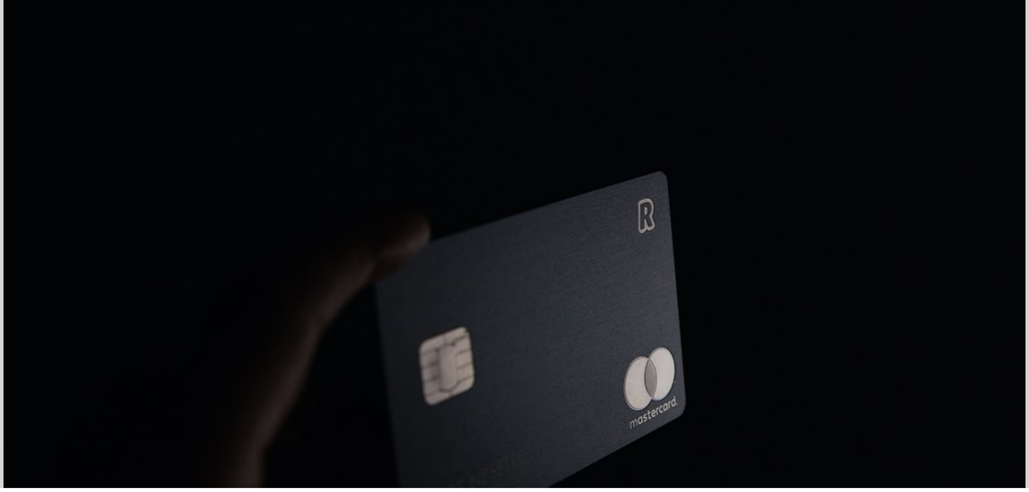

3 Powerful Customer Acquisition Strategies Community Financial Institutions Probably Aren't Using

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Effective sales and marketing strategies in the banking industry have evolved significantly over the past few years. Advances in technology, combined with changes in consumer banking behavior, have changed the way banks can reach and interact with prospective customers. The banks who are seeing growth are the ones embracing these changes and leveraging a number of available, but rarely utilized, customer acquisition strategies.

One of the biggest challenges facing community financial institutions - in an effort to get new customers- is the difficulty reaching them. This is largely due to the number of growing competitors and big banks willing to spend more on advertising than ever before. Local institutions must find ways to compete while effectively navigating the advertising and marketing landscape to put their messages in front of consumers looking to engage with a bank. As mega banks tap into their large budgets for online advertising and the necessary technology to reach local consumers, smaller banks, such as credit unions and community banks, need to work even smarter.

Customer acquisition is a necessary part of growing deposits and developing a loyal base of customers. According to a Bankrate.com study, the average U.S. adult has used the same primary checking account for about 16 years. More than a quarter (26 percent) have held onto a checking account for more than 20 years. This is why customer acquisition for financial institutions is so important. Once you acquire a customer, the chances of them leaving your institution are slim. In fact, clients who start with a checking account often consume additional banking products, from home loans to lines of credit, thereby becoming more entrenched with the institutions they started with.

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The Evolution of Customer Acquisition

Long gone are the days of traditional advertising where a local billboard or postcard sent prospective customers to banking institutions in droves. When outreach was less crowded, getting the attention of consumers was much easier – not to mention the declining attention span of today's consumer. In fact, a study by Microsoft concluded that the human attention span has dropped to eight seconds – shrinking nearly 25% in just a few years.

This means institutions not only have to compete with other advertisers, but they are also dealing with the declining consumer attention span. When ads are served, you have mere seconds to generate interest and get prospective customers to take action. The solution is to target the right consumers and put a relevant message in front of them at the most opportune moment – when they're actively looking for a banking solution to a given customer problem.

Given the myriad of messages consumers experience on a daily basis, what can you do? Part of achieving the just-in-time attention of your target customer has as much to do with the medium as the message. "You need to be where your potential customers are," says Greg Pellitteri, CEO of Bundlefi, a financial service marketing firm. "We know that consumers who are seeking new banking options are much more likely to convert than passive buyers being served generic ads."

