

Internet Banking Commentary

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The Power of Integrated Consumer Management & Marketing: One Bank's Story

Consumer relationships lie at the heart of exceptionally effective online marketing and are a key to increasing consumer lifetime value. Building trust in these relationships requires a personalized process that leverages sophisticated technology, multiple consumer touch points and marketers who know the business. Together, these elements are the key to nurturing consumers through the Internet banking life cycle to develop enduring and profitable relationships.

First Command Bank, based in Fort Worth, Texas, understands this concept well. It quickly saw the advantages of leveraging its online channel when it recently faced a considerable marketing and client communication challenge. An affiliate of First Command Financial Services (www.firstcommand.com), the Bank has more than \$570 million in total assets and offers personal and commercial banking. In particular, First Command specializes in serving members of the nation's military based throughout the United States and around the world.

The Bank was challenged with one offer in particular for a new, pre-approved credit card program. This offer required an efficient, yet effective communication process to make its clients aware of the promotion and a fast response system for clients to take advantage of the offer.

"We are committed to ensuring our customers in the U.S. and around the world are supplied with all the information they need to take advantage of time-sensitive offers," said Roger Smith, Senior Vice President, Consumer Lending at First Command Bank. "However, mailings require a significant amount of time to reach the customer and receive a response. And it is impractical with print advertising to place ads everywhere needed to effectively reach everyone. Further, the cost-benefit ratio was also an issue since mailings and print ads were expensive and demanded a sustained, long-term strategy for quantifiable results."

First Command Bank chose to leverage the integrated cross-selling feature of its Internet banking platform to

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Consumer Management

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meet the task of communicating the credit card program to their customers. Online Resources, First Command's Internet channel technology provider, offered an integrated consumer management service that provided the ability to instantly present qualified clients information about the pre-approved credit card opportunity, through online and offline channels.

Integrated cross-selling generally can consist of a combination of real-time online messaging, secure email, Internet email, inbound/outbound call center support, and direct mail. By leveraging these tactics and touch points in concert through a centralized service, financial institutions can improve acceptance rates, lower cost-per-acceptance, optimize business processes and instantly track the results of each campaign.

First Command chose to implement a multi-faceted cross-selling feature that

included Customer Service Representatives who presented credit card offers to pre-approved customers as they contacted the call center. In addition, the bank's online channel served up targeted promotions to customers who logged into the secure banking platform.

Targeted emails were also distributed to selected client segments. Customers who then responded to the promotions were guided to a secure website where a convenient "one-click" verification process took place to complete the offer.

The results of the online campaign showed significant improvements in acceptance rates and the cost-per-acceptance rates for the pre-approved credit card campaign as compared to the bank's past campaigns. It also streamlined the campaign management efforts and reduced the cost of operation for the bank.

Beyond expanding their marketing strategies to deepen client relationships and create new ones, First Command Bank also received daily success reports

on the campaign's progress. These reports combined the results of in-session messaging with the other campaign channels, allowing the bank to review and adjust strategies in near real-time for even greater campaign success.

The overall success of the campaign proved that leveraging the online channel was an excellent way to provide ongoing consumer communications for the bank. By taking advantage of personalization techniques, multiple consumer touch points and marketers who know the financial institution business, First Command Bank was able to produce greater success at a lower cost for the bank's promotions. □

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