



Listen to your customers.

13 tips for successful financial customer marketing programs

Recognize how critical it is to build on existing relationships. Getting new revenue from existing customers is less costly than acquiring new customers. Make customer marketing a top priority.

Most customers have only one or two products or services with a given financial institution. **The fewer ties to you, the easier it is to switch.** Set goals now for increasing product/service penetration in key customer segments.

Don't just compile data, maximize it. The first step is integration of customer and account data for a snapshot of each customer relationship (through an MCIF or other system). From there, various tools and actions will help you develop profitability profiles for segmentation and customer/product matrices.

Remember, this is one-to-one marketing. While you may send out thousands, hundreds of thousands, or even millions of customer marketing communications, each one is viewed by a single customer as a single communication from his or her bank. The closer you can come to providing an individualized solution instead of presenting a product for sale, the more successful your program will be.

Prioritize and segment your retention efforts. The old 20/80 rule still applies to a large extent. Take very good care of the 20% of your customers who likely represent 80% of your deposit accounts. Make every effort to keep them happy, monitor their satisfaction, maintain their business, and expand their relationships. On the other hand, you do not want to ignore the other 80% of your customer base. Deep data mining and add-on analysis will help you uncover those with high profit potential.

Cross-sell or up-sell every customer you can into at least one "sticky" product that makes it harder for them to switch to another bank. For example, if a customer has only a checking account, it's easy for them to change to the bank that offers a gift card at account opening. But, if they have online banking with you, it becomes more of an effort for them to decamp.

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If you do nothing else, **implement a branch-directed effort** to say “thank you” and ask “how are we doing?” Customers want to be appreciated. Have someone at each branch call or send a nice note of thanks when a customer opens a new account, even if it’s opened over the phone or online. Then check in with that customer periodically, to rate their satisfaction, uncover any potential problems, and grab any opportunities for up-selling or cross-selling. While this may not be a sophisticated or particularly quantifiable program, if you do it consistently, you’ll see results in both retention and the lifetime value of your customers.

Think retention even when working on new customer acquisition. Use your CRM database for a merge/purge to eliminate current customers from any new prospect lists. Few things annoy a customer more than receiving a prospecting solicitation from the place where they bank. First they think, “Why don’t you know I already bank with you?” And then, “How come someone who isn’t giving you their business gets a better deal than I do?”

Keep refining and mining. Explore software and other solutions that can augment your MCIF or other database to give you an even clearer picture of each customer. Householding, geographic, psychographic, lifestage, and other information can be used to refine product/service offerings. The better the targeting, the more effective and cost-efficient the marketing efforts.

Ask customers what they want. Simple surveys — distributed as statement stuffers, online, in branches, or by mail — can give you a great deal of information. Find out what customers might be looking for that you don’t offer (or that you haven’t offered them!) — ask them to rank product or service attributes — and so on. The survey should be short and simple so you get a higher response.

Don’t forget your commercial customers. If anything, there’s probably even more opportunity for up-selling, cross-selling, and cementing the relationship. Commercial databases are available for overlay and integration with your files and can be used to help increase product and service penetration to small businesses and larger commercial operations.

Use your data intelligence online. You can tailor banner messages on your web site to particular customer segments. For example, if you’ve decided a certain customer would be a good candidate for a home equity loan, make them an offer the next time they log onto their Internet banking account. If they click through, give them an application.

Even the most detailed information is useless unless you act on it. If you would like to learn more about how we can help you build or optimize a program — call it MCIF, CRM, onboarding, retention, or other customer marketing term — contact McCabe, Duval + Associates today.

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