

IBM Podcast: Maximizing Sales and Marketing
Opportunities by Leveraging Systems



INTRODUCTION

Strong customer relationships have long been a building block for retail banking success. These relationships can grow to long-term customer loyalty which ultimately will improve a bank's bottom line. In order to best service customers, banks have introduced multiple channels of delivery which has changed customer interaction significantly. For example, in our research, approximately 65% of banking customers regularly bank via ATMs and over 25% of US households use internet banking. Yet, these multiple distribution channels have created a paradox. With adding customer touchpoints and increasing customer convenience, the shift of more profitable customer segments to self-service channels has weakened customer relationships and potential sales opportunities.

PROVIDE QUALITY MULTI-CHANNEL EXPERIENCE

The battleground for retail banks has shifted to the customer experience. In fact, 70% of customers who have left their bank said it was due to poor service rather than product choice or price, according to a Customer Think survey. Banks are under pressure to strengthen relationships across all their service channels but at the same time look for ways to implement effective sales and marketing initiatives to retain its customers.

In this podcast we will focus on two solutions, relationship-based intelligence and event based selling.

PROVIDE RELATIONSHIP-BASED INTELLIGENCE

Employing relationship-based intelligence can offer banks needed customer retention data. Relationship-based intelligence will provide solutions that will help to maintain customer satisfaction, spot trends and potential problems and ultimately suggest solutions based on customer need. Analyzing customer information is critical and also complex. From accounts or products owned by a customer, to the total products owned by a household, to the common ways that customer likes to transact with a bank, and finally, to understanding common cross-selling opportunities and deliver the offer—the opportunity is great for creating strong customer loyalty. For example, our research found that one of the biggest complaints a customer has is nuisance fees. Offering a fee waiver to switch to auto-payment, thru the proper channel at the correct time can maximize a cross selling opportunity.

Furthermore, a bank can grow its asset base by leveraging integrated account information to create new products. For example, identifying trends such as Baby Boomers managing their parents and children's account across different states could lead to a new service concept that links assets and streamlines administration, giving these clients a value add that is differentiated from other banks.

EMPLOY EVENT-BASED SELLING

Event-based selling is a recent bank development that is a form of customized marketing that typically is triggered by a distinct customer behavior that can result in stronger customer perceptions. For example, a customer, whose average balance is steady, recently makes a significant deposit. The bank will then contact the customer with an investment offer or an invitation to meet with the bank's financial advisor.

A major online banking institution invested in a real-time interaction system within its contact centers and website. An average of 2.4 million online visitors and 100,000 callers per month received personalized offers generated by this interactive solution. This bank gained \$5 million in incremental profits in the first year, a payback period of three months, and a 400% return on investment in the first year.

CONCLUSION

In summary, key takeaways from this podcast are...that: Multi-channel service delivery is fundamental in retail banking. Maximizing and leveraging these channels for sales and marketing opportunities is key. Providing relationship-based intelligence through analysis and employing event-based selling techniques are two solutions that have seen proven results which can ultimately maximize customer loyalty and improve customer satisfaction.

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