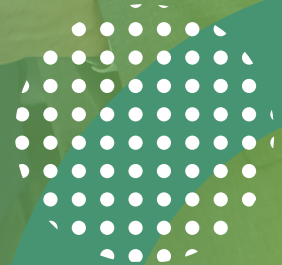




Boosting Engagement Through Personalization

The Financial Institution's
Guide To Crafting
Effective Personalized
Communications



EBOOK

Introduction

The Critical Shift to Personalization in Banking

“When it comes to marketing and banking, if you’re ‘good enough,’ you’re failing.”

[These words](#) from the Bank Administration Institute (BAI) expertly capture the shifting marketing landscape financial institutions (FIs) must navigate to achieve sustained growth and lasting consumer relationships.

Marketing efforts that solely rely on a product or service’s quality aren’t going to cut it in today’s digital-first environment. According to Salesforce’s fifth-edition [State of the Connected Customer Report](#), digital channels are becoming consumers’ preferred methods for engagement, meaning that these consumers have more options than ever to meet their needs. So, how do FIs stand out in this crowded market?

Personalization Defines Modern Marketing

The same Salesforce report states that 73% of surveyed customers “expect companies to understand [their] unique needs and expectations”, while 56% “expect offers to always be personalized.”

In this eBook, we’ll explore what personalized communication entails, why it’s so crucial to FIs’ marketing efforts, and tips to help you craft successful outreach materials based on your consumers’ needs and expectations.



LET’S DIVE IN

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Personalized Communication

What Is It?

Personalized communications seek to increase engagement by targeting specific consumer segments based on certain criteria. Driven by data and deep consumer insight, this outreach approach is notably more personalized than mass marketing methods.

Simply put, **personalization prioritizes quality over quantity**. While this approach may reach comparatively fewer consumers, it tends to engage individuals who are more likely to interact with the offers presented.

Why Is It Necessary?

Today's consumers [expect their unique needs to be understood](#) and reflected in messaging. And in our digital-first world, those consumers have a long list of banking options at their fingertips, meaning they can afford to be selective. If one institution's offering doesn't meet all the consumer's needs, it's likely that another FI's offering does, and that lure is just one Google search away.

It's critical to consider this increased competition across your marketing efforts. Product-centered marketing is outdated—to attract and retain consumers in the digital age, you must speak to them individually. Personalized, data-driven communications focused on individual consumer needs are crucial to thrive in a modern banking landscape.

Personalization in Action: Credit Card Campaigns



A bank notices a decline in new credit card applications from existing customers. ➡

To reverse this trend, the bank launches a campaign offering a low fixed rate for customers opening a new card in a set timeframe. ➡



While the offer will attract some customers, the bank risks wasting time and resources marketing to everyone, as not all may qualify or even be interested in a new credit line. ➡

By using data to identify eligible and interested customers, a personalized marketing strategy can more effectively boost campaign success. ➡



In this scenario, **the bank maximizes campaign engagement by targeting an audience that's more likely to find the offer relevant.**

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The Power of Personalized Marketing

Let's look at some of the ways personalized marketing and communications make a difference:



Increased Consumer Engagement & Loyalty

Personalized offerings aligned to the individual's unique circumstances [increase the likelihood](#) of consumer engagement while also building trust and fostering long-lasting relationships.



Better Conversion Rates

Targeted messaging that reaches the right consumers at the right time can boost outreach effectiveness and positively impact conversion rates.



Enhanced Experiences

Data-driven, personalized outreach ensures that every marketing effort is intentional. If a consumer is targeted, it's because they're most likely to find value in the offer.



Higher ROI

Generalized communications will always include recipients who have no use for the offer. Focusing marketing efforts on the consumers most likely to find relevancy in the product/service and its messaging helps [maximize ROI](#).



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Digital Channels & Harnessing Your Data

The world has shifted to digital, and a digital-first world demands digital marketing channels to maximize outreach efforts. Digital channels such as advertising, social, and email are crucial touchpoints that meet your audiences where they are: online.

