

WHITEPAPER SERIES:

Digital Transformation
Challenges & Opportunities
In Financial Services

THE REAL COST OF NEGLECTING DIGITAL REAL ESTATE IN ONLINE AND MOBILE BANKING



A DEEPTARGET WHITEPAPER
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Introduction

Online and mobile banking platforms are not just convenient tools for customers to access



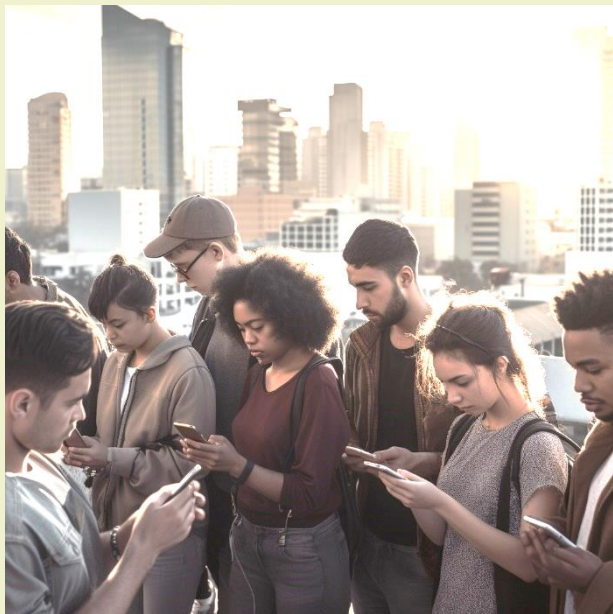
their accounts and make transactions. They are also valuable digital real estate for financial institutions to communicate with their customers and offer them personalized and relevant information, advice, and solutions. However, many financial institutions are failing to leverage this digital real estate effectively and are missing out on a huge opportunity to increase customer satisfaction, loyalty, and profitability. In this whitepaper, we will explore the cost of neglecting digital real estate in online and mobile banking, and how financial

institutions can use it to their advantage.

What is Digital Real Estate?

Digital real estate is the term used to describe the online space that a business or organization owns and controls. It includes websites, social media accounts, blogs, podcasts, videos, and any other digital content that represents the brand and its offerings. Digital real estate is valuable because it can help attract, engage, and retain customers, as well as generate leads, sales, and revenue.

One of the most important types of digital real estate for financial institutions is the online and mobile banking platform. This is where customers access their accounts, make transactions, pay bills, send money, and more. It is also where financial institutions have the opportunity to communicate personalized offers and messages to their account holders while they bank. These offers and messages can provide trusted advice and

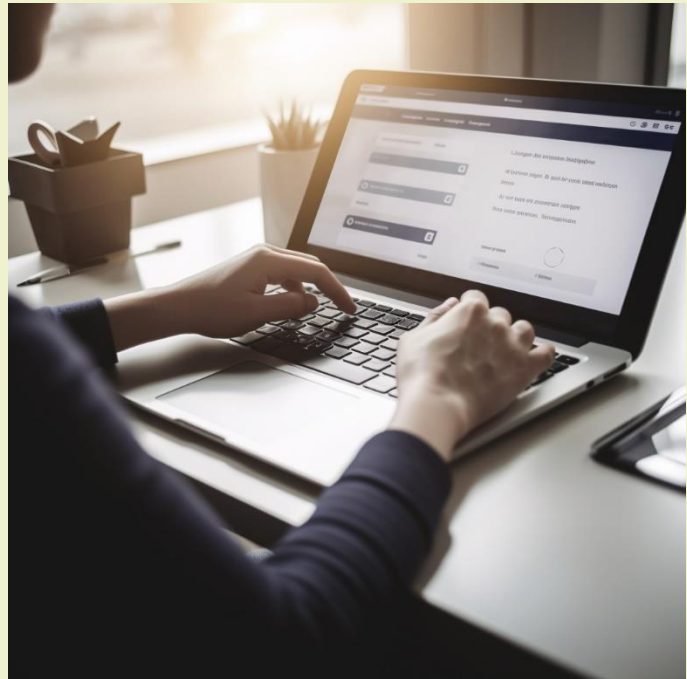


information about financial products and services that each account holder could use for their financial well-being.

What is the Cost of **Not** Using Your Digital Real Estate?

Many financial institutions are neglecting this digital real estate and missing out on a huge opportunity to increase customer satisfaction, loyalty, and profitability. According to a report by J.D. Power, only 36% of retail banking customers say they receive any type of financial guidance from their bank or credit union. Moreover, only 28% of customers say they are aware of their bank's or credit union's digital tools and features.

