transfers were possible, as was the formation of subaccounts for family members (with the option of setting spending limits).[38] It simply seemed too good to be true.

As one product manager observed, focus group participants were most concerned about security. "They actually know the banking system better than people that are banked," he said. People with several jobs who managed multiple income deposits often had experience with a range of financial services, and they developed strong preferences. At one focus group, a man explained that he knew what time of day his paycheck was deposited. For AXP to succeed in a market it hadn't explored before, these were the types of concerns Bank 2.0 would need to address.

Chokshi had described the Bank 2.0 initiative as an "aspirational brand." He added that "safety, security, trust is for everyone, not just the affluent." He acknowledged that the new target market might not have an affinity for the brand—even if, as focus groups suggested, people knew they could trust AXP. "Millions of people knock on our door and we have to say no to them on the credit card side because they don't have the right […] credit scores," Chokshi said. Bank 2.0 was a way of welcoming these same people.

## Reaching the Underbanked: How to Distribute the Product?

The team knew that a key success factor would be whether there were concerns among the existing franchise of cardmembers about "diluting the brand" with Bank 2.0. One potential alternative would be to distinguish this franchise through its distribution channel. Perhaps innovations in distribution could help build a bridge between traditional AXP and the underbanked segment.

Schulman had come to EG with start-up experience. He believed that the biggest impediment to a company's future success, ironically, was its past success—a tendency "to become wed to what was and not what could be." He hoped Bank 2.0, and EG in general, could be seen as a complement to AXP's iconic brand.

In a meeting, the team wrote on a board the qualities it sought in a distribution channel for the new product. Effective delivery through novel channels would require investments in systems and expertise that AXP didn't currently have, such as merchandising and CPG. Bank 2.0 was unlike AXP's earlier prepaid products—it was a technology product, not just a card—and it had to stand out on the shelf. As a whole, the prepaid industry presented enormous challenges. Though it was easy for a customer to sign up for a product online, there was no guarantee that he or she would *use* the product.[39] Since part of Bank 2.0's appeal was its minimal fees, AXP wanted customers to engage fully with the product by signing up for direct deposit. At a bank, customers received a folder (or some kind of documentation) describing the benefits of opening an account; similarly, technology products often came with booklets that described the item's features. Bank 2.0 packaging would need to be heftier than a simple plastic card.

The EG teams saw plenty of reasons to move forward with Bank 2.0: AXP had already spent millions of dollars on the Serve platform, and this was a way to take advantage of the investment. Without losing its traditional affluent customers, the brand could expand into new markets, fulfilling a wish to participate in financial inclusion—to be "consumer champions." If more and more consumers wanted to pay with AXP products, it would become harder and harder for merchants to turn them away. Furthermore, AXP already had 22,000 ATMs that could be made available to the Bank 2.0 customer. On the board, EG posed a question: "Why go into infrastructure when you can replicate it?" Perhaps the team had to shift its point of view: perhaps a familiar infrastructure would be comforting to consumers, who would not have to learn about an entirely new kind of product.

## Calling the Question

Chokshi and Wright sketched out a few remaining key questions that would need to be answered in the realization of the EG team's goal of "reimagining banking." They were:

- **Viability of the market?** Was this demographic too much of a financial risk for too little return? The team knew that the company's first reloadable prepaid card, PASS, had not been a great success; did it make sense to try the model again?
- **Build or partner?** Assuming that this new target market was potentially valuable, how would AXP reach those consumers? Should it seek out a recognized partner who already had a strong relationship with the underbanked? Or build on the AXP brand's existing equity in the marketplace?
- **Acquire?** Should the company acquire one of the new entrants, such as Green Dot or Netspend?
- **Competitive response?** How would traditional retail bankers respond to EG's entry? Would partnering with an established retail banker be the best choice for a distribution channel, or should EG innovate and create its own channel?