



We Share Our Knowledge

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Targeted Marketing at Information Posts

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1. Background

Many service organizations use different distribution channels in order to increase their sales volume.

These organizations are discovering that targeted marketing at the right time for the customers enhances the possibility of the customers completing the transaction.

As a result, in the past few years, we are witnessing new communications skills developed by the organizations. These are called Inbound Communications, and they are supplementary to Outbound Communications.

Studies show that 85% of service organizations worldwide are "inbound active" in one or more communication channels with the customers.

2. Inbound – Definition:

The delivery of targeted or customized marketing messages and offers within the context of customer initiated interaction.

Communication channels that can be used for inbound activities are:

- Call centers
- Calls to the service center (branch)
- Company websites
- Information posts
- ATMs.

Our objective is to illustrate how information posts can be used as a targeted marketing channel and what kind of marketing offers or additional services can be provided to customers through this channel.

3. Targeted Marketing at Information Posts

The Current Situation

In our experience most bank branches, be it local or international, set up information posts that offer customers a vast variety of banking services.

Among others, the services offered in the posts are:

- A variety of information services (checking account status, future activities in the account, savings status, etc.)
- Check deposits (check scans)
- Deposits and withdrawals from short term savings programs
- Money transfers.

However, to the best of our knowledge and according to studies conducted, the volume of transactions (i.e. banking activities) conducted in information posts is relatively low, and the most common activities are information activities and check deposits.

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4. Principles of Targeted Marketing at Information Posts

Every contact with the customer should be regarded by the bank as a marketing opportunity.

That said, when we deal with marketing activities in information posts, we must keep in mind the following principles:

- The customer is not alone in line, and oftentimes he must conclude his business and vacate the information post for the next customer. Therefore, we shouldn't pitch any new marketing offers during rush hours.
- As a result of the above, the customer is sometimes in a hurry. Therefore, we should pre-analyze his status and present an offer best suited for his needs.
- Intricate marketing offers (e.g. investments, loans or mortgages) should not be presented at information posts.
- This channel is highly suited for service offers and customer reminders.
- The customer should only be presented with offers that can be completed while still at the post. That is, enable him to "close the deal" and continue with his other activities.
- The customer should not be greeted by a marketing offer each time he arrives at the information post. The offers should only be presented according to the customer's needs and the analysis of his previous responses.
- The possibility that customers who complete their activities via the Internet and/or call centers will suddenly begin doing so using the information posts is relatively low. Therefore, such customers should not be solicited at the information post. All marketing offers at the posts should be targeted at customers who prefer coming to the bank to complete their activities. For those customers, the information post can become a cheaper channel of communication and banking.

5. A List of Targeted Marketing Offers at Information Posts

Below is a list of marketing offers targeted towards customers' needs, which can be presented at information posts.

The offers are divided into three types: sales offers, service offers and trigger event offers:

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Offer Type	Offer / Notice	Rationale
Service	Different messages to customers: <ul style="list-style-type: none"> Your credit card is ready. Pls. collect it at your branch. Your checkbooks are ready. Pls. collect them at your branch. You need to sign some forms. 	Eliminates the need for a banker calling the customer to deliver the message. Also, this offer can be presented only to customers using the information post in their own branch.
	Personal treatment: <ul style="list-style-type: none"> Happy birthday Seniority greetings Congratulations on joining the new service (call center, internet). 	Customers of mid/low value to the bank can be congratulated via this channel, thus saving costs of congratulating via other channels.
Sales	Ordering checkbooks.	Best used during a check depositing activity.
	Selling an express loan.	Loan offered only at information posts, and only to customers with high values in the loans model, who are eligible for a loan.
	A second credit card.	For customers owning one credit card, who were not offered a second one in the past (based on previous contact history).
	Joining direct services: <ul style="list-style-type: none"> Internet Call center. 	Suggest the customer register for the bank's internet service or the call center, and issue the customer a password.
Trigger Events	Re-depositing	If the customer has a deposit redeemed that day, suggest that he deposit it again.
	Notice of a high credit balance.	The customer can make a deposit at the information post.
	Notice of reaching credit limits.	The customer can cash in a short term deposit at the information post.