This means that most financial institutions are not using their online and mobile banking platforms to educate their customers about their financial options, to cross-sell or upsell their products and services, or to provide value-added content that can help them achieve their financial goals. Instead, they are leaving their digital real estate empty or cluttered with irrelevant or generic information that does not resonate with their customers.



This is a costly mistake for several reasons:

- X It reduces customer engagement and retention.** Customers who do not receive personalized offers and messages from their financial institution may feel ignored, unappreciated, or underserved. They may also perceive their financial institution as indifferent, impersonal, or out of touch with their needs. This can erode their trust and loyalty, and make them more likely to switch to a competitor that offers more tailored and relevant communication.
- X It lowers customer satisfaction and advocacy.** Customers who do not receive personalized offers and messages from their financial institution may miss out on valuable opportunities to improve their financial situation or to take advantage of special deals or promotions. They may also feel that their financial institution does not

understand them or care about their best interests. This can lower their satisfaction and advocacy scores, which can affect the reputation and referrals of the financial institution.

X It decreases customer lifetime value and profitability. Customers who do not receive personalized offers and messages from their financial institution may be less likely to purchase additional products or services from them or to increase their usage or balances. They may also be more likely to default on their loans or incur fees or penalties. This can decrease their lifetime value and profitability for the financial institution.

Therefore, financial institutions that neglect their digital real estate in online and mobile banking are leaving money on the table and risking losing their customers to more proactive and responsive competitors.

How can FIs effectively harness their digital real estate in online and mobile banking?

To avoid the pitfalls of neglecting their digital real estate in online and mobile banking, financial institutions need to adopt a more strategic and customer-centric approach to



communicating personalized offers and messages to their account holders while they bank.

Some of the best practices for doing so include:

✓ **Using data and analytics to segment and target customers.**

Financial institutions need to collect and analyze data on their customers' demographics, behaviors, preferences, needs, goals, challenges, pain points, etc. This can help them segment their customers into different groups based on similar characteristics or interests, and

target them with customized offers and messages that match their profile.

✓ **Using technology and automation to deliver timely and relevant communication.**

Financial institutions need to use technology and automation tools such as artificial

intelligence (AI), machine learning (ML), natural language processing (NLP), chatbots, etc., to deliver timely and relevant communication to their customers through their online and mobile banking platforms. These tools can help them identify the optimal time, channel, frequency, tone, content, format, etc., for each customer segment and each communication objective.

- ✓ **Using feedback and testing to optimize communication performance.** Financial institutions need to use feedback and testing methods such as surveys, ratings, reviews, comments, clicks, conversions, etc., to measure the performance of their communication campaigns through their online and mobile banking platforms. These methods can help them evaluate the effectiveness of their communication strategies, identify areas for improvement, and make data-driven decisions.

By following these best practices, financial institutions can be highly effective in capitalizing on their digital real estate in online and mobile banking for the sake of their financial institution and more importantly, for the financial well-being of their account holders.

Case Study



"Members truly appreciate our innovative & fun digital campaigns!"

Eva Urlacher, VP of Marketing, ALTANA FCU

This section covers an in-depth case study of a U.S. financial institution's digital consumer engagement strategy.

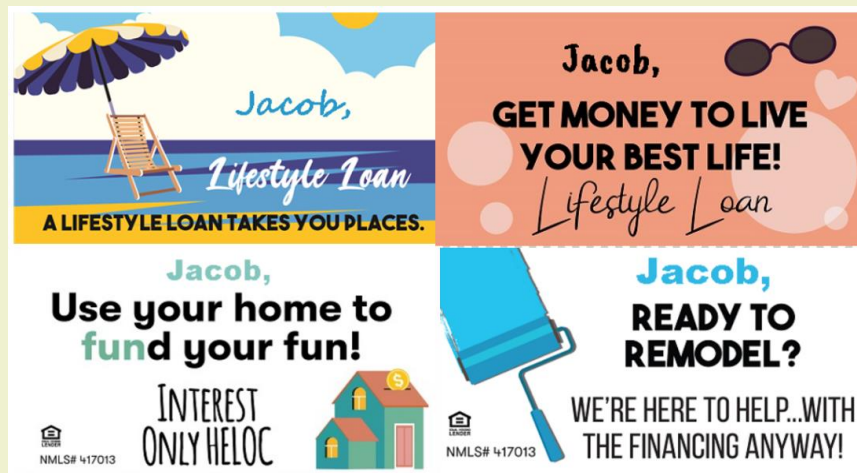
Altana Federal Credit Union is a community-chartered credit union based in Billings, Montana. The credit union was initially chartered in 1949 as the Laurel Federal Credit Union by nine refinery workers. Later in 2009, they changed their name to its current name, Altana Federal Credit Union. In 2023, they applied for a field of membership expansion for 40 counties in Montana and nine counties in Wyoming. Altana FCU's mission is to build trusted relationships and partner for strong financial futures. They help members make a budget, save money, open an account, get a loan, and get out of debt. Altana FCU is committed to improving the financial well-being of its members, their families, and the communities it serves.

