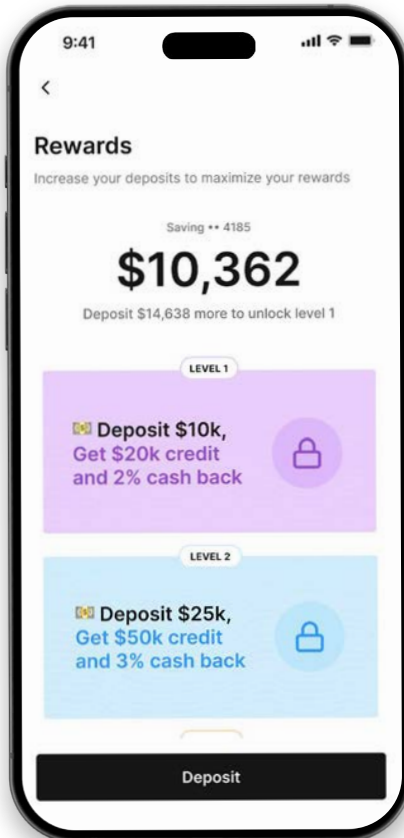
Deposit Linked Rewards

A relationship building card program that ties credit card rewards and benefits to a cardholder's deposit balances.

The card app fetches Michael's current deposit & presents a contextual offer to unlock higher rewards & credit limits with higher deposits

Michael can add funds to his deposit accounts directly from the card app

He receives instant notification of the unlocked rewards & credit limit



Moving the Needle

For Issuers

- Higher credit limits prompt higher spend
- Higher deposits increase total customer value
- Deposit backing reduces credit risk

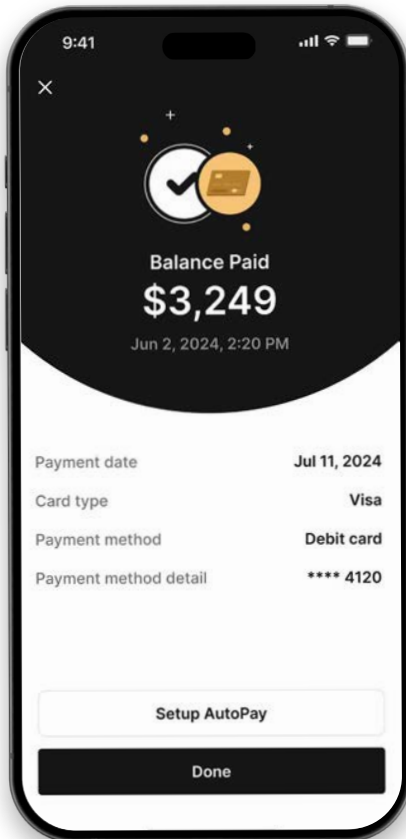
For Cardholders

- Higher credit limits increase purchasing power
- Higher value for overall relationship with the bank

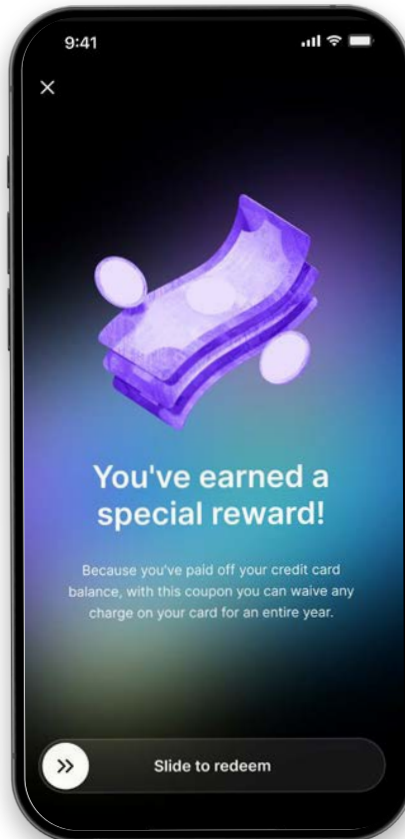
Personalized Rewards, Pricing and Fees

Hyper-personalized rewards and benefits with real-time wins for category-based spending, timely payments and more. Card program managers can use this configurable rewards program to drive desired behavior.

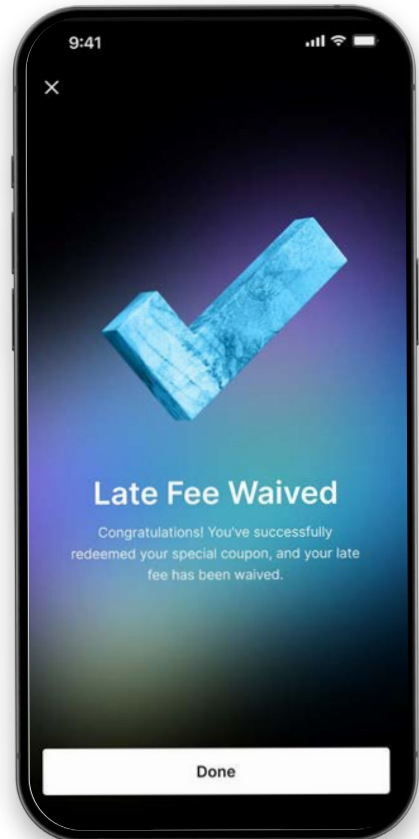
Upon successful repayment of his full credit card balance...



