BAI Banking Strategies
EXECUTIVE REPORT

Meeting the challenge of new customer acquisition

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BAI POWERING SMART DECISIONS.

In this issue

Addressing banking's top business challenge

BY TERRY BADGER, CFA
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Each year, BAI's research department asks bankers to identify the top business challenges that they expect to face in the coming 12 months. Topping the list in the 2023 BAI Banking Outlook survey is new customer acquisition.

In this month's BAI Executive Report, we turn to those same research colleagues for insights on what banking institutions should know—both challenges and opportunities—as they develop their customer acquisition strategies.

In our lead article, managing director Karl Dahlgren delves into BAI's recent research, along with some related demographic trends. The latter includes the drop in new household creation, which in 2022 was at its lowest level in six years.

This slow-growth environment presents a headwind for pretty much all banks and credit unions. Dahlgren says the odds for success improve when an institution knows what potential new customers are looking for and targets them appropriately.

"In the quest for new customers, banks should focus on bringing in primary relationship customers," Dahlgren writes. "This means quality acquisitions and not just any acquisition—after all, hot money is only going to be rented for a little while."

Isio Nelson, who heads client engagement for BAI's research department, leverages BAI research in his exploration of why banking institutions should work on increasing their small business customer base. His bottom-line reason is that small businesses are "an untapped gold mine that may be hiding in plain sight," and that appealing to these enterprises now—while they are small—can pay off in the longer run.

Merchant services present an especially attractive opportunity, Nelson says. The ability to make and accept payments is especially important to small businesses, and our research finds that cost and inferior technology are the main reasons why they look to fintechs and other providers for these services.

"By giving these operators attention and by tailoring offerings to their needs, banks have a great opportunity to develop an enduring relationship that can become far more fruitful over time," he writes.

For this month's Executive Report Q&A, I speak with BAI research intelligence expert Mark Riddle about the in-depth findings of the 2023 BAI Banking Outlook survey on customer acquisition, and also gather his views on how banks and credit unions might put those findings to good use.

He advises institutions seeking to grow their customer base to expand their efforts toward signing up more Gen Zers, many of whom are looking to open their first accounts. To be successful, the marketing push around products and services should be highly personalized, and banks should also offer an exceptional digital experience.

"Gen Z rates the digital (customer experience) at their primary bank much lower than any of the other generations, in large part because their experiences elsewhere have elevated their expectations," Riddle says. "They are the I-want-it-right-now generation."

Our article from James White from Total Expert gets right to the point in its headline: "You can buy new customers, but you can't buy loyalty." The buying part he's referring to is, of course, dangling higher interest rates on deposits as a way to lure customer money away from other banks or credit unions.

"If banks aren't doing the hard work to build and sustain relationships with new customers," White writes, "they'll see their money wasted when those customers jump ship for the next best thing."

He makes a case for relationship pricing as a means by which banks can present a clear value proposition to depositors. Tiered deposit rates, various perks and product tie-ins are examples of incentives that institutions can offer to distinguish themselves from their competitors.

In her article, "Data-driven insights can improve your acquisition strategies," Lisa Nicolas from Vericast writes that banking institutions should focus on the kinds of data that can be impactful for personalized marketing. These include first-party and third-party data derived from consumer behaviors, credit-related data to assess risk and understand needs and broader competitive data that offers a view into trends.

She points to a number of potential benefits from putting data and analytics to work in a more wide-ranging way for customer acquisition. Among them, the ability to develop deeper insights that can help create more successful approaches that are based on specific customer needs—this can improve conversion rates in a cost-effective manner.

We hope that you find the perspectives offered in this Executive Report applicable as you shape and later fine-tune your customer acquisition strategy and tactics. Feel free to email me with your thoughts on this key business challenge.

Terry Badger, CFA, is the managing editor at BAI.

Improving the chances of acquisition success

A better understanding of consumer preferences can help banks and credit unions find new accountholders who will stay long term.