Data Is the Difference!

[The Financial Brand](#) notes that due to various technological gaps within banking, digital marketing does not always hit the mark. The good news? You already have a key piece of the puzzle within your FI to help increase marketing accuracy: Data!

For many FIs, **data is an under-utilized gold mine** showcasing consumer behaviors, demographics, and individual interests. When analyzed and harnessed, it reveals insights to inform audience segmentation and personalization to drive optimized results—such as how predictive data analytics can anticipate a need for certain products before a consumer realizes this need for themselves.



Data Is an Under-Utilized Gold Mine

But, according to Deloitte, FIs have yet to fully harness their data analytics.

Issues such as legacy systems, data silos, and stringent data privacy and security regulations [have impeded efforts](#) to glean crucial consumer insights and make decisions based on real-time data.

Legacy systems can have limitations, including data integrity and quality issues, inability to scale, costly maintenance, and outdated technology. While data silos once served a purpose in keeping consumer information secure, in the digital world, these silos can often hamper relevancy in marketing efforts.

Clean, relevant, and accessible data from across the FI is necessary to get the holistic consumer picture required for targeted communications.

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Balancing Data Privacy and Personalization

And then there's data privacy and security. [The Financial Brand](#) discusses the delicate balance between these factors and concludes that the best way to balance them involves **three actions**:

1 Building Trust & Transparency:

FIs should be transparent about data collection practices and ensure consumers' consent, clearly explaining data usage policies and creating self-service portals in which consumers can access and delete their data, as well as contact customer support for more information.

2 Leveraging First-Party Data:

FIs should collect data at every consumer interaction point, including email, social media, website, mobile app, and in-branch, to gain a more comprehensive view of the consumer. Opt-ins, registrations, and loyalty programs are just a few ways FIs can obtain this data.

3 Creating Value for Consumers:

Delivering personalized experiences with genuine value to consumers is paramount. FIs that understand consumers' needs, preferences, and circumstances can better tailor messages, offers, and content to meet those consumers' specific requirements, leading to lasting relationships and deepened trust.



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Crafting Personalized Communications

Your FI has the data. Now it's time to use it to better understand your consumers and provide relevant outreach. Here's how:

First, Let's Talk About KYC

[KYC](#), or Know Your Customer is the mandatory process of ensuring your consumers are who they claim to be. KYC protects your FI against fraud and other crimes by establishing the consumer's identity, as well as assessing and monitoring their risk. It involves the consumer providing proof of their identity and address through means including:

- ID card verification
- Face verification
- Biometric verification
- Document verification, such as a utility bill

Maximizing engagement starts with following this protocol to not only comply with the law but verify that each consumer you target is real and therefore not wasting your efforts.



Now, on to Creating Personalized Outreach

A recent [Plaid Tech Talk](#) describes how we've entered the **era of hyper-personalization**—"providing services and advice that anticipate [consumers'] needs ... with the best message, at the right time ... on the right channel."

This approach can reduce churn, increase sales, and lead to annual revenue boosts of up to 10%. How? By helping you better understand your consumer to provide offers more pertinent to their needs, driving action.

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Crafting Personalized Communications *Cont'd*

Crafting these messages requires analyzing your data, as discussed earlier, and using those results to determine who to target with which offerings. Alongside data based on traditional demographics, there are [three types of data](#) your FI should also include in these analyses:



Transactional Data

What are consumers buying?
Who are they paying and how often? How many credit cards are they using to pay for everyday expenses like groceries and clothing?



Behavioral Data

How many and which consumers are using mobile or online banking, third-party payment apps, or visiting branches and ATMs? How often are consumers breaking from their typical behavior of using a bank account to pay utilities in favor of a credit card?



Product & Services Data

Which consumers use mobile payments, P2P payment apps, or checks? Which consumers have taken out an auto loan with your FI in the past 5 years? How many consumers have never taken out an auto loan with your FI but appear to be paying car insurance?