...Michael receives an instant coupon offer to reward full balance repayment



He redeems the coupon to avail of the late fee waiver



Moving the Needle

For Issuers

- Customized rewards increase card utilization
- Targeted offers prompt higher spend
- Repayment-based coupons reduce default rates

For Cardholders

- Personalized rewards increase customer satisfaction
- Targeted fee waivers reduce APR

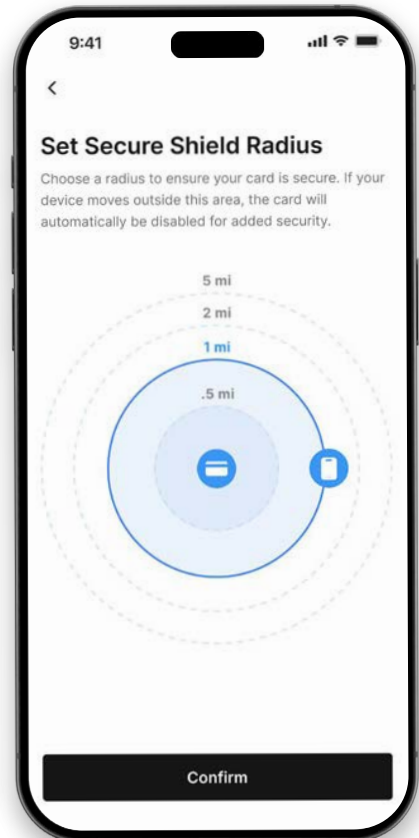
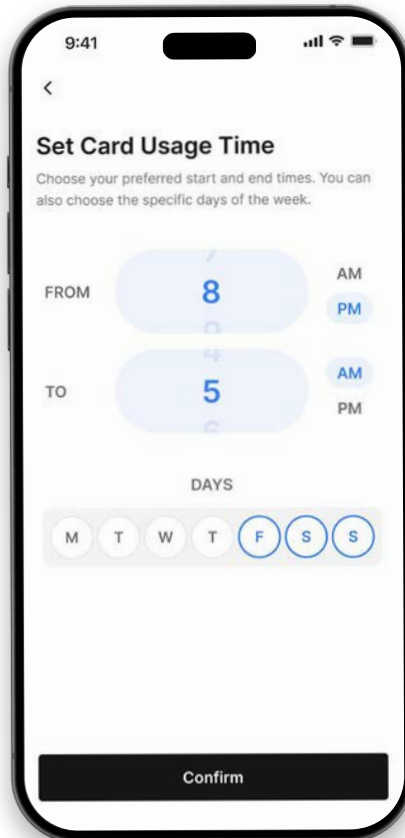
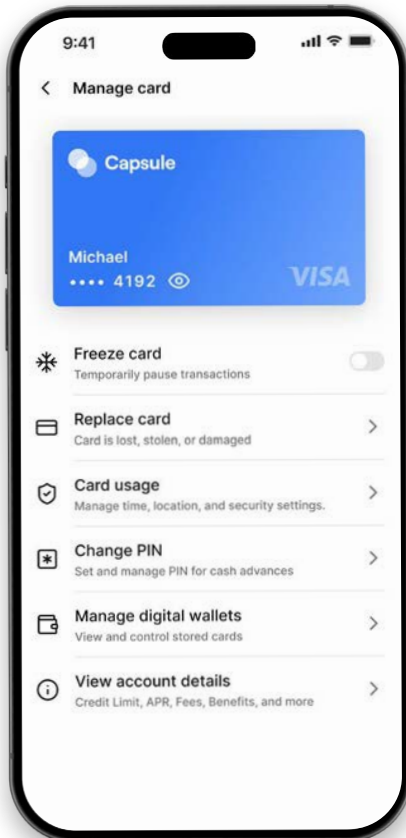
Smart Transaction Controls

85% US cardholders prioritize transaction security features when selecting a credit card². By giving cardholders enhanced transaction controls to prevent unauthorized use and fraud, issuers can drive top-of-wallet use and stickiness.

Michael has the full range of basic transaction controls to manage where and how his cards are used

Additionally, he can specify the days of the week & time when his card should be active

Michael can also geo-fence his card so that it is disabled for use more than 0.5 mile away from where he is



Moving the Needle

For Issuers

- DIY security controls reduce support cost
- Enhanced security reduces chargebacks
- Granular transaction controls reduce cost of fraud

For Cardholders

- DIY controls enhance self-direction
- Advanced threat protection increases customer confidence

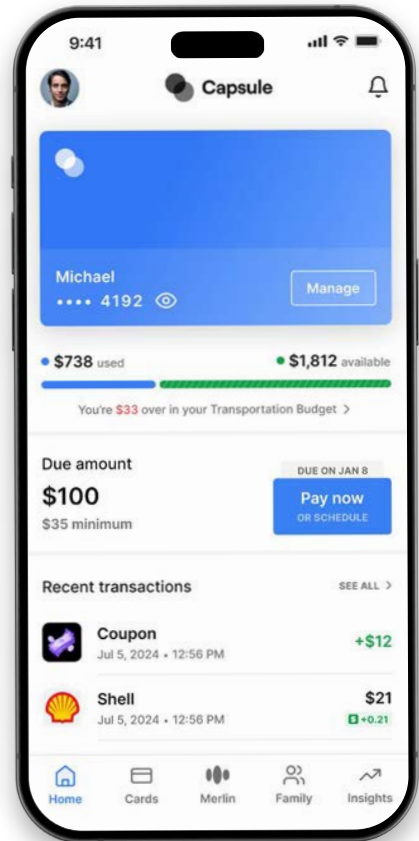
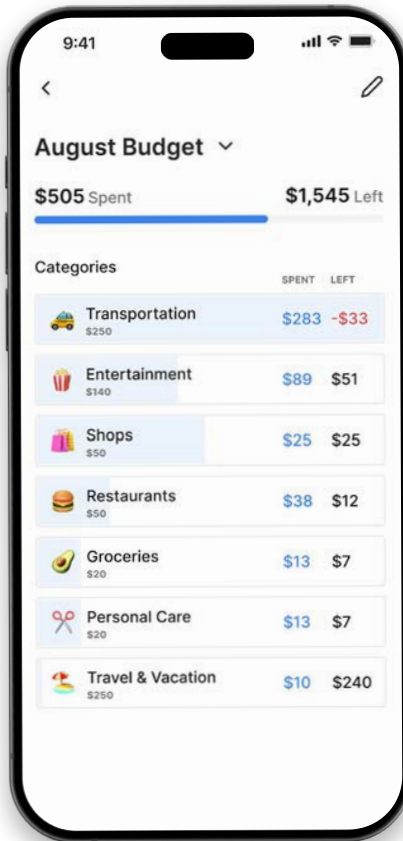
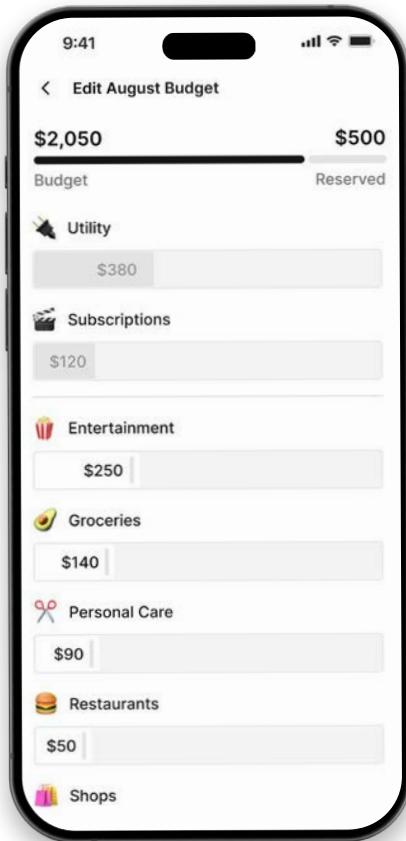
Spend Controls for Budget Management