BY KARL DAHLGREN

New customer acquisition is the number-one challenge for banking institutions, according to the 2023 BAI Banking Outlook survey. The number of new checking households is an excellent gauge for how well banks and credit unions are acquiring new customers, as most consumers consider their primary institution to be where they have their main checking account.

During the worst of the pandemic, financial institutions were flush with deposits as many people spent less money and parked their stimulus checks. Today is a much different story: institutions are clamoring for more deposits, and many are working tirelessly to lure customers away from competitors.

The solution starts with understanding the biggest acquisition challenges facing institutions and incorporating insights to create more appealing strategies.

ACQUISITION CHALLENGES AND KEY INSIGHTS

The stated number-one challenge is not just a survey finding. It is reflected in actual numbers. Driven by low origination, new household growth last year was at the lowest level in the last six years of our consumer deposit benchmarking data. In fact, it was negative.

There are a number of contributing factors to acquisition challenges. People aren't moving around the country like they used to, and if they are, they don't necessarily have to switch to a new bank. They can continue digitally with their existing institution. On top of that, prior to recent rate increases, there wasn't much consumer incentive to switch in a flat, low-rate environment.

On the other side of the equation, banks and credit unions limited their pursuit given historically high pandemic-driven deposit balance growth rates. According to our survey, the percentage of customers that say they will give all their future business to their primary financial services organization was up year over year, and the average number of depository relationships was down year over year. With declining rent and homeownership affordability, future pressure will come from a likely decrease in new U.S. household formation rates.

Despite these challenges, certain segment insights provide potential solutions. When you break down the deposit household growth rate by generation, boomers are slightly negative, while Gen X and millennials are in the 2% to 3% range, and Gen Z is up around 9%. While Gen Zers don't make up that much of the typical institution's current client base, they are still worth pursuing for their future business.

In addition, younger folks may be easier to lure away from competitors. In our survey, we asked consumers whether they expected to change their primary financial service organization over the next two years. 47% of Gen Zers and 32% of millennials said yes, compared to low single digits for boomers.

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ATTRACTING YOUNGER GENERATIONS

So how do institutions attract Gen Z? We asked consumers to list their top reasons for selecting a new financial service organization. For Gen Zers, the key is low fees (similar for every generation) and other monetary incentives. But another factor is the institution's positive reputation.

A positive reputation can mean a lot of different things, including whether an institution shares Gen Zers' sustainability values. When we asked consumers whether they would consider switching to an institution that is more committed to environmental, social and governance considerations than their current one, 49% of Gen Z and 39% of millennials answered in the affirmative.

Many institutions are also redesigning their existing products and services or launching new ones to attract more customers. For Gen Zers with low balances, living from paycheck to paycheck early in their careers, market checking accounts with little to no fees.

Younger generations also crave more financial advice across all channels, including brick-and-mortar branches. According to our survey, Gen Zers use the branch far more than the older generations. They want to talk to a human being for advice. As such, more and more institutions are slowly transitioning their branches into advice centers, even while opening and closing accounts and conducting transactions are the main in-branch activities.

But it's not just branches. Gen Zers interact with their institution more than any other generation across all channels. You are more likely to attract them if you provide more omnichannel capabilities, like the ability for customers to start an application on a smartphone, and then get help with completion at the branch.

You can also invest in more digital capabilities to attract young people. Gen Zers prefer to have faster payments, 24/7 customer service and the ability to turn on and off misplaced credit and debit cards.

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Institutions are also attracting new customers via deposit flight, as some depositors spooked by the failures of Silicon Valley Bank and Signature Bank fled smaller banks and opened accounts at others. Indeed, Chase Bank estimates it acquired [$50 billion in deposits] as a result of the March crisis, increasing deposits by 2% in the first quarter.

In the quest for new customers, banks should focus on bringing in primary relationship customers. This means quality acquisitions and not just any acquisition—after all, hot money is only going to be rented for a little while.

