



White Paper

Seizing the Opportunity with Digital Analytics and Marketing for Financial Services

Optimizing the Online Channel to Drive Revenue and Build Profitable
Customer Relationships

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Executive Summary

In financial services, the battleground for customers is shifting to digital marketing. To win, financial institutions have been working to attract and retain customers through a superior website experience. Yet, the digital space offers many more opportunities today beyond just website centric marketing. Leading digital marketers engage customers with personalized email, targeted display and search ads, mobile marketing and social media.

These opportunities and challenges confront firms across the range of financial subverticals—retail banks, credit unions, lenders, brokerages, insurance firms, and other institutions. They are only growing in importance as consumers increasingly use web-based financial services, and as younger, web-savvy Gen Y consumers broaden their usage of financial products and services.

In viewing real-world use cases of firms that have worked with Coremetrics, an IBM Company, learn how financial services firms can capitalize on the full range of digital opportunities for turning site visitors into high value customers and loyal advocates. By fusing analytics with digital marketing automation, leading marketers are able to orchestrate a personalized and compelling experience throughout each customer's digital lifecycle.

The Changing Online Landscape in Financial Services

Online customer interaction with financial services continues to grow strongly. One such example came from a study by the American Bankers Association (ABA), that showed the percentage of retail banking customers who prefer online banking to branches, ATMs, phone and other channels rose to an all-time high of 36 percent in 2010, up from 25 percent in 2009.¹ Just 25 percent of consumers prefer branches, 15 percent ATMs, 8 percent snail mail, and 6 percent telephone.

This represents a reversal from just two years earlier—when Internet banking ranked third in popularity in the ABA's annual study—and illustrates that online usage of financial products is still very much on the rise. And though banks, brokerages, insurers and others have developed robust transactional systems, many remain behind the curve with web analytics and digital marketing.

“As consumers increasingly research and apply for financial products online, financial institutions must improve their ability to identify and convert prospects over the web,” said a report by the Aite Group², a financial services consultancy.

Challenges and Opportunities for the Relationship Oriented Business

Recognition is growing in financial services that online engagement and marketing is essential to countering several industry trends and achieving key strategic objectives of increasing revenue, building customer loyalty, and reducing costs. Consider:

- **Loyalty is down, churn is up.** Retail banking customer loyalty and brand perceptions have decreased for four consecutive years, a study by J.D. Power & Associates found³, while customers are switching banks at an increasing rate. In 2010, 8.7 percent of customers changed banks, up substantially from 7.7 percent in 2009, J.D. Power reported.⁴

¹ American Bankers Association, “ABA Survey Shows More Consumers Prefer Online Banking,” press release, October 2010.

² Aite Group, “Online Marketing Maturity Model for Financial Institutions,” press release, February 28, 2011.

³ J.D. Power & Associates, “2010 US Retail Banking Satisfaction Study,” June 2010.

⁴ J.D. Power & Associates, “2011 US Retail Bank New Account Study,” March 2011.

- **Cost reductions are essential.** Further cultivation of online customer interaction and transactions is essential for firms to reduce the high operational costs of physical offices and call centers. Maturation and refinement of online transactional systems, and digital marketing of those services, is becoming a higher priority for all subverticals in financial services.
- **Mobile devices surge in adoption.** Firms are challenged to deliver a satisfying experience for mobile users and optimize websites with mobile-friendly transactional functionality as the use of smartphones grows exponentially. One example: The percentage of bills paid by mobile devices is expected to surge 377 percent from 2010 to 2013, the Aite Group predicts.⁵
- **Customers demand relevancy and a multi-channel experience.** Even though online financial transactions are increasing, consumers still want access to traditional in-person and call center channels. Firms benefit from replicating one-to-one interactions across all channels to increase customer satisfaction and take advantage of marketing opportunities at every touch point.

Studies have confirmed that online financial services customers are more affluent, more profitable, more loyal, more satisfied, and more inclined to invest in multiple products and services. Building strong relationships with online consumers is a key to building a profitable financial services business.

Most Financial Firms Are ‘Novice’ Online Marketers

“Although many financial institutions have been using the online channel for marketing purposes for 10 or more years now, many—by their own estimate—have a long way to go in developing strong online marketing capabilities,” says the previously referenced report by the Aite Group.⁶

That assessment is corroborated in a study of 154 banks and credit unions by The Financial Brand, an online portal focused on financial services marketing. The greatest percentage—45 percent—of respondents characterized their firms at the “novice” level of online marketing, and only 8 percent claimed “advanced.”⁷ Moreover, 65 percent of those engaged in online marketing replied “not really” or “sometimes” when asked if they tracked its effectiveness.

Which Best Characterizes Your Firm’s Online Marketing Efforts?