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6. World Trends

6.1 Preface

Throughout world, banks are trying to leverage each contact with the customer for sales promotion.

One of the most significant channels for inbound activities is the ATM (unlike in Israel, ATMs abroad are used for both money withdrawals and checking account information).

Additionally, banks are attempting to divert customer activities from the branches (not as cost effective for the bank) to ATM posts.

Nonetheless, to enable targeted marketing activities in the ATMs, the banks realized that ATMs must be upgraded so they can offer a variety of banking services, and become a fitting replacement for the branch channel.

6.2 The Upgraded services Offered in ATMs

39% of bank customers in Europe use this channel to withdraw funds and check their account balance. In an attempt to upgrade the ATM-offered services, different banks are offering the following services:

6.3 Banking Services

- Check deposits – scanning the check and printing a copy for the customer.
- Cash deposits (bills and coins) – different banks use this service to cut down on ATM operation costs, and "recycle" the money deposited for withdrawals.
- Bill payments (e.g. phone bills) – some banks install barcode-reading chips in their ATMs, in order to accelerate bill payments to different service providers.
- Money transfers.
- Making/renewing/redeeming deposits.

6.4 Non-Banking Services

- Recharging mobile phones – some banks upgrade their ATMs so they can also be used as mobile phone chargers. This service reduces operation costs, and turns the ATMs from cost drainers to revenue generators.
- Advertising – during "down" time, when the ATM is processing information, the customer is exposed to ads for different services (flights, mobile phones, retail, etc.).

7. Service Personalization

Many banks around the world analyze their customers' ATM usage habits, in order to offer them more personalized services.

The objective of the personalization is twofold: to cut down usage times and allow more time for product promotion, and to enhance customer satisfaction of ATM usage.

Among the personalization services offered by the banks are immediate redirection to the customer's most common activity, presenting his most common withdrawal sum, and adjusting the first screen to the services usually requested by that customer.

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8. Direct Marketing via ATMs

Many banks adapt their ATMs to correspond with their CRM systems. This way, they can offer customers a variety of targeted sales and service offers.

Among the services offered are investment cycles, information from the branch, savings and loans.

However, studies show that the banks use relatively "simple" business rules to target customers at this channel. This causes the customers to accept offers not always relevant to them. Some banks also use this channel to recruit new customers.

9. Best Practice – OCBC Bank

9.1 Background

- A bank in Singapore.
- Owns 360 ATMs. Each month, a total of about 2 million different activities are made at these ATMs.
- The bank has upgraded its ATM infrastructure to enable personalized services and targeted marketing.

9.2 What Does the Bank Offer its Customers via the ATMs?

Increased activities by personalization – the bank presents its customers with their most common withdrawal sum and their most common activity at that ATM station.

These upgrades enabled the bank to reduce station usage time by 75%.

Correlation with the bank's CRM system – in order to present offers targeted towards customer needs, the ATM network was connected to the bank's CRM system, to enable an overall view of all customer activities.

The bank reports that response rates to ATM marketing offers are about 5%, i.e., higher and less costly than direct mail.

Personal contact – holiday and birthday greetings to customers.

About Synergy

Synergy is an international consulting company, specializing in Analytical CRM solutions.

Synergy offers marketing oriented business ventures, formed by a team of leading local and international industry experts.

Synergy aims to provide its customers with the ability of acquiring commercial advantages by informative analysis of their customers' shopping data.

Synergy has vast experience in working with leading commercial organizations, both locally and internationally, and its clientele includes foremost industry leaders in the communications, financial and retail fields.

For more information, visit our website at: www.il-synergy.com, or email us at: info@il-synergy.com.

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