To fund loan portfolios by offering higher rates on CDs and money market accounts, banks could also include the requirement to open a checking account with a set balance and transaction minimums. Why? Checking accounts are stickier. Those customers stay with their primary institution for years, whereas the average stay for purely CD and money market customers is months.

When possible, leverage the branch network by communicating the value of a local, physical safety net. Customers like to know a physical presence is readily available if needed. Also, best-in-class onboarding processes are paramount to augmentation that leads to primacy, and institutions with more primacy naturally have better margins with more low-cost deposits.

Attracting new customer accounts in this low-growth environment is a competitive challenge for virtually every bank and credit union. Our research suggests the chances of success improve by knowing what potential new customers are looking for in their next banking institution and targeting accordingly.

Karl Dahlgren is managing director for research at BAI.

Small businesses, big opportunities

Giving these operators attention and tailoring offers to their needs can help banks develop an enduring relationship that can become more fruitful over time.

BY ISIO NELSON

When banks hunt for new revenue, consumers and big businesses get plenty of attention. But operators of small or micro businesses are an untapped gold mine that may be hiding in plain sight.

Business formations skyrocketed across the United States between 2017 and 2022, according to [data from BrightQuery](), a BAI partner that tracks public and private companies. The number of sole proprietors grew from 26.1 million to 36.8 million, an increase of more than 40%, as more people took a chance and started companies or side hustles. When it comes to businesses with between two and 500 employees, the number actually dropped ever so slightly to 5.8 million from 5.9 million.

If you need more convincing about potential, consider these stats: The number of companies with annual revenue under $100,000 climbed from 25.9 million in 2017 to 36.6 million in 2022. This increase more than offset a slight drop in the number of companies reporting revenue between $1 million and $20 million to 1.76 million in 2022 from 1.81 million in 2017, according to BrightQuery.

According to the recently released BAI Banking Outlook: Small Business Banking Priorities and Insights, net promoter scores are the lowest (19) for businesses with less than $1 million in sales. This also correlates with data from the report that indicates that those businesses reporting sales under $1 million received product and service recommendations just 2.8 times a month, compared with 4.1 times a month for those reporting sales between $10 million and $20 million.

SMALL BUSINESS OWNERS GET PERSONAL

The large majority of small business operators (89%) use the same bank for personal accounts, yet many banks do not fully recognize their potential. In fact, 58% of small business accounts started as a personal deposit relationship.

More than 70% of business owners want to originate digitally, and often the only easy way to do that is with a personal account, as banks have lagged on digital originations for businesses with multiple complexities, including the upcoming CFPB Section 1071 rules that will require banking institutions to collect and report data on lending to small businesses, defined as enterprises with gross revenue under $5 million.

Small-business operators dread having to do the financial part of running their company, but they may not be big enough for accountants and other specialists to handle the numbers side. They are shopkeepers, restaurant owners and salon operators, and their focus is on keeping their business going. Just 60% of the smallest businesses need a bank branch or office near their business,

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ISIO NELSON
BAI

When it comes to business, bigger doesn't always mean better. It is too easy to overlook the small players—those who are new or have found a niche that isn't necessarily bringing in millions of dollars in sales per year. But by giving these operators attention and by tailoring offerings to their needs, banks have a great opportunity to develop an enduring relationship that can become far more fruitful over time.

compared with 72% of their larger peers with sales between $10 million and $20 million.

What do they want from their banking relationships? Businesses with sales under $1 million want 24/7 customer service, faster payments and a clear way to use an app. By paying attention to these smaller players, banks have a chance to build a relationship that can grow far more profitable over time.

Small businesses also indicate that they do not use their main provider for merchant services, with "cost and better technology" being the top reasons for using other merchant service providers. This ability to accept payments is a key consideration for early-stage businesses, and as that business grows, not having that relationship already in place can represent a significant missed opportunity for banking institutions.