A personalized budget management capability incentivizing cardholders to manage all their expenses on one card.

Michael can use well-defined categories and simple sliding controls to create a budget

He can track spend against each category on one screen

He can also track spend against his credit limit to plan repayments & adjust budgets



Moving the Needle

For Issuers

- Rich actionable insights improve customer satisfaction
- Customer-level insights augment cross-sell opportunities

For Cardholders

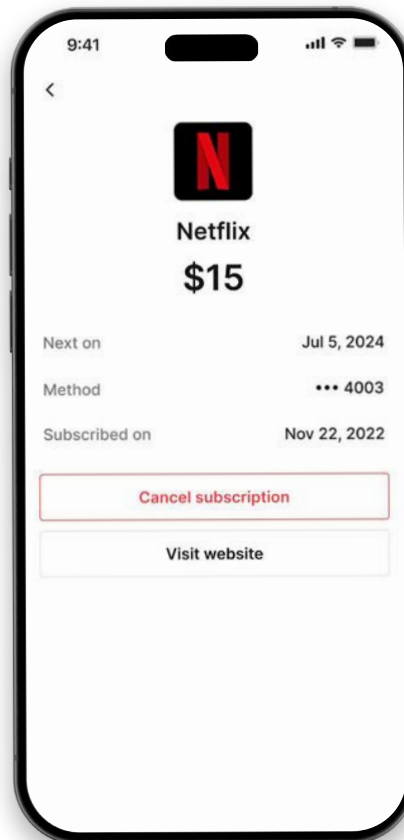
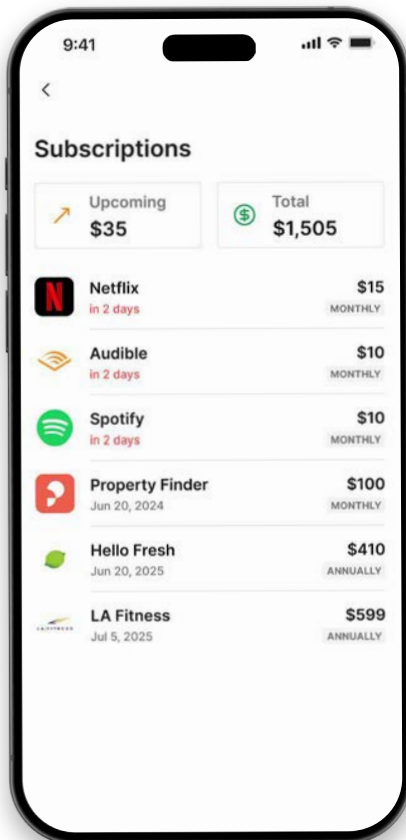
- Comprehensive spend insights enhance financial control

Subscription Management for the Digital Age

A unified subscription management capability that encourages cardholders to manage all recurring subscriptions on one card, driving higher monthly volume.

Michael can review all his subscriptions & upcoming payments conveniently in one place

He can manage renewals & payment methods seamlessly from the card app



Moving the Needle

For Issuers

- Value added service improves customer stickiness
- Default-card for subscriptions improves top-of-wallet position
- Granular data on discretionary spend offers cross-sell opportunities