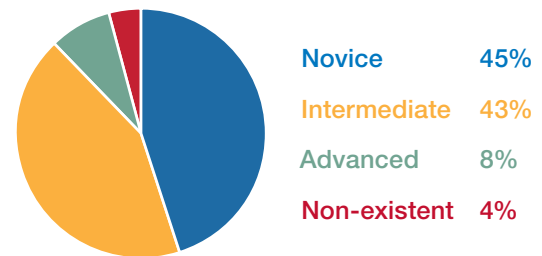


Figure 1. Source:
The Financial Brand, 2010 Online Marketing Study

The Limitations of Siloed Tools

Marketers’ experience with digital channels aside, another great obstacle that financial firms face for improving digital marketing effectiveness is the use of standalone, disjointed tools dedicated to particular tasks and teams ranging from analytics to online media buyers, and customer marketing. The lack of integration among these technologies can make it virtually impossible for firms to realize the single view of customers and prospects they need to deliver a consistent, personalized experience across digital channels.

“Each marketing technology—web analytics, email, search—generates its own data, and lots of it. Data systems for each of these technologies may produce conflicting results, leaving marketers to explain data mismatches,” states the independent research firm Forrester Research, Inc.⁸ Worse than data mismatches, unintegrated tools can generate misleading results that make it impossible to make informed decisions on marketing spend and channel focus.

⁵ Aite Group, “How Americans Pay Their Bills,” October 2010.

⁶ Aite Group, “Online Marketing Maturity Model for Financial Institutions,” press release, February 28, 2011.

⁷ The Financial Brand, “2010 Online Marketing Study,” August 2010.

⁸ Forrester Research, “Organizing for Site Optimization,” August 10, 2010.

Though counterproductive, an array of ad hoc tools is commonplace among financial institutions. Most were deployed in haste to meet tactical needs in discrete areas, instead of planning for an integrated digital experience for customers that would support the strategic marketing goals of a relationship oriented business.

Recognizing the risks and limitations of these disparate technologies is a key first step to eliminating the deficiencies they introduce into a firm's web analytics and digital marketing initiatives.

Progressive marketing, business, and IT leaders at financial services firms are transitioning to an integrated platform for web analytics and digital marketing, built with industry-specific features and metrics for financial services. A unified platform can offer a decided advantage in achieving key business objectives: 1) optimize the visitor website experience 2) drive targeted site traffic from across digital channels 3) turn site visitors into repeat visitors and loyal advocates 4) capitalize on the mobile channel and social media, and 5) maximize customer lifetime value across channels.

In sum, there is great opportunity for financial services marketers who can rise above the challenges and keep pace with the leaders in digital today by harnessing the power of online behavioral data fused with marketing automation technologies across digital channels.

Harnessing the Power of Online Behavior Data

Financial services companies collect huge volumes of data on the online behavior of their customers, as well as back-office data on accounts, transactions, customer profiles, and more. Putting this data to use to increase revenue and deepen customer relationships requires the synergistic use of web analytics and digital marketing technologies. It demands the development of customer behavioral insights that reflect historic and real-time activity, such as an online application for an insurance policy, brokerage account, or home loan.

Maturity Model for Digital Analytics and Marketing for Financial Services

For evaluating the range of opportunities that financial services have with the synergistic use of web analytics and digital marketing technologies, it helps to think along the lines of a maturity model, i.e., growth path.

The two axes of the growth model for financial services in Figure 2 are 1) the granularity with web analytics and 2) the degree of integration across digital marketing channels. The more granular and integrated, the more opportunities can be seized for digital marketing financial services.

Two Uses of Web Analytics: Aggregate and Individual-Level Insights

Web analytics is the practice of monitoring and measuring customer behavior online, both website usage and marketing campaign response. It covers a broad scope that can include analyzing and understanding:

- Drop-off points in a customer's online application for a financial product
- Response to email or online advertising by clickthrough, conversion, application value, other metrics
- Campaign effectiveness by segments of customers that can vary by asset level, gender and age, geographic information, and more
- Consumer usage of the mobile channel and social media and optimizing for those mediums

Conventionally, web marketers use web analytics at an aggregate level, reporting on the performance of their websites and online advertising, so they can adjust their efforts to improve the results. This is an extremely worthwhile application that can deliver excellent return on investment.

However, if marketers do not also leverage web analytics as a rich source of insights on the digital journeys of individual prospects and customers, they are squandering a huge opportunity. Web analytics can play a far more direct role in engaging customers, improving customer experiences, and increasing sales by enabling companies to deeply personalize their communications and interactions.

Two Levels of Digital Marketing: Website-Centric vs. Integrated Across Digital Channels

Online marketing has traditionally been website-centric. The website has been the portal for all digital interactions and the use of online advertising and email marketing has primarily been used for the purpose of driving traffic to the website.

Today, financial services are increasingly investing in mobile applications as another portal for customer interactions. Likewise, digital marketers can target emails and display ads that are personalized based on the preceding behavior of each individual prospect or customer on the website or in a mobile application. As such, ads and emails become an off-portal continuation of on-portal experiences. Finally, customers' conversations on external social networks and employees' interactions on internal social networks further decentralize where the action is.