These possible customers have other specific concerns and needs as well. Those with sales under $1 million want tools to customize their experience, the ability to make use of the data to improve recommendations and an improved omnichannel experience. That's different from companies with sales between $5 million and $10 million, which only want to make better use of data to improve recommendations, according to the BAI Banking Outlook.

THE FUTURE IS CAUTIOUSLY BRIGHT

As they grow, 67% of small businesses expect their financial situation to be better a year from now, 37% expect their profit margin to increase and 31% expect to need loans for growth or expansion in the next 12 months. In general, they are more worried about inflation and politics: only 41% of the smallest businesses think that inflation will be better a year from now, compared with 68% of those with annual sales between $5 million and $20 million. One-third think that the political climate will be better 12 months from now, compared to 61% of businesses with sales between $5 million and $10 million.

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Isio Nelson is the head of client engagement for BAI's research department.

Why customer acquisition is banks' #1 priority

BAI's Mark Riddle discusses our key 2023 survey findings and how financial institutions can attract younger generations.

BY TERRY BADGER, CFA

Banking institutions working to expand their customer base should focus on where consumer growth lies. Right now, that is with Gen Zers looking to open their first accounts. Messaging around products and services should be highly personalized, and the digital experience should be top-notch for these digital natives. But don't overlook branch upgrades as well—Gen Zers are heavy users of in-person bank services.

These are among the headline takeaways for banks and credit unions—be they traditional, digital-only or anything in between—from the 2023 BAI Banking Outlook (BBO) survey, which identified new customer acquisition as the industry's foremost business challenge this year.

We recently spoke with Mark Riddle, director and research intelligence expert at BAI, to get his take on specific findings from the BBO research pertaining to customer acquisition.

This interview has been edited for length and clarity.

BAI: For 2023, new customer acquisition is the top business concern for banking institutions, up from No. 2 last year. Is the driver more than just a renewed need for deposits after a few years of excess liquidity?

Mark Riddle: New customer acquisition has moved to the top of financial institutions' priorities because we have a lot of competition for new customers using very attractive deposit rate offers. For years, customers would keep their money in checking accounts at very low rates—there wasn't enough financial incentive to move money in CDs or switch banks. That is no longer the case. In our latest BBO survey, we found that about a quarter of consumers say they will transfer money out of traditional banks and into online banks or others who offer higher rates for savings or CDs. We see this willingness playing out in our weekly deposit pulse benchmarking. More affluent customers are more likely to move to whoever has the highest rates in the marketplace, while mass market customers are much more driven by paying the least in fees as the primary reason for switching their primary financial service organization.

MARK RIDDLE
BAI

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Based on the BBO research, how much of the customer acquisition opportunity is new households, and how much is attracting existing customers from other competitors?