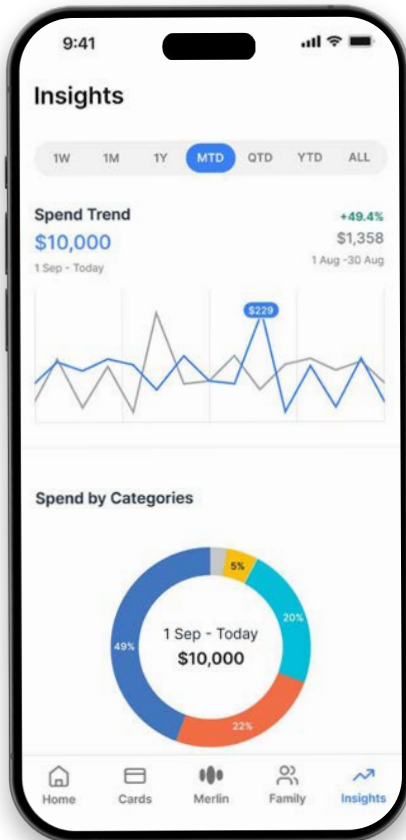
For Cardholders

- Easier tracking with one app for all subscriptions

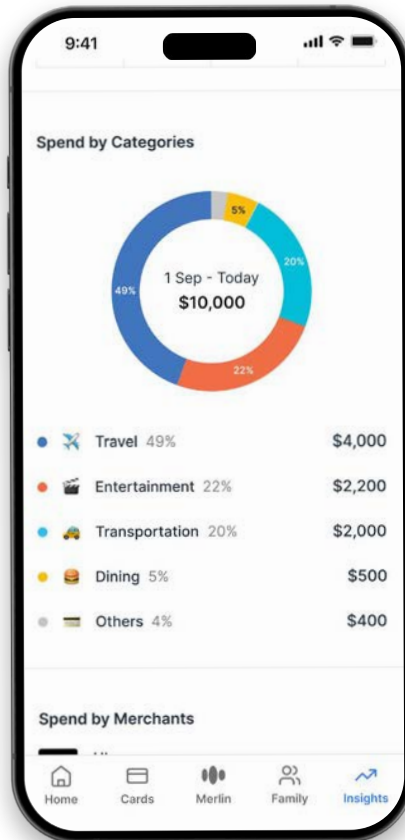
Actionable Spend Insights

Personalized, real-time insights with enriched transaction details and dynamic visualizations to help cardholders manage their finances better.

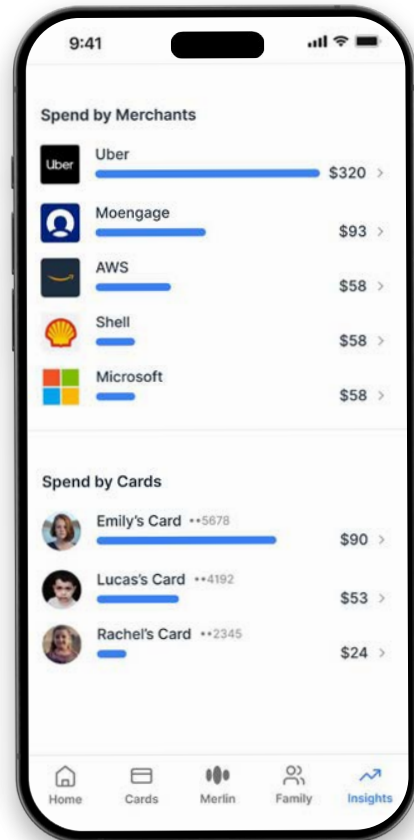
Michael can understand his spend trends at a glance with dynamic visualization



He can track his most active expense categories in one view



He can also get a merchant & card level understanding of his family's purchases



Moving the Needle

For Issuers

- Rich insights improve customer satisfaction
- Actionability increases customer engagement
- Customer-level insights augment cross-sell opportunities

For Cardholders

- Comprehensive spend insights enhance financial control

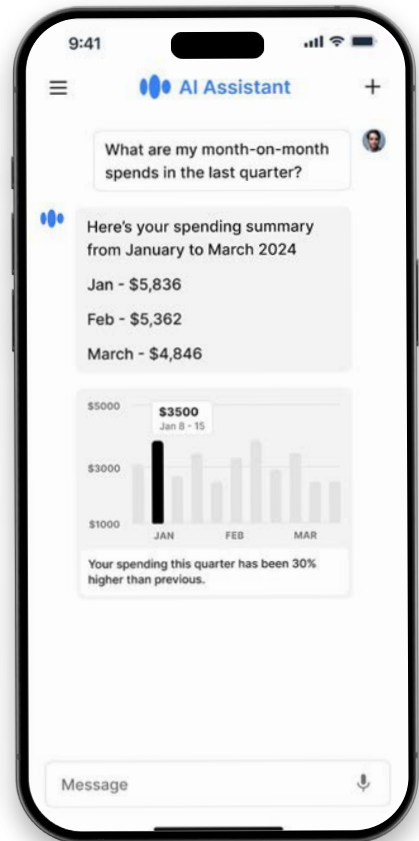
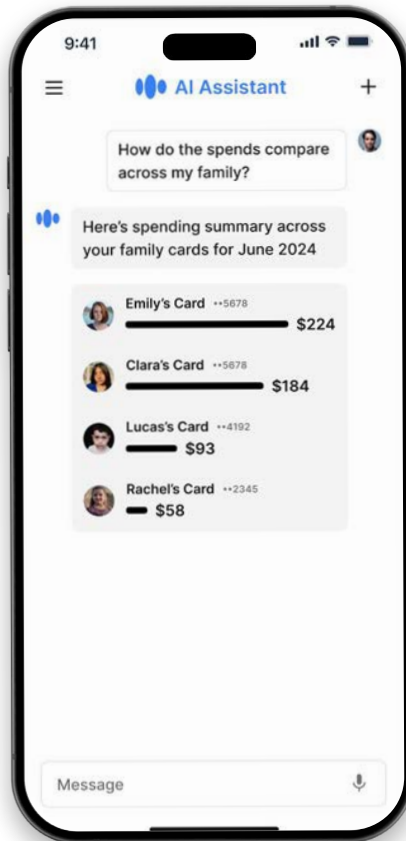
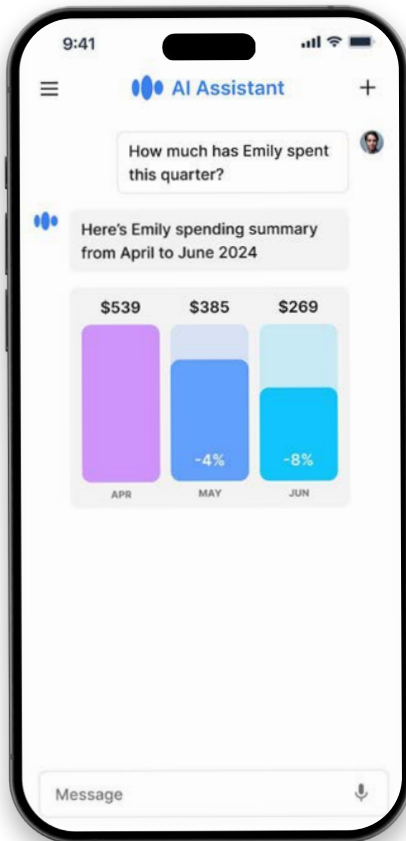
AI-Driven Financial Intelligence

AI-powered personalization, on-demand insights, actionable recommendations, and automation to help cardholders make better financial decisions.