Targeting the right customers at the right time is possible today because marketing and advertising technology has evolved, giving financial institutions and service provider's new ways to acquire their ideal customer. Some of the most effective technology is driven via mobile devices and is served cross-platform, supporting customer journeys on multiple screens. Given that there are more mobile devices than people, reaching consumers leveraging mobile technology has become more affordable for community banks and credit unions.

There are specific customer acquisition strategies that are emerging as the most effective means for targeting, engaging, and influencing potential customers. By combining data that can provide deep customer insights, with marketing platforms designed to serve dynamic ads customized with a specific individual in mind, smaller banking institutions can now compete effectively with mega banks in acquiring new customers.

Here are three powerful customer acquisition strategies community financial institutions probably aren't using to grow their institutions.

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1. Using Integrated Marketing Platforms that Leverage AI

Marketing software that tracks individuals throughout the sales cycle has become more readily available and affordable. At the same time, this software is both sophisticated and intelligent without requiring a deep understanding of technology. By acquiring additional information on potential customers throughout their journey, including behavioral data, prospects can experience a customized journey with a brand that caters to their specific needs and wants. This improves engagement and conversion rates throughout the sales cycle.

These systems, like Marketo, Hubspot, and Eloqua, collect and build prospect data by using progressive forms and behavioral tracking that logs website clicks, engagement with content, and so much more. Integrated marketing systems are also getting smarter. The amount of data they collect, and how they collect it, has evolved. In addition to accumulating raw data on prospective customers, much of the data is analyzed in real-time and serves appropriate content at key milestones in the buyer journey. This is very different from marketing technology of the past which relied on a marketer, or marketing agency, to define a specific path that all prospects would travel and develop linear content that would remain unchanged throughout the campaign.

With deep consumer insights, initially based on targeting but enhanced through behavioral data, engaging prospects effectively has become greatly simplified. More importantly, serving the right content – in the form of ads, articles, videos, etc. – is now semi or fully-automated. This is the power of artificial intelligence (AI). Marketing platforms are in a constant learning state, processing data points and predicting the optimal way to engage individual prospects. This results in endless combinations of personalized content being served and millions of individualized customer journeys being created based on consumer behavior. Community financial institutions that leverage this level of insight and personalization will have an advantage over other advertisers throwing generic messages into a crowded ocean.

Of course, none of this would be possible without the explosion of big data, more processing power, and the means to harness it.

2. Using Big Data to Drive Results

When most people hear "big data", their eyes tend glass over. This is because the concept has been so esoteric that only psychometricians and PhD students have taken notice. But big data drives much of what's consumed by way of social media, advertising, and browser behavior. From personalized recommendations on Netflix, to shopping suggestions by your favorite online clothing store, big data makes it possible. Regardless of your position on tracking consumer behavior, one thing is certain, big data is creating individual experiences for every consumer.

So how can you use big data to meet your potential banking customers where they are? The answer is both simple and seemingly complex. This is why so many companies who serve the financial space have emerged as big data solutions in the past few years. This includes marketing agencies, SaaS providers, and organizations that support lead generation or customer acquisition. They understand how to collect, combine, and extract meaningful insights from big data. Whether it's a simple solution, like appending existing data sets, or dynamically combining dozens of behavioral data points to serve personalized content, it's very difficult to implement without the right systems or tools.

There are a number of ways that banks can begin to leverage big data to drive results. One easy way is by appending data you may already have or purchased for a specific campaign. Data appends, as they are frequently called, can greatly enhance basic information available on your target audience. This can be as simple as adding an email to a record, where you only have a name and physical address, or as sophisticated as sharing a complete data record that includes buying history, credit, and income. With additional data points, you can create more targeted outreach and personalized communication as part of your marketing program.