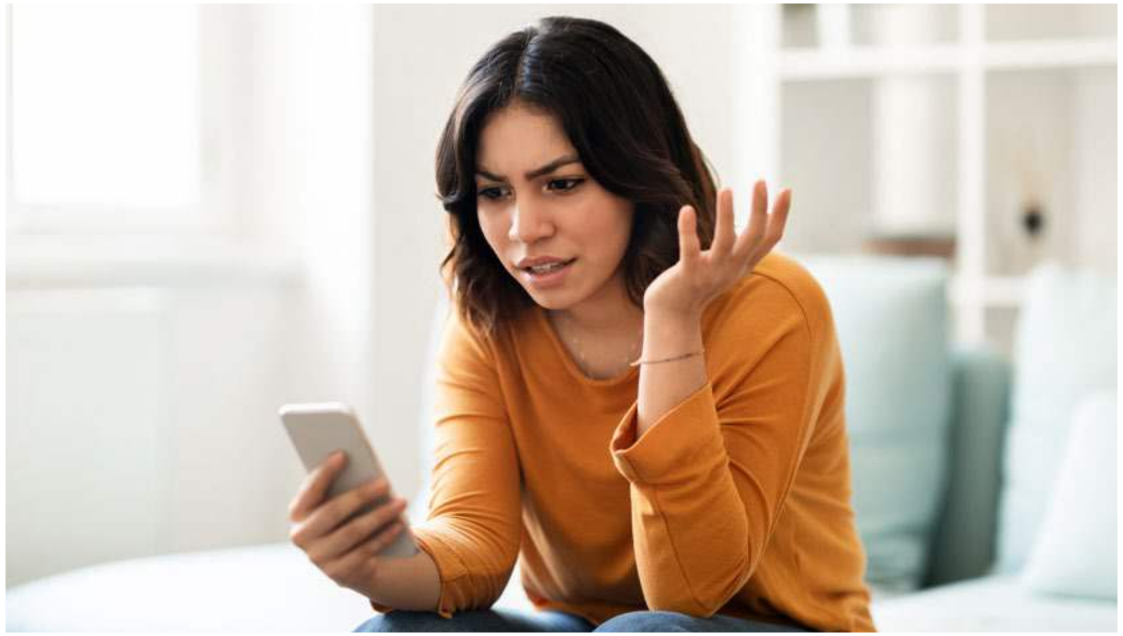
I think both are big opportunities, but it depends on the bank or credit union's strategy. If you are trying to grow deposits, attracting high-account-balance customers from other competitors is the best opportunity. That said, it can be a challenge to find the right customers. Typically, banks do not want rate-sensitive customers who will be difficult to retain over time and foster deep relationships with. If you are trying to grow new households with an eye toward the future, it may make more sense to pursue members of Gen Z who are new to banking, as they represent the customer growth potential in the marketplace. These younger customers are not likely to contribute as much today in terms of total deposit balances like the wealthier households, but they can be a solid foundation for the years ahead.

With boomers and Gen X, the idea of the stable primary financial institution seems to be alive and well, but the research suggests it's less so for the younger generations. What do you think accounts for that lower level of commitment?

The weaker commitment is from Gen Z more than millennials, and I believe this is due to financial services organizations not meeting Gen Z's expectations. Gen Z has the lowest Net Promoter Scores of all generations. They favor the digital channels, but they still have issues with digital—one being that they don't think the digital offers they receive are personalized enough. Another is that they find it difficult to open accounts online or get advice about which types of accounts to open. Many potential new customers end up abandoning the online application because it's too difficult to complete, and many who stick it out ultimately need to visit a branch for identity verification or paperwork. Channel-switching—starting in one channel but finishing in a less-preferred channel, or sometimes needing to start over again—is a major frustration for consumers, and not just those in Gen Z.

Do we have any sense that this lower level of commitment for Gen Z is basically the fickleness of youth that tempers over time, or could it be something more profound given the technology-driven changes in the industry during their formative years?

I think it's a more profound and lasting change. Those in Gen Z have grown up with technology. They know what a good digital customer experience (CX) looks like because they've been using Amazon, Google, Apple and other tech giants that prioritize CX. Gen Z rates the digital CX at their primary bank much lower than any of the other generations, in large part because their experiences elsewhere have elevated their expectations. Younger consumers are also seeking faster payments and quicker money transfers from their financial service organizations. They are the I-want-it-right-now generation.