In response to Michael's query, the assistant generates a personalized chart on family members' spending patterns

Similarly, the assistant generates a custom insight comparing spending for each member

The assistant understands Michael's requirement and not only fetches monthly spend for the last quarter but also presents a week-on-week chart for better insight



Moving the Needle

For Issuers

- AI-powered assistant vastly reduces support costs
- Targeted cross-sell leveraging AI-identified usage patterns

For Cardholders

- Conversational interface vastly improves usability
- AI-powered insights enhance financial decision-making

AI-Powered Card Assistance

In-app embedded voice assistant, powered by Generative AI, offering holistic customer assistance to cardholders.

Michael connects with a Conversational AI bot with voice capabilities for support

The AI Assistant is trained to recognize financial intent and can understand Michael's query in natural language

The AI Assistant responds conversationally over voice and text over voice and text



Moving the Needle

For Issuers

- AI-powered assistance reduces support requests & cost
- Concurrency offers faster scaling with customer service demand
- AI provides very high accuracy and consistency in service

For Cardholders

- Conversational AI significantly improves usability
- 24/7 availability without wait time enhances service experience
- Voice-based authentication provides enhanced security

The Future of Cards is Now

At Zeta, we are guided by a vision to enable issuers to create blockbuster card products that their cardholders will love. To achieve this we have:



Assembled the best team ever in the card-tech space

1700+ employees have spent **5,000,000+** hours on solving the hardest problems



Built the most advanced processing platform in existence today



Love this Product so much. I can't get enough.
I am in awe.

— *Digital Transformation Leader,
Top 10 US Issuer with 6+ million cards*



Established that there is a viable alternative to legacy card technology

With challenger card programs that have grabbed the attention of cardholders and issuers across key global markets

We're proud to present **3 live examples** of market-leading and award-winning, next-generation card programs powered by Zeta.

The Sparrow Card

A Modern Card Experience for Underserved Americans

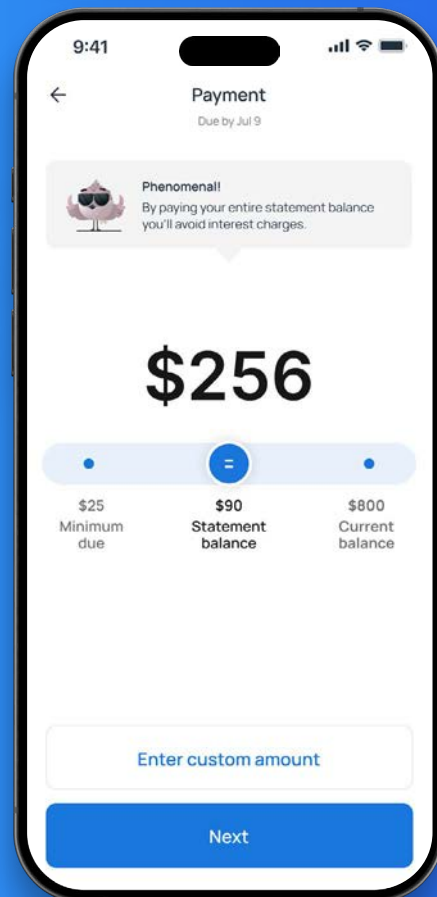
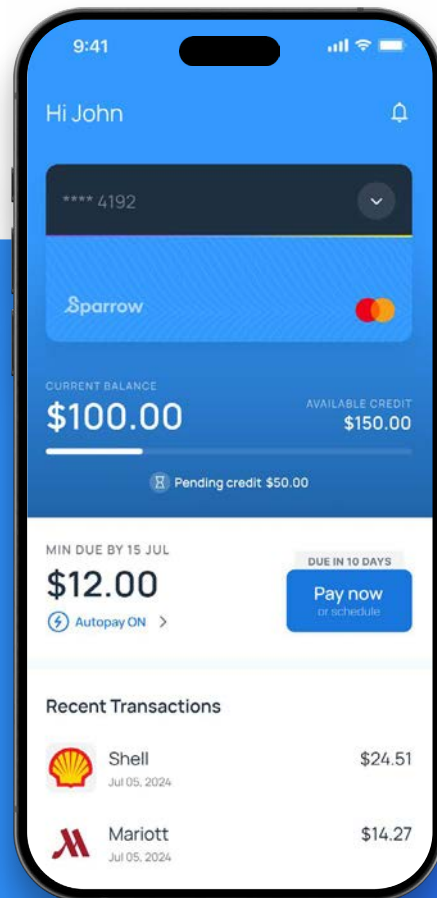
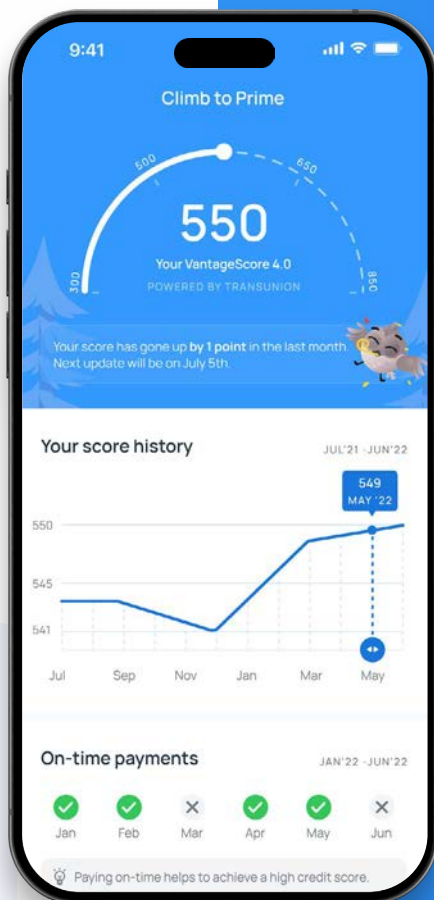
#1

card experience on Credit Karma across subprime cards

Tearsheet

Big Bank Theory Awards 2024
Best Banking Card Product

Learn More



4.3

credit karma™

4.1

Google Play

4.0

Apple Store



Moving the needle for the Customer

- Best-in-class digital app with intuitive controls
- Unique rewards model for non-primes that incentivizes repayments
- Automatic credit building and line upgrades