Big data, as it continues to grow in scope, also allows advertisers to combine behavioral data with their prospect lists. This has proven more valuable than demographic or psychographic information alone. For example, discovering that an individual has used one credit card in the last three months versus six can mean very specific things about money management habits. On the other hand, knowing that a consumer tends to buy big ticket items at the beginning of each year could improve the timing of your marketing for personal and home equity loans. Leveraging consumer behavior data points ensures targeted marketing based on demonstrated results - making marketing dollars significantly more effective.

Social media is no stranger to big data either, since it helps advertisers generate effective campaigns. The investment in big data accrues to your benefit, allowing for targeted advertising and expansion of your potential audience. Facebook, in particular, allows advertisers to upload a list of their customers to both target directly, when matched, as well as to produce a look-alike audience. A look-alike audience is a group of people closely matched to those who are much more likely to bank with you based on a multitude of data points. All of this advanced targeting, thanks to big data, becomes more effective when you leverage geographical targeting.

3. Using Geo-Targeting to Reach Prospects

Local banks and credit unions have learned that it's not just about having the right message. It's also about reaching potential customers where they live, work, and play. You never know when someone will be in market for a new bank, need a loan, or have the opportunity to put money in a savings account. In addition to being ever-present with retargeting ads, focusing on specific geographies can make all the difference.

When it comes to banking, regional and local geographic areas must be considered for targeting if you want to deliver personalized messages that encourage future customers to interact with your brand. Additionally, when you target your ads locally, you don't waste marketing budget on targeting consumers who are too far from your institution to consider it a viable option for everyday banking. This is why local advertising has always been so popular.

The good news is that local marketing has come a long way from the town paper, mailer, or bulletin board at your local coffee shop. In fact, digital marketing has become so sophisticated, that reaching consumers in specific locations is not just possible, but it's also affordable. As the cost of data and technology declines, the ability to reach your target consumers like never before is available for every community financial institution.

So how does geo-targeted advertising work? It all begins by marrying big data with location information. As consumers go about their day, specific location information is collected in real time from mobile devices. This data is then combined with other targeting criteria to serve the right ads at the right time. With such a deep lake of data, advertisers can serve dynamic ads that are customized and hyper-targeted by location, ensuring higher levels of engagement than were previously thought possible.

For example, local banks and credit unions can target those living within a few miles of their location. If they match the specific criteria the institution is looking for (ex: newly married), ads can be served on desktop or mobile devices. Taking this one step further, imagine walking into your local convenience store to use the ATM. As you leave this location, you're served ads in a mobile browser and apps, suggesting future transactions can be "no-fee" from your local community financial institution. In this example, geo-fencing has been utilized, thereby improving targeting and engagement.

Geo-fencing is just one aspect of geo-targeting but allows advertisers to get hyper focused on where many of their customers come from. By drawing imaginary lines around specific buildings, individuals are tracked based on location and served appropriate ads. This is all possible because of mobile location technology and is permitted as long as personally identifiable information (or PII) isn't revealed to the advertiser. One of the most important aspects of geo-targeting is the ability to serve dynamic content. Through a number of advertising platforms, you can combine the best practices of digital advertising, such as A/B split tests and dynamic content, to find the most appropriate, high-performing ads. As location information is combined with numerous data points and the best performing ads, banks can experience higher levels of engagement and new customer acquisition.

By leveraging marketing and advertising technology the right way, you can generate a lot more from your current advertising and marketing dollars. Unfortunately, many community banks and credit unions are not aware of the potential solutions that exist for marketing that leverage new marketing platforms, big data, and geo-targeting. When combined using the right know-how, community financial institutions can get much more from their existing marketing budget and experience more growth.

About Bundlefi

With tools to help you identify opportunities and know more about your prospects, getting new customers has never been easier. Bundlefi has been helping community banks and credit unions for more than a decade grow deposits by driving consumers directly into the online account opening experience for your bank.