

Case Study — The Power of Interaction: Leveraging Online Banking to Get More Leads Faster

Executive Summary

1st Advantage Federal Credit Union is a trusted financial institution in Virginia with \$530MM in assets and 57,000 members. 1st Advantage, like many financial institutions today, is looking for ways to radically improve existing marketing and sales processes to bring in new revenue while continuing to surprise and delight customers.



1st Advantage logo

Jim Craig, Vice-President of Marketing at 1st Advantage, knew that if he could talk with each of his customers one-by-one, understand each customer's financial services needs and preferences, and customize an offer for each – he could generate more business from core customers and stem the flow of business to competing

banks with larger advertising budgets. But, Jim just didn't have the resources to interview all those customers. That's when Jim heard about **KulaX™** from Micronotes. **KulaX** is a powerful cross-sell engine that helps financial institutions leverage the online banking platform to interact with customers at logout and get more leads faster.

The result was an astounding 600% increase in leads per week. Not only was 1st Advantage able to customize offers to select market segments, but it did so at the surprise and delight of the customers, who actually wanted the offers.

The Challenge

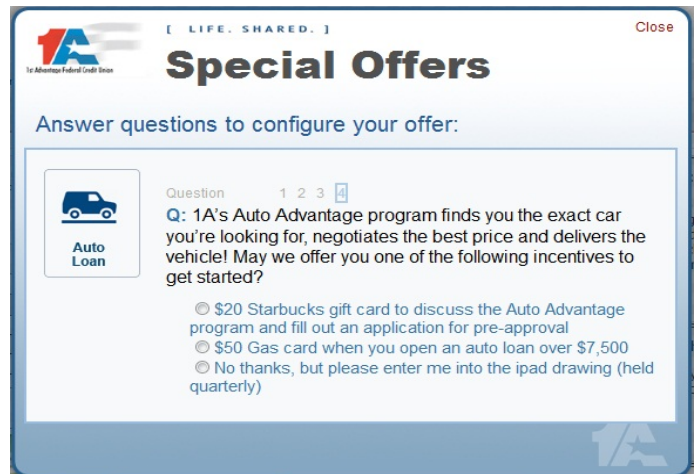
According to the Interactive Advertising Bureau (IAB), The Financial Services Sector spends more on marketing than any other industry and yet it struggles to effectively market its own products to current customers – just look in your wallet, how many cards do you have from financial institutions other than your primary bank?

Current matrix marketing efforts via direct mail and generic banner ads were producing a respectable 100 leads per month. Jim's options were: 1) Do more of the same and hope that he didn't anger customers with more junk mail and more distracting ads; 2) Try a completely different approach with the **KulaX** digital interview technology. Jim, a maverick in online bank marketing, chose the latter.

Steps to Address the Challenge/Recommendations

Micronotes' **KulaX** application targets customers with the next best product and creates a momentary interview invitation at online banking logout, during which customers may choose to interview with the Financial Institution about a particular product. **KulaX** makes an appropriate offer based on interview responses and emails accepted offers to the customer. Online banking customers receive cash *or points* for interviewing with their Financial Institution about specific products and the bank gets a precious moment of customers time.

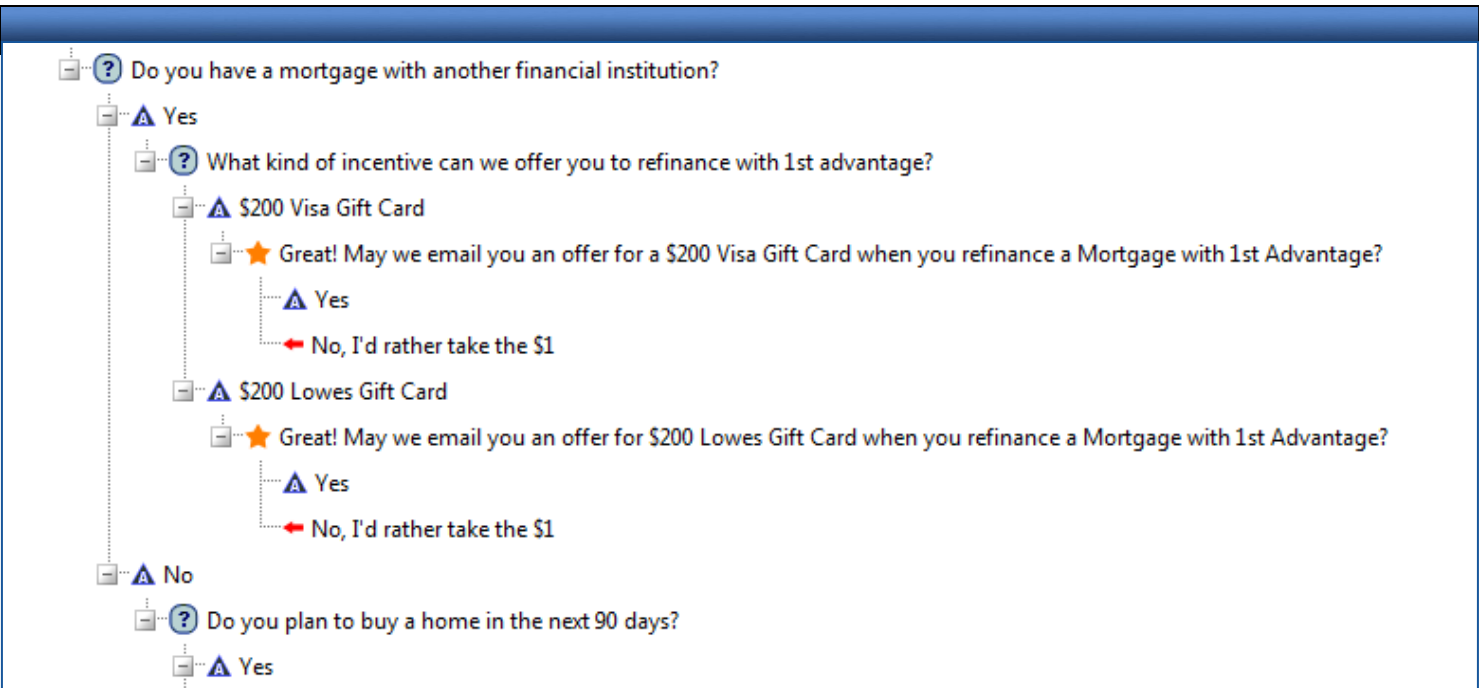
Micronotes' own studies have shown that online banking users do not want to be interrupted with advertising during core banking functions like bill-pay, funds transfer, and statement inspection, but -- financial institutions can leverage their online banking platform to engage with their customers at log-out once core banking functions are complete.



