

Converting the faithful

Converting the faithful... Recommendation engines are a tried and tested technology that could help banks win over customers.

Whilst changing mobile plans recently, I discovered during the past year or so I had been incurring a small fee every month as an additional charge for the privilege of receiving an SMS. I had assumed that I could not be charged for receiving an SMS and my assumption proved inaccurate, leaving me feeling rather exposed.

Constant change in business increases the need to make informed decisions, which can give rise to inaccurate assumptions that could become more of an issue than an unexpected SMS. Understanding the questions that you should be asking can be vital to your success. Sometimes only a slightly different perspective might uncover a much greater positive benefit for future business.

"No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be," wrote Isaac Asimov.

In the near future, a great many more banking clients will be doing more than just researching and comparing products on the web. Bank marketers will need to prioritise their commitment to uncovering new and original ways to convert clients online. Most online experts would agree that conversion over the direct channel requires effective measurement, flexibility, segmentation, personalisation, CRM integration and a healthy respect for the privacy and security concerns of the web audience. But how do you decide where to invest your time and effort to get the best return?

Managing change

A great website is like baking a cake, you need lots of quality ingredients from different places, you need skill and experience, timing and attention to detail and familiarity with your tools of trade. If you are going to sell financial products online, you will need to have an acute awareness of the requirement for a defined process and the freedom and control to make changes to already successful products so they fit into the online environment.

As financial institutions start to suffer more pain from an increase in the cost of overseas finance, the pressure to save will become greater. Attempting to increase conversions while reducing cost over the web might turn into somewhat of a juggling act of opposing priorities.

Trying to innovate and make a difference often requires a degree of risk and tolerance for failure that might lead to less focus on measurement. Stakeholder support will become a vital component and a non-traditional approach to accountability and performance could be necessary to give you the best chance of success.

Making use of off-line channels

Just because you are building a business online does not preclude you from making use of tried and tested off-line sales and marketing channels. Not dissimilar to the hybrid car, you could provide clients with the autonomy, simplicity and always-present online channel while supporting and enhancing sales conversions by introducing off-line avenues at the right time and place. Regardless of cost, your stakeholders will gain an appreciation of the clout a web presence will add to your ability to grow market share and get a glimpse of the light at the end of the tunnel.

Imagine for a moment what might happen when a financial institution starts to accept that the internet is not just a way to reduce the cost of servicing customers. What might be the outcome? There are endless possibilities for banks to leverage the familiar off-line tools to engage people online.

Assuming you are already focusing on increasing throughput initiated from an online channel, what could you do to increase your likelihood of success?

Attitude, segmentation and personalisation

We all have friends and relatives that we might describe as uniquely different, and we all want to be treated like we are important, so why do we feel our customers are any different online? To make a web experience more personal you must, in addition to your more common segmentation techniques, start looking at the behaviour of the individual and make adjustments to content, offers and recommendations based upon your customer's present attitude.

By following and tracking the behaviour of past web visitors and recommending similar end results, you will have the potential to offer customers a more relevant experience that reflects the specific goals and aims based upon their specific interests at the moment, not just their general interests as part of a segmented group.

A number of mature technologies are able to assist with behavioural tracking and recommendations without the need for customers to provide any personal information. Recommendation engines are becoming a staple for online retailers and could be equally invaluable for increasing conversions for online banks without the need to constantly barrage your customers with offers or require customers to provide any personal information.

Regardless of what you decide, it is difficult to argue that trying a new approach and getting it right could help you leapfrog the competition and truly differentiate a banking experience online. Investing time and effort into innovative conversion methods will prove to be a wise long-term investment, regardless of the short term outcome. If the predicted increase in online conversions for banking is even half of what analysts are predicting over the next five years, then it's time to welcome the change.