These more nuanced data points help you identify exactly who to target for certain outreach based on their habits, recent transactions, and preferences. From there, you can segment audiences to determine which consumers receive which messages based on their circumstances. This results in a fully personalized experience optimized for maximum engagement.

And Don't Forget Dynamic Content.

[Dynamic content](#) is an additional layer of personalization that uses first-party data to respond to individual consumers' behaviors and preferences in real time to deliver more relevant, engaging communications. Automated marketing solutions that have this feature built in, such as MeridianLink® Engage, make crafting hyper-personalized, results-oriented outreach easier. This can increase conversions, attract leads, deepen relationships, and foster trust between the consumer and your FI.

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Best Practices & Strategies for Utilizing FI Data

To maximize engagement, there are several best practices your FI can use when personalizing communications. Let's take a closer look at what they are and how they help:

Audience Segmentation



Isolate consumer groups based on similar characteristics, behaviors, or preferences.

This helps maximize engagement, bolster relationships, and increase satisfaction by creating messages that resonate with those targeted groups, which in turn increases revenue. For example, one FI used [MeridianLink Engage](#) to segment consumers into tiers based on risk profile to personalize rates and credit limits for a credit card campaign with incentives.

A/B Testing



Test marketing tactics side-by-side to identify which resonates best with your audience.

A/B testing can help FIs better understand how their consumers behave, as well as help determine how to approach future communications based on testing results. It can also help increase website traffic, boost conversion rates, and lower bounce rates by optimizing content for maximum engagement.

Multichannel Marketing



Coordinate messaging across platforms to maximize consumer reach and effectiveness.

Multichannel marketing synchronizes messaging across channels like social media, email, paid ads, and printed materials. These different channels serve a range of purposes to encourage interactions: Paid ads can build brand awareness to targeted audiences, while email can reinforce brand presence, nurture relationships, and deliver tailored offers. Using all the channels at an FI's disposal is vital to maximizing the audience's likelihood of taking action.



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Challenges & Pitfalls

When creating personalized communications, keep these risks and challenges in mind:

Over-Personalization Is Possible

Personalization is all about balance. While tailored messaging can absolutely resonate with consumers and drive higher engagement, be sure to [avoid overdoing it](#) and inundating consumers with a barrage of outreach, which can lead to less engagement and a negative perception of your FI.



Maintain High Standards of Data Integrity and Security

Ensure Data Accuracy & Privacy

Accurate, private data is crucial; incorrect data reduces effectiveness and may mislead consumers.

Beware of Algorithmic Bias

Use technology to augment, not replace, human expertise; avoid excluding groups through algorithmic bias.

Prioritize Privacy & Transparency

Communicate clear data policies; allow the consumer access to, and control over, their personal information.

Implement Robust Security Measures

Protect data with encryption, firewalls, and regular updates to prevent unauthorized access or misuse.

Comply With Legal & Regulatory Standards

Stay compliant with laws and regulations related to data security and consumer privacy.

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Challenges & Pitfalls *Cont'd*

Keep Up With Shifting Consumer Preferences

As consumer preferences shift, it's important to keep up with these changes to best serve their needs and expectations.

One way to do this is by **regularly updating and analyzing your FI's data**. This data can offer insights into current purchasing habits, which of your FI's services consumers find valuable, and other information that can be woven into marketing outreach to maximize engagement.

There are also generational preferences to take into consideration when marketing. For example, according to Vericast's [Anatomy of a Banking Customer](#), millennials and Gen X tend to use debit cards more than Baby Boomers (64% vs. 49%); the report also states that 30% of Gen Z are receptive to checking account offers. Statistics like these can help inform who should receive certain outreach and how it should be crafted to maximize engagement.

Ultimately, there are several consumer preferences to consider—digital preferences & expectations also make a huge impact—and keeping pace with their evolution will only benefit your marketing efforts.



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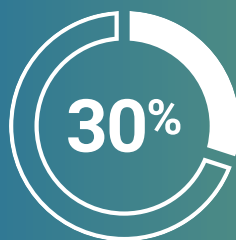
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The Right Tech Makes a Difference

The right technology can drastically improve outreach efficacy while reducing manual efforts among staff.

