

Unlocking Growth: A Practical Guide to Leveraging Your Bank's Data

By Achim Griesel and Dr. Sean Payant

In the digital age, financial institutions find themselves sitting on a goldmine of data—a treasure trove with the potential to revolutionize the way they operate. From understanding consumer spending habits to predicting financial needs, institutions want to leverage that data to drive success in an ever-evolving industry.

Before delving into the multiple ways financial institutions can use data to their advantage, it's crucial to first establish clear objectives and outcomes rather than utilizing data without a clear purpose. And, when it comes to growth, financial institutions typically focus on a few key goals.



1 Growing the Number of Primary Financial Institution (PFI) Relationships

In today's environment, most FIs want to grow core relationships—and along with those, low- or no-cost core deposits. For solid proof, just look at recent offers from large institutions and the sheer amount of marketing around these offers, all to lure new core relationships. Chase offers up to \$900 for opening a checking and savings account. Other large national banks are offering anywhere from \$500 to \$3,000 to earn a variety of relationships.

The ultimate measure of success for any FI's growth strategy is its ability to establish new PFI relationships. Our answer: Challenge yourself. If you do not currently have an always-on strategic approach to growing core relationships, adopting an always-on strategy should help you increase your new core relationships by 50% to 150%.

2 Increasing Relational Intensity

Increasing relational intensity is about cross-serving, not cross-selling. To foster growth, FIs

must attract NEW consumers and deepen those relationships while also deepening relationships with EXISTING consumers and businesses.

The key to success is increasing relational intensity over time, with an incremental increase in product and service utilization. Based on client data, earning six or more product and/or service relationships per household is realistic, even while executing a core relationship growth strategy.

3 Growing Your Team

Behind every successful FI is a dedicated team. Data can help identify human performance metrics that matter and provide a framework for measuring coaching effectiveness. Your focus should be on coaching high-value activities like service behaviors, sales presentations, product knowledge, etc. It's not just about coaching; it's about data-driven coaching, measurement, and accountability.

4 Growing Consumer and Business Advocates

Word-of-mouth referrals have always been a powerful growth tool for FIs. A customer's desire to refer others to their FI is driven by exceptional service, with approximately 18% of openings stemming from referrals. In today's digitized banking world, service has two key components: (1) Technology that allows people to use your digital channels with the least friction possible; and (2) The service your team members provide.

Aligning Marketing and Execution

Once you determine your goals and identify key performance targets, you must drive growth. **Overall success hinges on aligning successful marketing strategies with effective execution strategies.**

a. Have Better Retail and Business Products

For marketing to be as effective as possible, it must be paired with compelling retail and business products. In the absence of good products, the choice will come down to access and locations.

b. Implement Intelligent Policies and Processes

For your marketing to achieve your growth goals, your policies and processes must not become roadblocks. Have you tried to open an account online with your organization? Have you recently visited one of your own branches to open an account or add a service? To be able to compete with high-incentive offers from large FIs, you must outperform them. Your service must be better, and your policies must be friendlier.

Once you've set your goals, evaluated your policies and processes, and implemented an ongoing training and coaching plan, it's time to market.

a. Target Effectively

Identifying the right audience is critical in marketing. Before we determine which marketing channels will be most effective or what an omnichannel mix should look like, we help FIs use data modeling to discover the right audience. Effective targeting begins with learning from your existing data. It's also important to look at further data to help refine your target audience. For example: When it comes to core relationship growth, we have found that drive pattern and trip frequency concluded from GPS-based device metrics within your branch footprint can be powerful predictors for high-probability prospects.

b. Use the Right Marketing Channels

The right marketing channel is the one that's in front of your prospective customer. That starts with (1) Traditional marketing, utilizing your branch locations as effective messaging tools, and highly targeting the prospective customer through one-on-one print solutions. This is then supported by (2) Opt-in emails such as USPS Informed Delivery and (3) Digital marketing tactics that allow for the highest level of targeting.

c. Understand the Right Frequency

What is the right frequency? Today when large FIs market at least every six weeks, your frequency must be higher if you want to hold your results at the same level. This not only applies to traditional marketing, but digital marketing as well.

The modern banking landscape is defined by data-driven strategies. To achieve sustainable growth, FIs must harness the power of data.

By aligning marketing efforts with intelligent processes, employee training, and data-driven decision-making, FIs can drive growth and success in the competitive world of banking, thus positioning themselves at the forefront of the data-driven revolution.



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