To make the step from conventional online marketing to today's digital marketing means to orchestrate a consistent and compelling experience across digital channels, i.e., on- and off-portal. To create this experience, requires fusing analytics with digital marketing automation.

Maturity Model with 5 Digital Marketing Milestones

Five major milestones for financial services marketers are plotted across the maturity model in Figure 2, to indicate the granularity with web analytics and integration of digital channels required to capitalize on each milestone opportunity.

- 1) Optimize the visitor website experience through measurement, testing, and constant optimization of website and online advertising
- 2) Drive targeted site traffic from across digital channels by targeting relevant ads and emails based on insight into previous behavior of anonymous or registered visitors
- 3) Turn site visitors into repeat visitors by bringing them back to the website by re-targeting through display ads or email, by using insight into previously abandoned products, etc.
- 4) Weave the mobile channel and social media into a cross-channel experience
- 5) Maximize customer lifetime value across channels and customers' lifecycles by extending digital marketing to offline channels

Read on to learn real-life use cases and opportunities for each of these milestones.

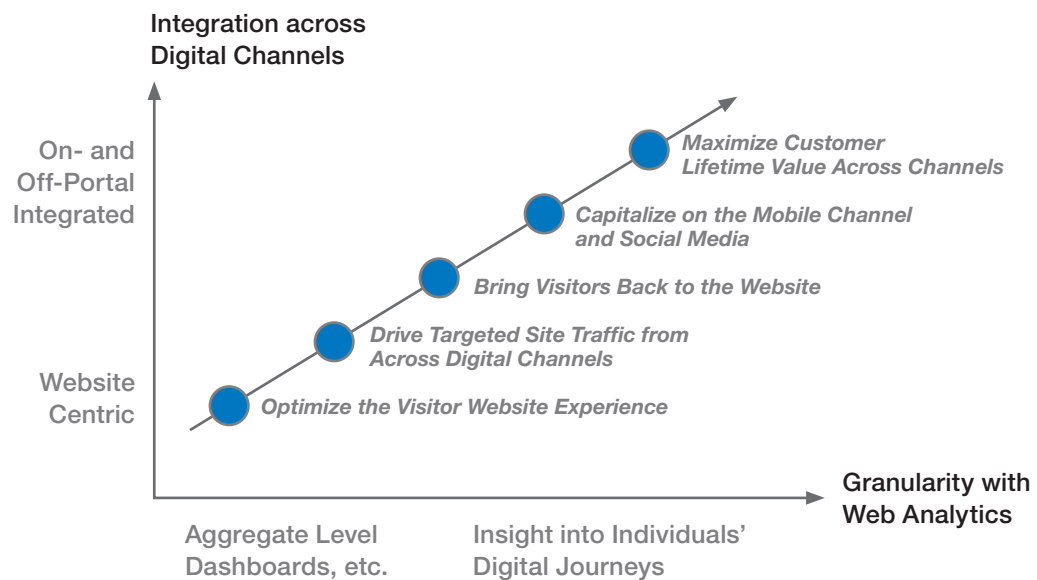


Figure 2. Maturity model for digital marketing in financial services.

Optimize the Visitor Website Experience

Financial service websites—arguably a firm’s most powerful marketing vehicle—are uniquely complex. Compared to relatively straightforward sites run by retailers, the websites run by banks, insurers, brokerages, and credit unions offer a broader, more complex array of products and services. A large, diversified financial services institution will offer dozens of products and services across multiple lines of business that can include retail banking, investing, lending, insurance, and more.

This is a double-edged sword: While a rich website offers firms a wealth of opportunities to cross-sell and up-sell across lines of business, it also introduces the daunting task of optimizing multiple elements to deliver a compelling cross-channel customer experience and drive business.

It also means a perpetual balancing act, as firms must offer the advanced functionality that experienced users want, while making the site practical and inviting for new users.

Forrester Research noted the converse effect of greater functionality and diminished usability: “As the largest banks continue to bring ever deeper functionality to their secure sites, it is clear that usability has suffered along the way.”⁹

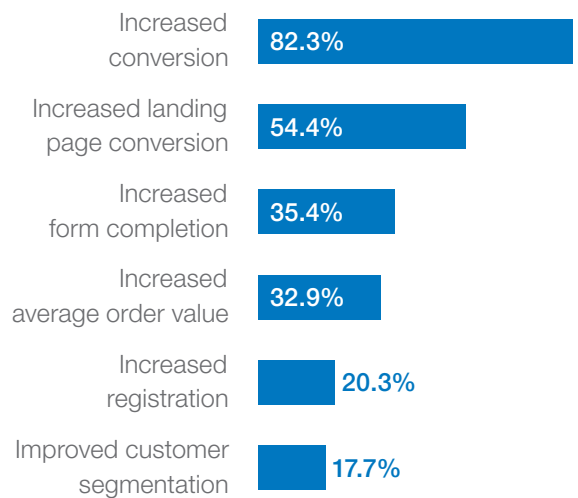
These multiple variables make continuous website measurement, testing, and optimization, the traditional focus of web analytics technologies, an imperative. Firms are challenged to:

- Continually test and tune site usability and secure transactional functionality and ensure clear calls to action and conversion paths across product lines
- Collect and segment site user data to understand which website experiences result in increased customer satisfaction and value over time

The equation is further complicated by the increasing numbers of practical tools and educational resources that financial firms offer in efforts to deepen customer engagement. These resources can include personal financial management microsites, investment guidance and tools, calculators for lending and insurance, and others. Though their intent is sound, such initiatives introduce the risk of a cul de sac and consumer distraction from the firm’s objective. Simply posting a 401K primer guide or a student loan planning tool and neglecting to analyze its usage will limit its value.

Systematic measurement is essential across a firm’s website. Ideally done with an integrated analytics and content management system platform such as IBM® WebSphere® and supported by A/B testing to determine the most effective techniques, web analytics can deliver impressive results. A study by Forrester Research found that testing site features, design and creative elements, navigation paths, and content placement improved performance by multiple metrics.¹⁰ (See Figure 3).

What Top 3 Benefits Have You Realized from Site Testing?



Base: 79 respondents who use an online testing application

Figure 3. Source: Forrester Research, *Organizing for Site Optimization*

⁹ Forrester Research, “2010 US Bank Secure Web Site Rankings,” November 11, 2010.
¹⁰ Forrester Research, “Organizing for Site Optimization,” August 10, 2010.

An important principle in website optimization is to take nothing for granted. Experience has shown that customer behavior will inevitably surprise even the most seasoned online marketer. Rigorous practices and a comprehensive analytics platform are the only sure way to ensure you truly understand customer

behavior. This was noted by Observed Online Financial Innovations, publisher of OnlineBankingReport.com—“Because online initiatives don’t have the proven track record of other marketing techniques, it’s important to measure every conceivable metric to demonstrate the value of the online channel.”¹¹

Web Analytics Business Use Case Examples

IBM Coremetrics has helped many financial services firms optimize their websites. Below are three examples.

1) Account Application Completion

Challenge

- Low application completion rates despite site redesign

Solution

- Used Coremetrics Scenario Analysis to identify points of abandonment
- Optimized form field placement and eliminated unnecessary content
- Moved complex legal content to end of process

Results

- 29% increase in application completions

2) Increase Self-Service and Application Conversion

Challenge

- Reduce call center and live chat costs by promoting better self-service

Solution

- Used IBM® Coremetrics® Web Analytics to compare success with self-service vs. call/chat assistance
- Pinpointed problem area in key application steps

Results

- Increased online-only self-service conversions
- Reduced costs for call center and live chat
- Discovered online conversions are worth same if not more than call-chat assisted

3) Screen Resolution Optimization

Challenge

- Increase form and application initiation; increase cross-sell on bill pay

Solution

- Used IBM® Coremetrics® LIVEview and screen resolution reporting/segmentation
- Determined real estate used for cross-sell on account pages were outside standard screen resolutions
- Relocated cross-sell promotions

Results

- 20% increase in clickthrough and conversions
- Saved thousands of dollars in call center costs

¹¹ Online Financial Innovations (OnlineBankingReport.com), “2009 Planning Guide.”

Drive Targeted Site Traffic from Across Digital Channels

As financial services move online, marketing of those services needs to move online as well. But there's a huge gulf between simply running generic banner ads and executing coordinated, cross-channel campaigns based on analysis of historical customer behavior; including both website activity and response to online campaigns. In fact, research indicates that many financial services firms have yet to take advantage of online marketing.

Though email marketing has been around for a decade, it is not used by a surprisingly high 31 percent of banks and credit unions surveyed by The Financial Brand.¹² Usage of display ads, paid search, and Facebook pages were also lower than the norm in consumer-oriented industries, the survey found. (See Figure 4).

Which Online Marketing Tactics Does Your Firm Use?



Figure 4. Source: The Financial Brand, 2010 Online Marketing Study

The stakes are high, especially as young Gen Y consumers, who grew up with the web, look to acquire insurance, car loans, credit and checking accounts, and more. Unless you can engage a young consumer in ways relevant to his or her digital lifestyle, you're apt to be disregarded as a brick-and-mortar dinosaur.