Today, Altana Federal Credit Union has \$427 million assets under management and several branches in Montana to serve its members. With a considerable number of financial institutions

competing for market share, it is crucial that Altana focus on member relationships and loyalty to provide an unmatched experience to their members and help them achieve their financial goals. Influenced by the recent increase in online and mobile banking users, Altana has optimized these platforms to provide optimal value to their members.

Altana Federal Credit Union developed several electronic campaigns using DeepTarget's patented Digital Experience Platform (DXP) and 3D Story. The main focus of their efforts was to promote and offer additional financial products and services to their existing members. By using their online and mobile banking platforms - Banno from Jack Henry, they deployed multiple digital ad campaigns using personalized banners as well as communications using the 3D Story carousel display.

The credit union aimed to enhance the value they provide to their current members by delivering personalized offers for products that meet their individual needs. Leveraging member data insights and artificial intelligence, the credit union identified the products that members were most likely to require at a particular time. This not only boosted revenue from current members but also fostered stronger member relationships, leading to higher levels of loyalty and retention.



Using DXP, Altana Federal Credit Union developed several campaigns for various products based on a diverse set of criteria for each. In some cases, member segments were identified using DeepTarget's AI/ML based predictive modeling which identifies the highest propensity purchases for a specific product. In other cases, Altana used all-user targeting to present offers that were relevant to all of their members.

Below are a few examples of the campaigns Altana FCU developed and deployed recently using a diverse set of targeting methods and ad display technologies provided by DXP for Banno.

Campaign for Lifestyle Loans - *"loans that make your life cooler"*

Audience: All Users

3D Story Carousel Lifestyle Loan using several story frames to promote loan benefits

Audience: All Users

Interest Only HELOC Campaign

Audience: Predictive Model for users with highest propensity for HELOC

CD Promo

Audience: All Users

DXP gives Altana the ability to launch an unlimited number of ad campaigns. The targeting methodology used determines the reach of each campaign. DXP automatically creates the stack of offers that are relevant to each member and displays them, as the member uses their online or mobile banking applications in their daily lives. Effectively using this digital real estate with meaningful communications and offers has resulted in excellent outcomes for Altana FCU and its members.

The unique and innovative 3D Story carousel ad platform, inspired by contemporary social media, simultaneously displays multiple highly targeted and personalized offers for each user in multiple story frames on a 3D cube. This provided an interactive and engaging experience for Altana's members.

Using DeepTarget's ad creation studio, Altana Federal Credit Union created a collection of colorful and engaging banner ads to effectively capture the attention of their members. They also employed DeepTarget's new 3D Story technology. This unique ad platform simultaneously displays multiple highly targeted offers for each user on the faces of a cube, providing an interactive and engaging experience for Altana's members.



These ads are presented on all available platforms for online (OLB) and mobile banking. Given the clean and clear presentation of a single banner ad displayed on their online and mobile banking platforms, there is a high likelihood that members pay attention to these ads. Combining this with the fact that the ads are targeted and relevant, it truly engages members, maximizing digital touchpoints between the credit union and their members.

Altana has an average of 30 campaigns for their assortment of account offers running at any time. DeepTarget's DXP works by cross-referencing all current Altana campaigns with each individual member to identify which campaigns are the most relevant for each member. This results in every member being presented a unique set of campaigns, i.e. banner ads/offers that are relevant to them. Due to the advanced targeting employed on these campaigns, Altana ensured that their members only saw promotions and offers that resonated with them and aligned with their individual financial journey.

The Results

In 2022, Altana FCU ran a total of 80 digital campaigns. These campaigns collectively resulted in the following:

- 328,816 unique impressions,
- 2,398 clicks, and
- 1,749 product sales influenced by these digital campaigns.

Given the actual results of product sales influenced by DXP, Altana achieved an extremely high return on investment, virtually transforming its marketing department from a cost center to a profit center.



Altana Federal Credit Union's electronic marketing campaigns in 2022 were a testament to their commitment to member-centricity, featuring innovative technologies and persuasive messaging that effectively reached their audience.

With DeepTarget's Digital Experience Platform (DXP), Altana Federal Credit Union harnessed the power of online (OLB) and mobile banking platforms to showcase their distinctive products and

services. Altana FCU's investment in digital marketing initiatives paid off, leading to impressive results such as a significant surge in new accounts as well as an enriched customer experience.