Moving the needle for the Issuer

- Simplified repayments (↓ Delinquencies)
- Automatic credit upgrades (↓ Customer churn to competing programs)
- Rich transaction views (↑ Customer satisfaction & ↓ Support requests)

This is what every card should be

"I was approved and had access to the card in my app immediately. And the app is so awesome. Looks super modern and has made managing my account so simple and quick. Way better than the apps for my other cards."



App Store

Great card

"Made a payment and my available credit was returned immediately, no stupid holds like others. I hope they keep up the good work."



credit karma

Very happy with this card

"I had never heard of this card before but i'm glad i got it. They have been awesome, from their customer service to the app being really user friendly. A good experience so far."



App Store



PayZapp

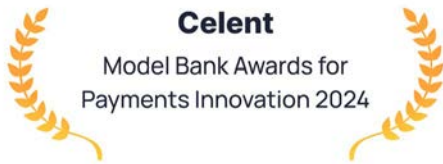
Leading Payments, Credit Card & Prepaid Card App

#1

bank-led payments app with
1+ million ratings in India

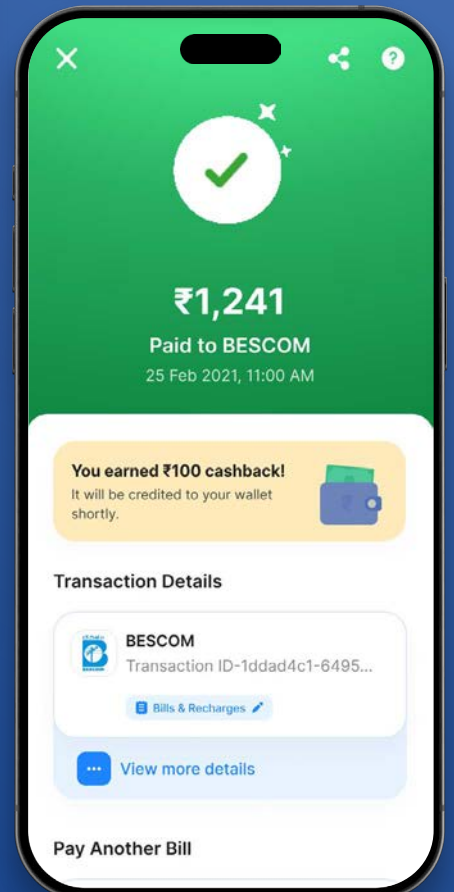
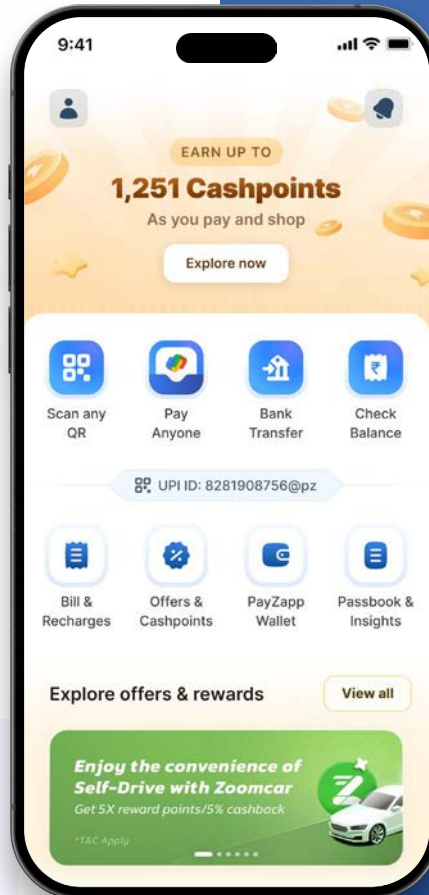
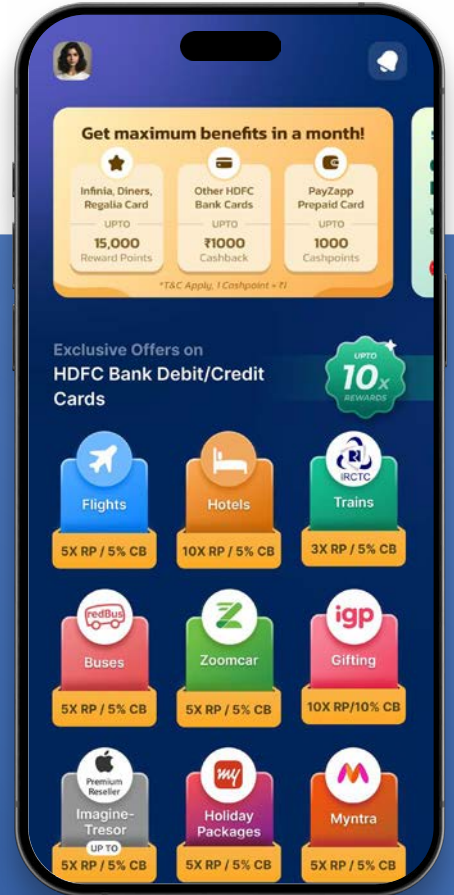
14+

million users



Celent
Model Bank Awards for
Payments Innovation 2024

[Learn More](#)



4.6



4.8





Moving the needle for the Customer

- Intuitive app experience with innovations such as Swipe-to-Pay
- 23 different payment types supported for unparalleled choice
- Seamless access to all HDFC products and services



Moving the needle for the Issuer

- Acquisition gateway for new-to-bank users (↑ User acquisition)
- One-stop digital gateway to the bank's products and services (↑ Cross-sell)
- Promotes greater top-of-wallet share for HDFC Bank's cards (↑ Transaction volume)

Lightning fast payment app

"I am extremely happy with Payzapp. Its very user friendly and lightening fast even in low network."