Excellence in digital marketing depends fundamentally on an advanced and integrated analytics platform that creates and evolves individual customer profiles comprising the consumer's digital journey of interactions with your website and digital marketing efforts. Digital marketing has been shown to generate double-digit and even triple-digit ROI by enabling firms to:

- Cross-sell and up-sell products and services
- Increase usage of cost-effective self-service transactional tools
- Reduce costs for branches, call centers, and online chat
- Enhance brand image and increase consumer mindshare

Digital marketing automation tools should interoperate closely with an analytics solution to drive continuous measurement, targeting, and optimization: Consumer response is collected by the analytics platform to enable further refinement. Digital marketing tools include:

- **Personalized email marketing:** Email is a proven means of communicating with customers and deepening engagement. The best solutions will integrate with an analytics platform to automate emails to select customer segments—those abandoning application forms, in the market for a loan, receiving paper statements in the mail, and more.
- **Targeted display ads:** Display ads targeted to, especially anonymous, consumers' known interests and website activity generate far higher click through and conversion rates than generic banner ads, and at less cost than paid search ads. Display ads may be launched based on a consumer's browsing at your website in near real-time, syndicated across multiple ad networks. This does not require sharing any personally identifiable information outside the business.
- **Paid search advertising:** Paid search, sometimes called pay per click (PPC) advertising, presents ads based on keywords that consumers enter into a search engine. The ideal system offers flexibility in campaign creation and management, cost-effective keyword bidding, and tuning and optimization based on real-time results tracking.
- **On-site recommendations:** Personalizing content and marketing offers at your site to a customer's known interest triggers additional business. For instance, if a customer browsed car loans during her last visit, recommendations technology prominently displays a car loan offer when she returns. Advanced algorithms automatically generate intelligent recommendations more effectively than possible by manual coding. To the degree

¹² The Financial Brand, "2010 Online Marketing Study," August 2010.

that a customer is authenticated and logged into the secure section of the financial services website, recommendations can take into account the customers' CRM record, e.g. the fact that the client already carries other car loans with the bank.

Digital Marketing Business Use Cases

Coremetrics has helped many financial services firms increase revenue through digital marketing. Below are two examples.

1) Up-Sell for Lost and Stolen Cards

Challenge

- Up-sell fraud prevention service to customers who reported lost or stolen cards

Solution

- Used IBM® Coremetrics® AdTarget and IBM® Coremetrics® Intelligent Offer to display promotions with targeted ads and on-site recommendations
- Also targeted new card customers

Results

- 23% increase in purchases of monthly fraud protection
- Increased fraud prevention sign-up by 30% among new card holders

2) Drive Site Traffic

Challenge

- High paid search advertising costs and decreasing rates of return on ad spend

Solution

- Engaged with Coremetrics Search Agency Services to integrate and optimize search marketing
- Leveraged granular analytics and search optimization solutions to eliminate low quality keywords, optimize ads, and attribute keywords to conversions

Results

- Increased site traffic via increased clickthrough on optimized search ads
- Reduced ad spend by 50%

Bring Visitors Back to the Website

The more time that customers spend on your website, the better. It means they're more likely to take advantage of your self-service tools. They're less likely to phone your call center or visit a branch or snail-mail a payment. They're more likely to invest in additional products and services

Encouraging frequent site visits is a sound strategy sure to pay dividends. Yet many firms neglect to take advantage of the opportunity. In insurance, for instance, a report by Forrester Research found that 55 percent

of U.S. online adults who own insurance had not visited their insurer's website in a year.¹³ Firms clearly have ample room for improvement.

Retargeting is the practice of using targeted display ads and personalized emails to engage with customers after they've left your site. Retargeting is increasingly in use among retailers to recapture shopping cart abandoners and website departees, and it offers to financial services a powerful tool for re-engagement and providing a personalized, relevant experience.

¹³ Forrester Research, "Increasing Online Insurance Self-Service Adoption," February 8, 2010.

Retargeting uses a digital marketing platform and cookies that uniquely identify the visitor's computer and the pages browsed by that visitor. For anonymous visitors, re-targeting enables display ads (broadly syndicated via ad networks). For registered visitors with permission to market, retargeting also uses personalized email. Messages can zero in on the user's exact interest—if the visitor was browsing auto insurance, the ad can promote auto insurance.

For a relationship-oriented business, retargeting offers much greater opportunity than mere completion of abandoned online applications. Several other examples of retargeting in financial services, across a customer digital lifecycle, are to:

- Offer a cross-sell or up-sell product or service
- Promote new/updated account management tools
- Offer online-only or seasonal promotions or features
- Highlight online statements and bill pay to a new checking account customer
- Reinforce customer-centric brand image

One distinct advantage of retargeting is cost-effectiveness. Targeted display ads and emails cost substantially less than paid search ads on Google, Bing, or other search providers, and enjoy immediacy by communicating with the customer shortly after his or her website departure. Beyond recent site departees, retargeted communications can also be aimed at dormant individuals who haven't visited your site in a while.

Retargeting is made possible by an integrated web analytics and online marketing platform that tracks a user's web activity not only in real-time but also over the course of the customer's lifecycle. The analytics group prospects and customers into different segments of opportunity. The analytics can also inform digital marketers on what the most successful products or campaigns were for moving customers to the next lifecycle stage. Integrated digital marketing automation then helps create and deliver targeted display ads, emails, or website personalization. Organizations using retargeting typically report far greater success than those with the use of generic display ads or promotional emails.