Why Integrate Fintech Solutions?

Marketing automation and personalization solutions, such as MeridianLink Engage and MeridianLink® Insight, integrate with your existing banking systems to help your FI handle tasks such as data analysis and audience segmentation to create custom outreach quickly and thoughtfully. These tools can **isolate data to help you uncover additional insights** into your consumers, providing real-time analytics aimed at creating a 360° individual profile.

AI & Personalization

To glean those real-time analytics, your FI's data is examined with artificial intelligence (AI), machine learning (ML), and/or deep learning (DL) technology. These tools help you find hidden relationships between data values to customize communications.

Deep learning algorithms can discern complex data patterns—buying patterns, demographics, transaction volumes, etc.—and predict outcomes to help guide marketing efforts. **Machine learning** can pinpoint hidden and subtle behaviors across a range of consumer profiles to offer tailored solutions and relevant experiences. **Both machine learning and artificial intelligence** can amplify advanced data analytics models to determine competitive differentiation within audience segments.



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MeridianLink Engage Can Help

The [MeridianLink Engage](#) automated marketing solution integrates with most major core banking systems and hundreds of third-party vendors to seamlessly perform within your existing workflows. Using advanced modeling, segmentation, and business logic, it analyzes various data points—including core, payment, credit, application, and third party—to help your FI better understand its consumers and create timely solutions tailored to each individual's needs.



Integrations To Fit Your Needs

- ✓ Integrations with several MeridianLink® One solutions, as well as batch file integrations for pre-screen processing with 3 major credit bureaus
- ✓ Direct integration to core system, payments processor, data center, & preferred third parties
- ✓ Email, social media, SMS, direct mail, & home banking channel integrations
- ✓ Daily data extracts for all consumer products, business products, & transaction activities

Quick & Easy Outreach Execution

- ✓ Rapid three-step process to approve & launch campaigns
- ✓ Choose from several customizable campaign templates or create your own
- ✓ Test sends across all marketing channels incorporating live data
- ✓ Track creative approvals & budget approvals
- ✓ Downloadable contact lists for use with third-party providers



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Success Stories

MeridianLink Engage has helped MeridianLink customers nationwide strengthen consumer relationships and grow their portfolios with personalized marketing outreach.



Credit Card Cross-Sell

“Engage allows us to save time in each step of the prescreen process, and we are now launching campaigns 15-20 days quicker than before. PURLs and QR codes were also so well received by our members!”

—Christine Wright
Creative Services Manager,
FedChoice Federal Credit Union

FedChoice Federal Credit Union boosted credit card applications and encouraged active members to **open 376% more cards** than in the same timeframe two years prior with MeridianLink Engage.

[READ MORE](#)

Deploying Automated Marketing Tech To Boost Engagement

“We partnered with MeridianLink because their robust solution could get us through the noise of so much data and give us clarity on where to focus to maximize our returns. We’re blown away by the success of the campaign as we hit our breakeven threshold in just two months.”

—Leon Manning
SVP-Director of Marketing,
BankFirst Financial Services

BankFirst Financial Services **increased debit card monthly spending by 910%** with MeridianLink Engage.

[READ MORE](#)

Growing Checking Product Volume in the Wake of Declining Consumer Loans

“MeridianLink Engage has helped us rethink our approach to member engagement. We achieved impressive results with personalized campaigns, driving growth in checking accounts and enhancing member loyalty. This is key in adapting to the evolving banking landscape!”

—Lee Wojnar
Chief Marketing Officer,
O Bee Credit Union

O Bee Credit Union’s checking product outreach campaign achieved a **699% ROI**.

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An End-To-End Digital Experience



Let's
connect!

MeridianLink Engage is part of the cloud-based MeridianLink One platform, which spans the digital lending journey with solutions for deposit account opening, consumer and mortgage loan origination, credit reporting, data access and verification, business consulting, analytics, collections, and scoring.

REQUEST A DEMO



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