

Email Marketing for Banks: Using Technology to Make A Human Connection

In a recent comprehensive survey, which business category ranked *last* in the effective use of email marketing? If you answered financial institutions, then you're already aware of the problem.

In their "Best and Worst of Email Marketing," the respected technology and marketing research firm Forrester Research also evaluated a sampling of email campaigns across various industries. Again, banks came out on the bottom.

The solution? Among other advice, Forrester's main recommendation was that the financial industry become more customer-centric in their approach to email, rather than product-centric. In other words, start with the goals and sensibilities of customers and prospects, not managers. It's interesting that most institutions already possess much of the crucial intelligence they need to take that approach. They just need help consolidating, organizing, and leveraging it.

Data is a highly valuable resource. Stop throwing it away.

Smart marketing these days is all about data. But of course data doesn't spring up, fully formed, within the digital innards of computers. Most data starts out as the action, circumstance or need of a real live person.

As it turns out, front line personnel receive a wealth of this kind of data, every single day. Customers chat about their plans, preferences and life events. More often than not, though, that useful intelligence is simply allowed to evaporate.

Why? because CSRs aren't clued in to the bank's bigger picture. They're not incentivized to either ask key questions of customers, or capture and forward useful info. And chances are, there's no simple system in place for consistently sending that data to back office personnel who are nimble enough to immediately put it to work.

Is that nice couple moving soon? They'll need a mortgage, of course. Did they inherit money? Perhaps send an email or two offering savings and investment opportunities. Are they having a baby, or starting college planning for their high school student? Their overall financial picture is in flux, and that's called opportunity.

Knowing what individuals need, when they need it, and being there at the right time with the right products, is naturally what 'relationship banking' is all about. Think about it: when someone helps you in a time of need, a bond of trust is created. From any business perspective, that kind of life-long bond is golden.

Sure, sharp CSRs may suggest solutions when they hear of a need. But think about how much more effective that appeal will be if it's supplemented by a series of timely offers in the customer's email inbox. This naturally extends their timeline for considering how *our* offerings might fit perfectly into *their* plans.

Don't try so hard to sell. Try harder to help.

Trying to build an email list of potential bank customers? No one's going to sign up just to be marketed to, over and over again. Would you?

When the bank signs up a *new* customer, they're often considered 'opted in' for the bank's email communications. But according to the Can Spam Act, recipients can opt out at any time, and you can't directly control that decision.

But by varying the content of your outgoing emails, respecting their email preferences, and including genuinely helpful information and resources into the mix, you can retain the privilege of appearing in their inboxes over time.

When families inquire about a mortgage, why not email them a handy "Checklist for Movers"? Or a list of "Top 10 Mistakes Homebuyers Make." Or a link to a Mortgage Calculator. Sure, you probably have that calculator buried deep inside your website. But email is a great way to get more steam out of underused digital assets. And, in the process, you'll build trust among people who need help navigating the changes in their lives.

'Helpful' emails shouldn't sneak in mentions of the bank's specific products and services. But you *can* nudge people toward the *types* of solutions your institution provides. Then at the end, you can offer a phone number and email address if the recipient has questions.

This soft-sell approach actually works best if you include the name and number of a specific employee to respond to, rather than a general phone number or email address. I'm more likely to call if I can talk directly to the right person, rather than having to explain my need to whoever picks up the phone.

Email can also be a great avenue for drawing both internal and external audiences in for a relationship-building face-to-face consult. For example, there are plenty of people who have their investments parked somewhere, but haven't spoken with anyone at that firm in years. So offer a "Free, No-Obligation Financial Check-Up" that might lead to updated investment strategies. Business bankers also have info and insights about the local business environment that they can package as a free consult to new business owners who are seeking a loan.

Let's not forget, we're all on the same team here.

The bank's marketing department communicates with customers through its internal email list. Operations regularly sends transaction emails. And the bank's front line staffers communicate with customers in person and on the phone. But somehow, it doesn't occur to these departments to communicate with each other.

What if they did? When front line folks understand precisely what the bank is trying to accomplish with email and other marketing avenues, they can actively support that effort. The marketing side would understand what real-world needs, and changing trends, are affecting the financial decisions of today's families and businesses. Even transactional notices could start including timely messages for cross-selling.

It's smart to include even the compliance team in the conversation. If that department knows what initiatives are coming up, they can begin their process early. Then maybe they won't be the bottleneck that holds up the entire email campaign when it's all ready to run. Sound familiar?

Maybe that young CSR that was just hired notices that half a dozen customers were confused about a recent email promotion. If she doesn't have an opportunity to offer that kind of feedback, there's a risk that the next promotion might be just as confusing — and just as unsuccessful.

Bank personnel who feel like their opinions and ideas are being heard are simply going to be more committed to their job. Marketing people who know what's happening on the ground will be better at *their* job. And customers who are being served by a unified 'voice' will feel like they're truly being taken care of.

You can learn some amazing things just by listening.

Technology offers incredible tools today to make your email marketing efforts more effective as well as more cost-efficient. But they can only take you so far unless you're paying attention to what the people out there (whether they realize it or not) are trying to tell you.

The simplest example is A/B testing of your emails. By measuring the response of one offer vs. another, or one creative approach vs. another, the humans on your list are letting you know what they prefer more of, and what they're not so keen on. Because each email they get that doesn't seem *relevant* makes your institution seem irrelevant. Why guess, when you can test?

Of course, it's best to test just one aspect of your email at a time, to be dead sure what it is that's working or not working. Then keep testing new ideas against the current winner, for an ongoing program of improvement.

When people claim that 'email doesn't work' it's likely because they're not testing. Or segmenting. You do

know that blasting the same email to everyone on your list is an amateur's approach, right? Use demographics or online behaviors to understand what segments people fall into, and customize your offer, and your approach, for each.

It gets better. By *cross-referencing* that demographic data with those known actions, then things really start to take off. If the person lives near water, *and* their savings is steadily increasing, then maybe they'd be interested in a great rate on boat loans. Who knows?

Sure, there are challenges. But with a little help, you can do this.

All this slicing and dicing may seem like a lot to wrap your head around. Right now you might have different departments with different data silos. If you wanted to assemble a 360 degree view of certain prime targets, where would you even start?

Fortunately, there are specialists out there who not only know how to help things get up and running. They can help centralize all that data and draw out the insights that were hidden within. They can integrate your bank's strategic email campaigns with your other marketing efforts, for a level of impact that was never before possible. These days, that's about as smart as you can get.

The thing is, it works. In fact, when done right and done consistently, dollar for dollar, nothing performs better than email. In last year's Email Marketing Industry Census, 68% of companies overall rate the email channel as 'good' or 'excellent.'

Financial institutions who use email effectively understand that every email they send out is the succinct but intriguing opening line of a conversation. Since you're using what you know about that individual, it's less of a marketing appeal and more of a personal appeal. When that human mouses over to click through on your email, they're telling you, quite directly, that they're interested.

You can take it from there.