App Store

Upcoming best payment app

"Best upgraded version of the app.. the UI is just awesome... well done developers. The material UI themed integration was an awesome idea."



credit karma

Seamless payment experience

"I wanted to express my appreciation for your seamless payment experience through PayZapp. The convenience it offers in managing transactions, bill payments and more is truly amazing."



App Store

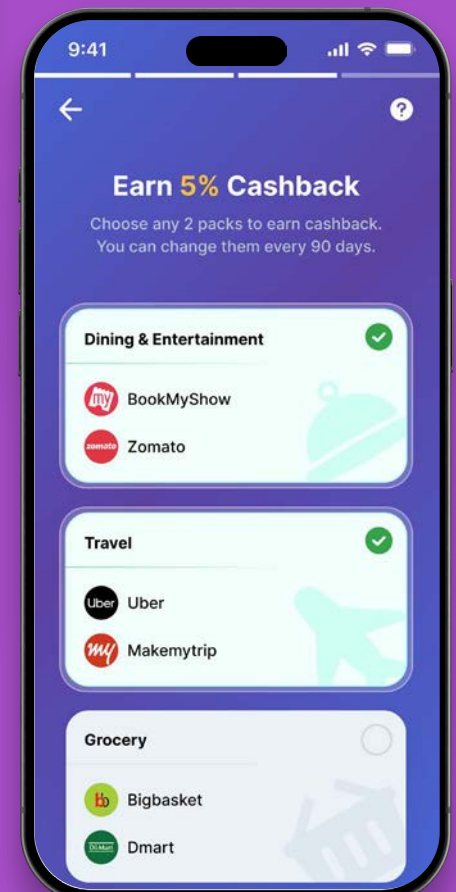
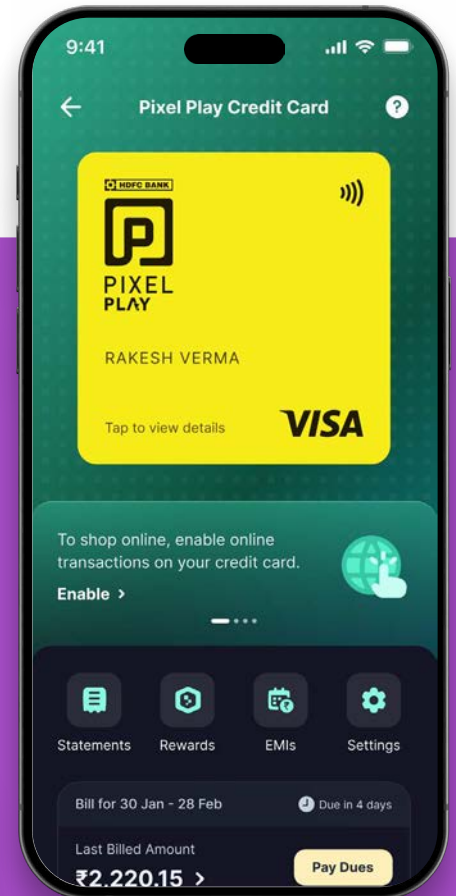
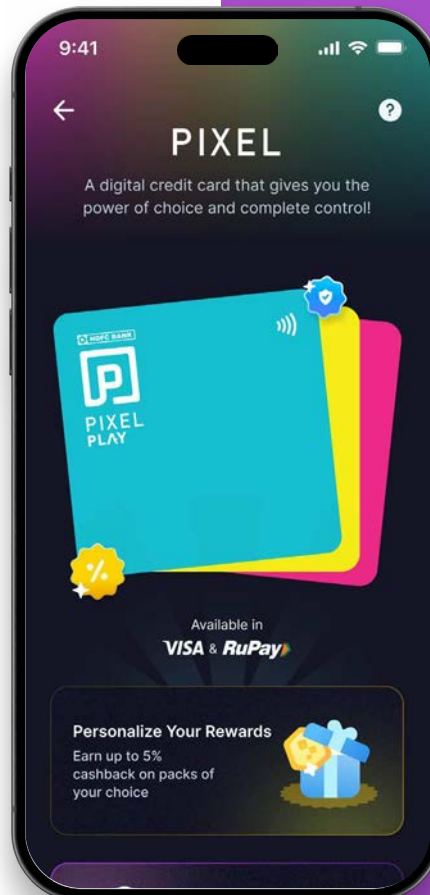


Pixel

The Definitive Credit Card for Digital Natives

- 100% digital onboarding & instant issuance
- Innovative DIY journeys
- Deployment of a next-gen card stack by India's #1 card issuer

[Learn More](#)





Moving the needle for the Customer

- DIY rewards profile tailored to spend types (food, travel, ...)
- DIY card customization (color, theme, billing cycle, transaction controls, ...)
- 100% digital on-boarding with instant card issuance



Moving the needle for the Issuer

- Advanced digital collections and repayments capabilities (↑ Collections)
- Self-configured rewards result in greater utilization and spends (↑ Top-of-wallet)
- Rapid feature launches and iterations (↑ Speed-to-Market)

Customer Reviews



"If I were to rate the card on the features and experience, it is a sure 5/5! "



"Pixel is very convenient. Since the card controls are within Payzapp, it is super easy to manage and the user interface is too good. I'm addicted to Pixel and I've stopped using other cards."