Capitalize on the Mobile Channel and Social Media

The emergence of powerful, feature-rich smartphones and tablets has made the development of mobile applications and optimization of websites for mobile device usage of critical importance. Mobile usage of online banking and other financial services is in a growth spike, with 54 percent of U.S. mobile users expected to conduct transactions with devices by 2015, a study by Mercatus found.¹⁴ In fact, Mercatus predicts that more consumers will use mobile banking than online banking by 2015.

Yet financial services firms stand to be frustrated by the mobile channel unless firms adopt a strategic approach to aggressively evaluate opportunities, track mobile usage at a granular level (e.g., device type, applications accessed, visit duration, location, operating system), and optimize the website and marketing efforts to delight customers. "Despite increasing activity and more strategic spending, inconsistent data and analytics will plague mobile marketers hoping to make a business case for testing emerging opportunities," Forrester Research observed.¹⁵

A firm's ability to understand how mobile users interact with its website and mobile applications is the first step in pinpointing areas in need of improvement. With bounce rates typically 10 percent higher with mobile devices than computers, application optimization for small screens and easy navigation are essential. Deep and incisive web analytics that present high-level reporting with drill-down into granular detail should be a fundamental element of a mobile strategy.

A prime area for web analytics is to assess usage by handset types and operating systems, including Google Android, Apple iOS, RIM BlackBerry, and more. While a shotgun approach may seem easiest to ensure you hit the right mobile audience, benchmarking devices and platforms by usage enables you to prioritize efforts to optimize mobile applications for individual platforms.

Beyond the website, search and display advertising on mobile devices offers firms another means of engaging customers. To make the most of this opportunity, financial services marketers can and should leverage campaigns designed for conventional online users, optimized for the mobile audience.

¹⁴ Mercatus, Consumer Mobile Financial Services Study, December 2009.

¹⁵ Forrester Research, "2011 US Mobile Marketing Predictions," January 4, 2011.

To the extent that customers are registered and authenticated on both their mobile applications and the website, the digital marketing opportunities previously discussed for personalized advertising and retargeting extend to the mobile channel as well. Ads, offers, and recommendations shown within the mobile application can be selected based on analytical insight into each customer's past and current interactions so that they are as relevant as possible.

'The End of Credit Cards'

Even as financial services firms strive to optimize mobile applications and capitalize on opportunities with the mobile channel, they face a looming challenge in credit card usage.

In the next few years, consumers will increasingly purchase goods by scanning a smartphone at a register rather than swiping a credit card. Called contactless mobile payments, this transaction channel is expected to grow from "practically none" in 2010 to \$22 billion by 2015, according to the Aite Group in an article, "The End of Credit Cards."¹⁶

Google has partnered with financial institutions and cell phone providers to roll out a test service in 2011 that puts a consumer's financial account information on a smartphone near-field communications (NFC) chip. Using smartphones at ATMs is also in the pipeline. This phenomenon poses major implications for financial services and underscores the need for speed and agility to react swiftly to unexpected challenges and opportunities.

Opportunities in social media. In financial services, social media marketing will not become the force that it is in other consumer-oriented industries until financial services come up with ways to make the channel work to their unique situation. Many people are simply disinclined to "like" a bank or lender. Even though they have many millions of customers, large diversified financial institutions typically have only several thousand Facebook fans.

In fact, less than half (46 percent) of the 154 banks and credit unions surveyed by The Financial Brand have a Facebook page.¹⁷ Just 35 percent use Twitter, 25 percent YouTube, and only 8 percent offer an online discussion forum. But that's not to say that social media is not a worthwhile investment—given its low cost of entry and that younger generations have been weaned on social media, social media can be an asset that poses nominal risk. And though financial services has been slow to embrace social media, that appears likely to change—in 2012, 90 percent of organizations surveyed by the Aite Group said they would have dedicated social media funding in place.¹⁸

Credit unions and brokerages are among firms making use of social media. Facebook pages provide an opportunity to promote community events, highlight special offers, engage investors with stock-picking contests, and generally enhance brand image.

As with other digital interactions, the key is to employ analytics that enable you to understand the value of your social media followers. Tools that can correlate typical interaction with your social media vehicles to subsequent business activity are essential to deriving that value, and to plotting your social media strategies.

¹⁶ CNNMoney.com, "The End of Credit Cards is Coming," January 4, 2011.

¹⁷ The Financial Brand, "2010 Online Marketing Study," August 2010.

¹⁸ American Banker, "Facebook, Twitter Become Online Banking Attractions," December 28, 2010.

