



# CREATING AN EFFECTIVE ACQUISITION PROGRAM

WITH WILLIAM JORDAN, FINANCIAL SERVICES BUSINESS ANALYST, AT VERICAST

Banks and credit unions possess a wealth of customer data, but those rich veins of intelligence don't always translate to an effective acquisition strategy. "The amount of data — much of it siloed — can be almost paralyzing," says William Jordan. "You don't need to boil the entire ocean," he says.

At a time when marketing budgets are under pressure, Jordan says financial institutions must consolidate multiple data points so they can relate it to a consumer or household. By efficiently combining and analyzing the data, financial services organizations can better attract customers and build profitable relationships.



## WHY IS NEW CUSTOMER ACQUISITION SO IMPORTANT?

First, financial institutions are constantly experiencing customer attrition. Second, as we see expenses increase and margins tighten, balance growth becomes much more important. Financial institutions need to grow balances to offset the increase in expenses such as human capital costs, as well as the loss of an important source of revenue in non-interest income like overdraft fees. Third, institutions want to grow by diversifying their customer relationships and targeting new segments to expand their base.



## WHAT IS THE KEY TO EFFICIENTLY ACQUIRING NEW CUSTOMERS?

It's understanding the customer analytics to determine and predict behavior such as spending habits. It's understanding how somebody buys, when they buy, what they buy and the channels they use. You want to market products and services across multiple channels: the branch, the online platform, the call center, the mobile channel.

It's also important to understand what competitors are doing. How are they pricing? How are they selling? What are their offers? Some institutions don't fully understand their brand and how best to leverage it in the marketplace. They lose their focus and what makes them unique. Finally, institutions can more efficiently acquire customers by training their staff and utilizing them to their full potential.

## Q3 HOW CAN FINANCIAL INSTITUTIONS COUNTER THE EFFORTS OF FINTECHS?

Understand why fintechs are acquiring customers at such a rapid rate. Is it because they offer such a great product? Typically, fintechs are not offering anything different from traditional banks and credit unions. The rates are competitive. It comes back to the account-opening experience.

Fintechs are very efficient at opening accounts. If it takes more than five minutes to open an account at your institution, you're losing out to the fintechs. Also, fintechs can fund accounts online much easier than traditional institutions. For consumers, it's literally their first point of entry into the organization. That online account opening must be very efficient and informative, meaning it has to be quick and highly responsive to questions about loans and deposits. And banks and credit unions have competitive advantages of their own, such as access to more channels. The biggest channel is a branch network, which allows bankers to connect with customers and members on a personal level about a service issue or an opportunity.

## Q4 DOES A RISING INTEREST RATE ENVIRONMENT AFFECT CUSTOMER ACQUISITION STRATEGIES?

It does. Your messaging should be tailored to the economic conditions in a rising or declining interest rate environment. The products may require a different design. For example, in a rising rate environment on a deposit product, you may allow for more increases in rate capabilities, especially on term certificates of deposits or money markets.

Regardless of the interest rate environment, financial institutions must focus on their value proposition. They need to ask themselves, "Are we a rate shop, a service shop, or a convenience shop?" It could be a combination of all. But you've got to focus on that value proposition because people want to clearly know the benefits of banking with you and developing a loyal relationship in any rate environment.

Vericast can help you craft your acquisition marketing strategy to grow your deposits effectively and efficiently. **Learn more at [Vericast.com](https://vericast.com) or email [info@vericast.com](mailto:info@vericast.com)**