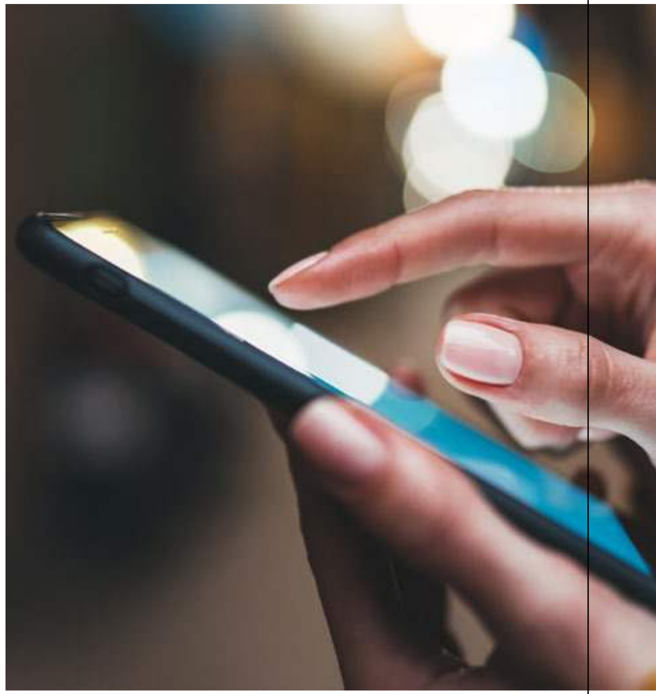


"Channel-switching—starting in one channel but finishing in a less-preferred channel, or sometimes needing to start over again—is a major frustration for consumers, and not just those in Gen Z."

MARK RIDDLE, BAI

Something else we saw in the 2023 survey is that nearly all of the demographic groups, even the baby boomers, are willing to share more personal information if it gets them more targeted offers from their bank. How can banking institutions put this greater willingness to use to bring in new customers?

Financial service providers are in a trusted position where most consumers want to share more personal data for relevant offers. This is a significant opportunity. The challenge is to use this information in a thoughtful way that helps their financial lives. For example, it's irritating for renters to receive multiple home-equity offers. A lot of younger Americans would like to know what their peers are doing for investments, savings, products and services. Banks could use the vast amounts of data they collect to help consumers find peers or see what others in similar situations have done. This would be consistent with banks' oft-stated intentions to make more education and advice available to their customers.



Terry Badger, CFA, is the managing editor at BAI.

You can buy new customers, but you can't buy loyalty

To realize the full potential of their acquisition efforts, banks need an intense focus on customer engagement to build and sustain sticky relationships.

BY JAMES WHITE

Customer acquisition is the name of the game for banks, as it offers a potential cure for the many challenges of the moment: rising expenses, higher cost of funds, eroding margins and fears around undercapitalization. [BAI's 2023 Banking Outlook survey] showed banks pushing new-customer acquisition to the top of their priority lists, and that was before the tumult that led to several bank failures in March.

We're seeing banks lean into strategies to "buy" new customers by using higher deposit rates to lure them one by one or buying another bank's customers all at once through an acquisition.

But here's the danger: you can buy a new customer, but you can't buy their loyalty.

Many banks and credit unions are out of practice when it comes to good old-fashioned customer engagement and relationship building after more than a decade of low rates that kept them flush with deposits. In this rising-rate environment, depositors are increasingly seeking out higher returns and are ready to switch if they see better rates elsewhere.

Doing the work to keep new customers isn't optional. If banks aren't doing the hard work to build and sustain relationships with new customers, they'll see their money wasted when those customers jump ship for the next best thing.

RATE SENSITIVITY IS BACK

Many banks and credit unions are out of practice when it comes to good old-fashioned customer engagement and relationship building after more than a decade of low rates that kept them flush with deposits. In this rising-rate environment, depositors are increasingly seeking out higher returns and are ready to switch if they see better rates elsewhere.

But for many banks, jumping into the frenzied rate competition just isn't an option—and for more still, it's not the best option. Shout too loud about "better rates" and you'll stir the sleepy depositors that would have otherwise stayed put and lead them to start shopping around. Moreover, rate competition—like price competition in other categories—tends to become a race to the bottom in which financial institutions often end up overpaying for deposits, driving up their cost of funds and eroding profitability.

Relationship pricing provides the antidote for this race to the bottom by enabling banks to establish a clear value exchange with the depositor.

Tiered deposit rates are the most obvious example. Banks can also tie other products or perks to deposit accounts—examples of this include offering loan rate discounts for customers with a deposit account, providing cash rewards or credit card bonus points when a customer opens a new deposit account or offering preferred deposit rates when a customer sets up direct deposit or autopay on an account.