Auto Loan MicroInterview question on **KulaX**.

Method

The **KulaX** engagement process starts with the creation of a MicroInterview consisting of 2 to 3 questions for each of the financial products (Mortgage, Bill Pay, Visa Credit Card, etc.). Each MicroInterview allows users to segment themselves according to their needs and preferences after which customers are presented with special offers for products and services based on interview responses. Offers on financial products are paired with incentives such as a \$10 cash deposit for enrolling in online Bill Pay.



1st Mortgage MicroInterview decision tree that allows users to receive a customized offer

KulaX enabled 1st Advantage to:

- Target online banking consumers using current marketing matrices
- Get 30 seconds of a customer’s time to conduct a sales interview
- Automatically deliver individualized offers based on a prospect’s interview responses
- Surprise and delight customers with great offers
- Leverage online banking traffic to generate more leads faster
- Track accepted offers and leads in real-time.
- Nurture Leads

Results

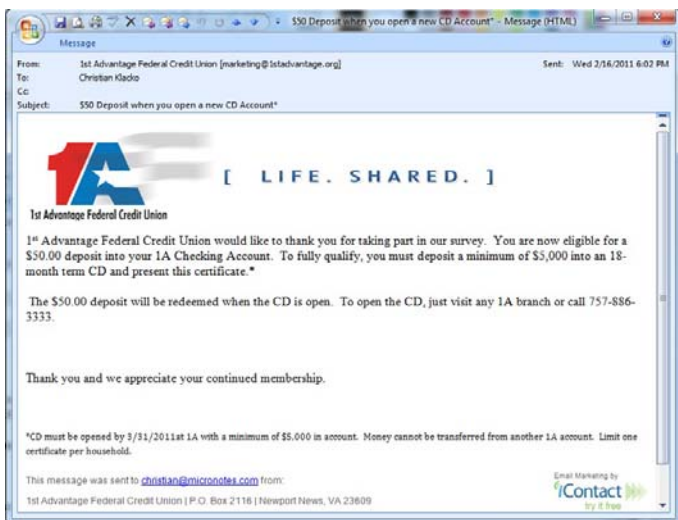
The results were a remarkable 600% increase in leads per week. Between March 22 and May 8th, 1567 online banking customers interacted with the application, producing 351 leads. 1st Advantage, who used to generate 25 leads per week through traditional marketing channels, received 150 leads per week using **KulaX**.

Additional metrics from the service were impressive:

- 9% interaction rate – A typical banner add sees a 0.1% interaction rate.
- 24% overall acceptance rate, meaning that 24 customers out of 100 who took an interview took the customized offer.
 - 70% acceptance rate on Bill Pay
 - 50% acceptance rate on Personal Loan
 - 50% acceptance rate on Mortgages

Converting the leads into new revenues is also a critical success metric. One week prior to the offer expiration date the campaigns were stopped, and Micronotes sent a reminder email to each customer who had accepted an offer. 1st Advantage plans to expand their use of the **KulaX** marketing system.

Summarily, financial Institutions hosting the **KulaX** application solidify their relationships with customers with great deals, gain a powerful cross-sell engine, and generate more leads faster.



Email sent to users upon accepting an offer.