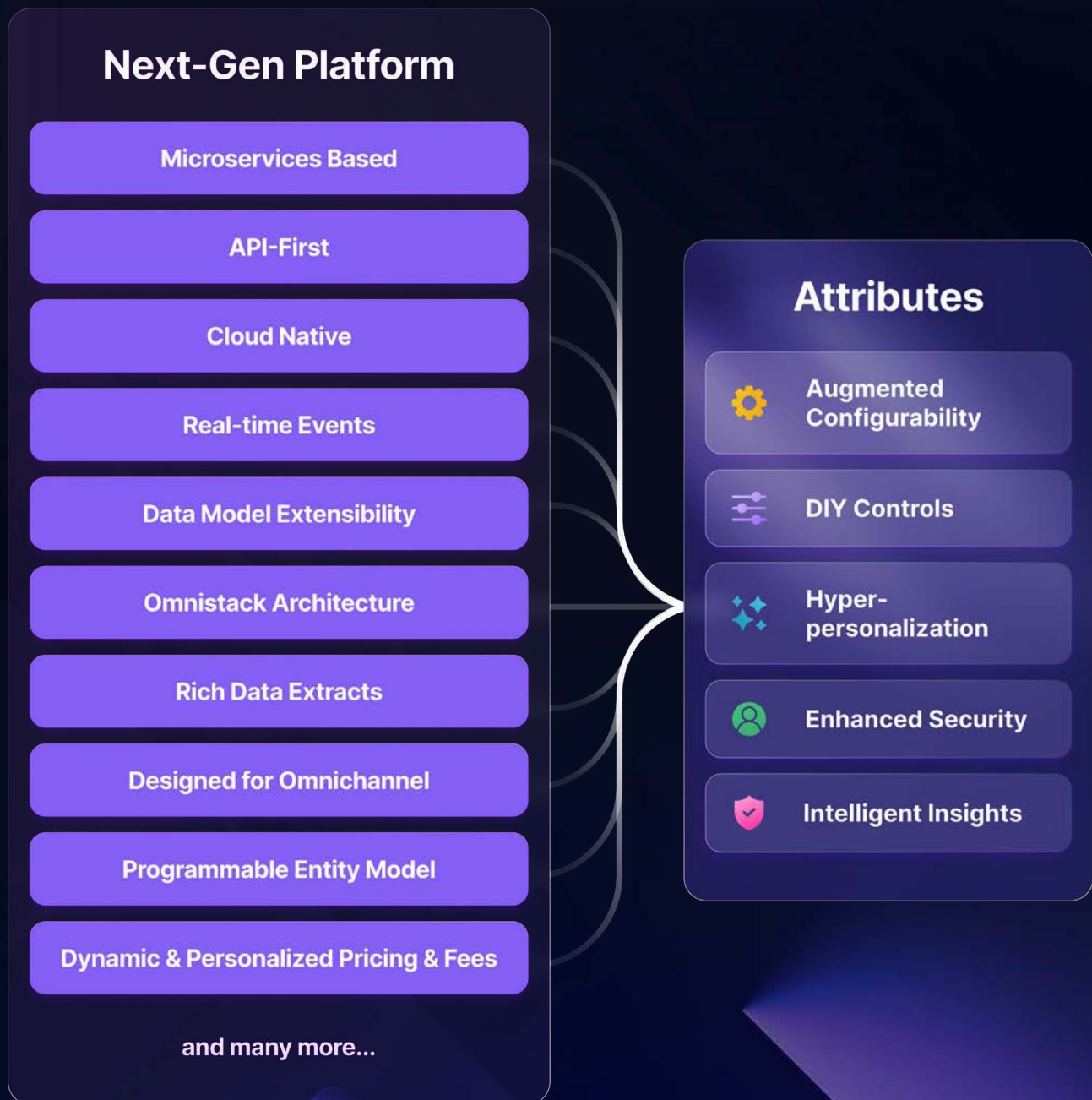


"The process, payments and everything is super fast with this card. It is a great card for youngsters; very convenient and it's super easy to get the card approved! "

Now, Card Programs Are Limited Only by Your Imagination.

However, legacy system constraints can severely hinder your vision. Next-generation card processing platforms empower program managers to push the boundaries of innovation.

The following are the key characteristics that your platform needs to overcome legacy system constraints.



What will you build?

zeta

Card Strategy Accelerator



Gain insights from industry experts with decades of experience helping issuers drive transformation agenda across cards and payments.



Use the one-to-one consulting session to

- › **Build a cards business strategy:** Get guidance on structuring a robust cards business approach.
- › **Assess Future Readiness:** Get a clear understanding of how your current card program aligns with future industry standards.
- › **Identify Critical Gaps:** Pinpoint operational and strategic gaps that may hinder growth or digital transformation.
- › **Discover Future Proofing Strategies:** Gain tailored recommendations to optimize your card business and stay ahead of competitors.



Request your session now

sales@zeta.tech

References

- 1 J D Power, 2024 US Banking and Mobile App Satisfaction Studies | May 2024
- 2 Pymnts Intelligence, 85% of Consumers Without Paycheck Pressures Choose Credit Cards for Their Security Features | February 2024

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About Us

Headquartered in San Ramon, California, Zeta was named by Celent in 2023 as being among the likeliest partners for US banks and credit unions looking to modernize to a next-gen issuer processing platform. With our marquee credit card ranked #2 by American cardholders, Zeta is already acknowledged by leading issuers as the go-to platform for market-leading credit card experiences.

Globally, Zeta is recognized as a next-gen banking technology company. Our platform enables financial institutions to launch extensible and compliant banking asset and liability products, across cards, loans and deposits, rapidly. Our cloud-native and fully API-enabled stack supports processing, issuing, lending, core banking, fraud, loyalty, digital banking apps, and many other capabilities.

Zeta has 1700+ employees with over 70% in technology roles across locations in the US, Middle East, and Asia - representing one of the largest and most capable teams ever assembled in banking tech.

Globally, customers have issued 25M+ cards on our platform.

Visit us at www.zeta.tech or follow us on LinkedIn, YouTube, and X.