Relationship pricing strategies help banks differentiate their offerings from commoditized deposit products, and can create a stickier relationship with customers. A depositor is less likely to jump ship for a slightly higher CD rate if it's going to cost them an additional 1% on their auto loan. Likewise, the gravitational pull of the relationship is stronger when customers/members have multiple products and linked services like direct deposit and autopay.

TREAT M&A LIKE TRUE CUSTOMER ACQUISITION

Banks may be more willing than ever to buy new customers through higher deposit rates, but a merger or acquisition can be the quickest and most cost-effective path to growth. Recent events in the banking world are driving a wave of M&A-led consolidation as banks look for smart ways to grow in a weakening economy.

But many acquiring banks take their newly acquired customers for granted—they fail to onboard and engage these customers. At best, this limits the potential of the acquisition by missing an opportunity to deepen share-of-wallet with new customers. But with expectations for customer experience and rate sensitivity higher than ever, it doesn't take much for customers to jump ship. Too often, this poor engagement with new customers ruins a promising M&A, leaving the acquiring bank with little more than the overpriced shell of the bank brand they acquired.

Many acquiring banks take their newly acquired customers for granted—they fail to onboard and engage these customers. At best, this limits the potential of the acquisition by missing an opportunity to deepen share-of-wallet with new customers. But with expectations for customer experience and rate sensitivity higher than ever, it doesn't take much for customers to jump ship.

To be successful, acquiring banks need to treat M&A like a true customer acquisition situation. That means building a strategic onboarding and engagement program around their newly acquired customers.

MEET CUSTOMERS WHERE THEY ARE

You can't sell your way to engaged customer relationships—you need to meet customers where they are, and right now, they're sitting in the middle of a tornado of economic uncertainty. They're looking for a trusted financial advisor to guide them safely through. That makes education on financial literacy and wellness the key to building engaged relationships.

Many customers have never lived in a rising-rate environment, and for those who have, it's been so long that many may not remember what it's like. They will appreciate basic educational content on different types of deposit accounts and compound interest calculators. They're also hungry for more insightful guidance: how to evaluate different investment options, how to read the fine print of too-good-to-be-true rates, and how chasing higher rates can often cost more in hidden fees and lost perks.

No matter the content, this educational engagement can't be limited to onboarding. It also can't be offered only when, say, a customer nears a CD renewal date. You need an always-on nurture program. In any genuine relationship, consistency breeds trust.

Banks know they need to embrace the "grow or die" mentality right now. They need to grow deposits to protect profitability, and if they're not actively acquiring, there's a growing chance they may get gobbled up by a larger competitor.

But as hard and expensive as these growth strategies can be, banks can't relax when the deal is done and the deposits hit their balance sheet. To realize the full potential of their customer acquisition efforts, banks need an intense focus on customer engagement—this means doubling down on building and sustaining sticky relationships because you still need to earn loyalty.

James White is general manager of banking at Total Expert.

Data-driven insights can improve your acquisition strategies

By leveraging first-party and third-party data, financial institutions can gain a more complete and more accurate picture of their customers.

BY LISA NICOLAS

In today's data-driven economy, understanding and managing consumer data has become a critical aspect of successful marketing strategies. The elimination of third-party cookie tracking has financial services marketers increasingly reliant on their first-party customer data to gain insights into consumer behavior, preferences and needs and to develop targeted campaigns that maximize acquisition and retention.

However, while first-party data provides a wealth of information about existing customers, it doesn't capture the broader view of the market or potential customers who have not yet interacted with an institution or brand.

The sheer volume and complexity of consumer data can be overwhelming, and effectively managing and utilizing it requires collaboration. By harnessing the power of first- and third-party consumer data and leveraging two-party collaborative

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approaches, marketers can achieve greater engagement and conversion rates while also building stronger relationships with their customers.