Social Media Marketing Business Use Case

Coremetrics helps financial services firms leverage social media for customer engagement and brand enhancement. One example:

Challenge

- Improve brand perception of financial institution

Solution

- Launch Facebook page focused on community involvement and financial services benefits
- Provide social forum for customer questions, comments

Results

- Social channel referrals had higher loan and account sign-up rate than more expensive paid search and email channels
- Customers driven to site through Facebook are fastest to add second product to portfolio

Maximize Customer Lifetime Value Across Channels

In a relationship-oriented business, encouraging customers to expand their portfolios of products and services is vital to success. But cross-sell and up-sell can be difficult when your offerings span multiple lines of business, your customer interacts with you across multiple channels, online and offline, and you're not sure exactly who your site visitors are.

Using the digital channel to build lifetime customer value requires recognizing customers when they interact. For instance, your site needs to distinguish whether a visitor is a wealthy senior citizen exploring CD rates or a high school senior looking for a student loan. Presenting the right offer to the right customer at the right time can repay itself many-fold if you gain a customer's loyalty through superior service, relevant content, and a personalized experience.

Beyond that, you need to continuously monitor and adapt customer online behavioral profiles to reflect a customer's current stage in their lifecycle (e.g. onboarding vs. retention), their needs and interests. Through multichannel integration, a web analytics platform can enable customer segmentation, and micro-segmentation, by a variety of attributes such as income, assets, gender, family relationships, product affinity, and more. These profiles mature over time to reflect responsiveness to marketing campaigns, helping you determine which techniques to use for a given segment.

Understand lifecycle progression. One way in which web analytics should help a relationship oriented business build lifetime value is to provide insight into how customers progress through long-term product and service acquisition cycles. Figure 5 shows an analytical approach that is based on segmenting visitors by lifecycle milestones, which could range from a new checking account client who just registered for self service, to a VIP customer holding a mortgage, auto loan, 401k account, insurance, and more. The most recent innovations in web analytics provide insight into behavior over time and thus enable you to explore trigger events that contributed to moving customers from one stage in the lifecycle to the next, e.g., by portfolio expansion. By learning what works and what doesn't, digital marketing can be tailored to each lifecycle segment to speed the progression from one milestone to the next.

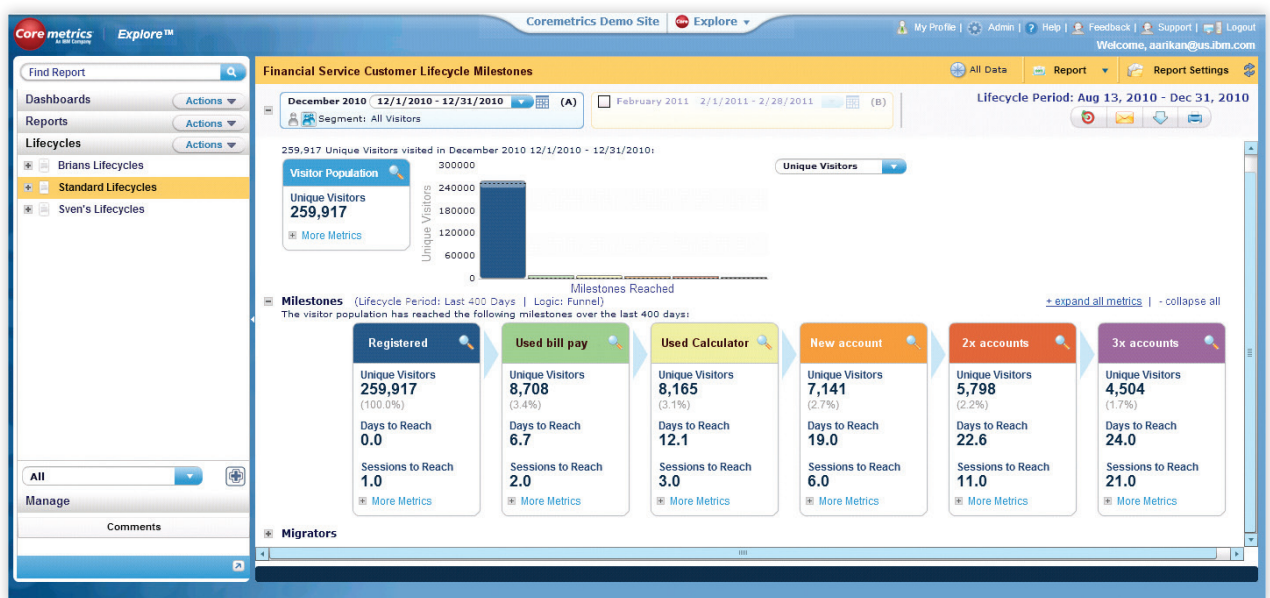


Figure 5. Lifecycle analytics for tracking long-term conversion cycles.

Leverage multichannel data. Many financial firms have built customer relationship management (CRM) and data warehousing systems based on customer transactional data and activity in offline channels. Consolidating data from online activity with other channels provides a complete multichannel view of the customer that can sharpen both online and traditional marketing.