Proof of Digital Success

FIs need proof that their digital communications program to engage and cross-sell is working. DeepTarget's newly introduced GrowthGrid™ reports on influenced sales conversions and estimated revenue generated to credit unions and banks.

Account Type	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Total	Total Revenue
Loans - Retail														
Consumer Loan	33	22	39	33	44	56	76	83	61	63	93	107	710	\$355,000.00
Credit Card	7	15	6	6	1	0	0	0	0	0	0	0	35	\$1,750.00
HELOC	0	0	0	0	0	0	0	0	0	0	1	1	2	\$200.00
Home Equity Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Mortgage	7	7	6	11	5	11	7	13	9	7	4	6	93	\$93,000.00
New Auto	34	35	31	37	39	47	38	39	44	39	35	34	452	\$135,600.00
Personal LOC	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Recreational Vehicle Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Used Auto	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Deposits - Retail														
CD	0	0	5	1	8	2	0	5	20	13	4	7	65	\$3,250.00
Checking	9	10	16	14	12	23	12	19	20	11	11	14	171	\$569.43
IRA	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Money Market	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Savings	49	79	90	69	119	98	62	78	71	407	137	105	1364	\$68,200.00
Commercial														
Commercial Credit Card	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Commercial Deposit	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Commercial Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Other														
Other	7	7	8	17	8	12	7	13	9	11	6	3	108	\$0.00
Unassigned	5	4	11	7	2	4	12	7	2	5	18	12	89	\$0.00
Total	151	179	212	195	238	253	214	257	236	556	309	289	3089	\$657,569.43

GrowthGrid™ for \$450 million FI showing real results from their 2022 digital campaigns.

Account Type	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Total	Total Revenue
Loans - Retail														
Consumer Loan	44	3	0	0	0	0	0	0	82	200	153	128	610	\$305,000.00
Credit Card	0	0	0	0	0	0	130	180	127	61	1	0	499	\$24,950.00
HELOC	12	11	9	3	0	0	0	0	0	0	0	0	35	\$3,500.00
Home Equity Loan	0	0	0	0	0	0	0	0	7	26	53	43	129	\$25,800.00
Mortgage	0	0	0	42	25	37	37	45	40	32	7	0	265	\$265,000.00
New Auto	7	1	35	79	78	94	72	88	91	75	54	34	708	\$212,400.00
Personal LOC	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Recreational Vehicle Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Used Auto	60	0	195	371	332	322	310	339	316	322	256	182	3005	\$300,500.00
Deposits - Retail														
CD	0	0	0	0	203	255	271	326	336	513	669	836	3409	\$170,450.00
Checking	52	29	58	44	40	63	74	88	31	33	50	50	612	\$3,060.00
IRA	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Money Market	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Savings	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Commercial														
Commercial Credit Card	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Commercial Deposit	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Commercial Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Other														
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00
Total	175	44	297	539	678	771	894	1066	1030	1262	1243	1273	9272	\$1,310,660.00

GrowthGrid™ for \$3+ billion FI showing real results from their 2022 digital campaigns

Conclusion

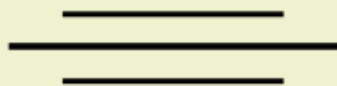
In conclusion, taking advantage of digital real estate in online and mobile banking benefits both financial institutions and their customers. Using digital real estate, financial institutions



can communicate with their account holders in a personal, authentic, and effective way, providing them with trusted advice and information about financial products and services that can help them achieve financial wellbeing. As a result of this, customer engagement, retention, satisfaction, advocacy, lifetime value, and profitability can be increased.

Account holders can receive offers and messages tailored to their needs, preferences, and goals, as well as access valuable content that helps them improve their financial situation and take advantage of

special offers. By doing so, their trust, loyalty, and satisfaction with their financial institution can be enhanced, as well as their financial confidence and security. When successfully seizing the opportunity of their digital real estate in online and mobile banking, financial institutions are not only maximizing their digital spaces, but also maximizing customer relationships and business outcomes. What could be more win-win than that?



About DeepTarget

Powering the digital communication revolution for credit unions and banks with Growth as a Service (GRaaS), DeepTarget enables their growth of assets - deposits & loans, revenue, new members/customers, digital users, account holder relationships & loyalty and more. GRaaS is backed by a risk-free money-back guarantee and powered by their patented [DXP](#) currently deployed by 100s of FIs. It combines a skilled labor force and best practices to utilize data and AI insights from multiple data sources for a seamless, meaningful communications experience wherever, whenever and however their consumers bank. For additional information visit www.deeptarget.com and follow them on [LinkedIn](#).