To address a campaign's goals and objectives, you need to collect the most relevant and valuable data. There are six kinds of data that can be useful for financial services providers when creating a targeted, personalized marketing campaign:

- » ***Consumer behavioral data:*** *Actions, preferences and decision-making processes provide insights needed to develop effective strategies and positive customer experiences.*
- » ***Digital marketing insights:*** *Tools and techniques to understand how consumers interact with digital marketing channels, such as social, email and websites.*

- » ***Loan and deposit activity:*** *Critical for identifying opportunities, developing relevant messaging and optimizing product offerings.*
- » ***Credit data:*** *Essential for identifying potential customers, assessing risk and understanding individual customer needs.*
- » ***Loan application data:*** *Crucial for understanding customer behavior, assessing needs and tailoring messaging accordingly.*
- » ***Competitive data:*** *Understand your position in the market and obtain valuable insights into trends, positioning and marketing tactics.*

Marketers are under increasing pressure to deliver measurable results in a highly competitive and changing environment. The enormous amounts of data produced every day by consumers' interactions with various channels and platforms enable marketers to make more informed decisions on how to allocate their marketing spend and improve the effectiveness of campaigns.

FACTORS FOR MARKETING BUDGET ALLOCATION

Determining a marketing allocation strategy requires careful consideration of several key points. At Vericast, we recommend these six important factors to keep in mind:

- » ***Targeting approach:*** *Choose a level and approach designed to effectively reach and engage your audience.*

The enormous amounts of data produced every day by consumers' interactions with various channels and platforms enable marketers to make more informed decisions on how to allocate their marketing spend and improve the effectiveness of campaigns.

- » ***Audience:*** *Gain a better understanding of your audience to reach the right people and optimize return on investment.*
- » ***Channels:*** *Choosing the right channels can have a significant impact on the success of a campaign in areas of reach, engagement and measurement.*
- » ***Reach:*** *Achieve maximum reach for building brand awareness, increasing market penetration and optimizing cost efficiency.*
- » ***Frequency:*** *Measuring how often your audience is exposed to your message plays an important role in determining message retention and achieving a higher ROI.*
- » ***Price:*** *Understanding how price impacts channels, strategies, innovation and competitors affects the total cost of a campaign.*

Let's explore the importance of understanding, managing and collaborating on consumer data and the key strategies and best practices for optimizing marketing performance and driving business growth.

By using data and analytics to inform your acquisition marketing strategies, you can be more strategic and purposeful, be more cost-effective,

gain better customer insights and generate more effective leads. Here are ways data information and analysis enhance acquisition marketing:

- *»* ***Strategic and purposeful:*** *By analyzing consumer data, you can identify the most effective channels and tactics for reaching your target audience and create campaigns that are tailored to their specific needs and interests.*
- *»* ***Cost-effective:*** *By targeting specific segments, you can reduce wastage and optimize your marketing spend. Additionally, by analyzing the performance of your campaigns in real time, you can quickly identify and adjust any campaigns that are underperforming, allowing you to save money and maximize ROI.*
- *»* ***Better insights:*** *Gain a deeper understanding of your customers' and prospects' needs and preferences. This can help you create more targeted and personalized marketing messages that resonate with your audience, increasing the likelihood of converting them into customers.*
- *»* ***High-quality lead generation:*** *By analyzing customer data, you can identify potential customers who are most likely to be interested in your financial institution's products or services and create campaigns that are designed to appeal to them specifically.*

An omnichannel acquisition strategy relies on quality first- and third-party data to provide personalized, consistent and optimized experiences for customers across multiple channels, such as online, mobile, email, print and in-branch.

By leveraging both first- and third-party data that is gathered, vetted and optimized in partnership with an experienced data vendor, financial institutions can gain a complete and more accurate picture of their customers and deliver the best possible experience.

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Lisa Nicolas is VP of strategy for financial solutions at Vericast.

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