Extend digital marketing to offline channels. The insight gained into customers' digital journeys can and should help make offline interactions more relevant and helpful to customers. By extending web analytics and digital marketing into cross-channel marketing automation, offline marketing interactions can be rendered more relevant. For example, customers calling into the call center can receive an offer that takes into account their previous website activity, e.g., that they browsed mortgage pages but didn't make an application.

The long-term, even lifelong, relationship that many customers have with their financial services providers ups the ante. If you lose a customer because of a competitor's more effective marketing, you haven't lost just a single sale. You've lost years of value with that customer, and the opportunity to extend that value across generations as youngsters often select a financial firm based on their parents' guidance.

Coremetrics for Financial Services

Coremetrics, an IBM Company, offers a set of solutions suited specifically for the financial services industry. Through the fusion of web analytics and digital marketing automation, Coremetrics empowers marketers to turn site visitors into repeat customers and loyal advocates by orchestrating a personalized and compelling experience throughout each customer's digital lifecycle. To achieve this, Coremetrics tracks customers and prospects as they interact with a business' online presence providing marketers with a comprehensive view into how consumers are interacting with their brands online over time and across channels. This unique insight is used to automate real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management—delivered to customers through any digital vehicle including social, mobile, and web.

Through a simple integration with other systems of record such as CRM, advertising, and demographics, Coremetrics enables marketers to further enhance not only their online marketing channels, but offline channels as well. Comprising the Coremetrics Digital Marketing Optimization Platform, our financial services solutions include:

Coremetrics Reporting and Analysis

Coremetrics Web Analytics is our base analytics solution, enabling financial marketers to track website activity and cross-channel campaign performance. IBM® Coremetrics® Explore is an ad hoc reporting solution that provides a complete picture of visitor and customer behavior, enabling marketers to automatically execute campaigns, drill down into granular detail, and create precise and actionable customer segments. IBM® Coremetrics® Impression Attribution allows marketers to understand how unclicked impressions (display ads, videos, social media presences, etc.) affect behaviors and conversions.

Coremetrics Lifecycle

IBM® Coremetrics® Lifecycle provides visibility into unique, event-driven customer segments that equip marketers with the most effective tools to cultivate high-value customers. Marketers can track and understand how customers progress through long-term conversion lifecycles. A lifecycle is characterized by milestones ranging for example from first-time visitors to registered self-service customers who may then proceed to interact with financial calculators, open additional accounts, or purchase additional financial products, and more.

Coremetrics AdTarget

Coremetrics AdTarget is a data syndication platform and online marketing application that enables targeting and personalization of display advertising. Customized for financial services, it leverages granular visitor activity captured by Coremetrics to deliver highly relevant display ads that increase visitor reacquisition, power cross-sell and up-sell, and promote customer use of self-service tools.

Coremetrics LIVEmail

The IBM® Coremetrics® LIVEmail solution gives financial marketers the flexibility to automatically deliver emails to customers based on specified scenarios. For instance, LIVEmail may be configured to generate personalized emails to individuals who abandoned a loan application, or to send offers for fraud overdraft protection to select customer segments. It features prebuilt best practice metrics for financial services and integrates with email service providers.

Coremetrics Search

IBM® Coremetrics® Search is a pay per-click (PPC) management application that improves top-line business performance, reduces operational costs, and enables data-driven optimization of search advertising initiatives. It makes it easy for financial marketers to identify top-performing keywords, automate and fine-tune keyword bidding, and integrate with leading search providers.

Coremetrics Social Analytics

IBM® Coremetrics® Social Analytics enables marketers to treat social media as another marketing channel and measure ROI and engagement accordingly. Coremetrics Social Analytics provides online marketers with a centralized console for analyzing social media channels and campaigns. Its seamless integration with the Coremetrics platform allows users to track social channels alongside other online marketing channels to help understand the performance (ROI) of campaigns.

Coremetrics Benchmark

IBM® Coremetrics® Benchmark provides aggregated and anonymous competitive data for financial services' key performance indicators and is offered to customers at no additional cost. Coremetrics Benchmark covers over 50 metrics vs. peers spanning marketing, social, mobile, technographic, and site engagement and conversion metrics.

About Coremetrics®, an IBM Company

Coremetrics®, an IBM Company, a leading provider of web analytics and marketing optimization solutions helps businesses relentlessly optimize their marketing programs to make the best offer, every time, anywhere, automatically. More than 2,100 online brands globally use Coremetrics Software as a Service (SaaS) to optimize their online marketing. Coremetrics integrated marketing optimization solutions include real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management. The company's solutions are delivered on the only online analytics platform designed to anticipate the needs of every customer, automate marketing decisions in real time, and syndicate information across all customer channels.

For Additional Information

To learn more about Coremetrics, visit www.coremetrics.com or call **(866) 493-2673**.

Coremetrics has strongly supported online privacy since its inception.

To learn more, visit <http://www.coremetrics.com/company/privacy.php>



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