The 3 P's are Key to Bank's Email Success

Preparation, Personalization and Permission

This Case Study was published in the April 2011 edition of ABA Marketing Magazine under the title "Email Marketing: Click Here to Start"

Ray Parenteau
4/1/2011

When the marketing team at Middlesex Savings Bank ($3.9 billion in assets, 31 branches) embarked on its email marketing program in the spring of 2009, they had a laundry list of questions and concerns. They also had a firm concept of how they wanted to “go to market” with their program, which was to start small and focused, and build on successes.

The 175-year-old mutual bank, headquartered in Natick, Massachusetts, had previously attempted an in-house rate alert email program, but was looking to expand it to include regular customer communications. A major challenge – and an unknown quantity at the time – was to extract and consolidate the bank’s “inventory” of email addresses from its various systems. The goal was to create a centralized email database that would contain information aggregated from multiple sources.

The bank worked with its data consultant and ClickRSVP to assemble a unified email database. The database was segmented into three basic groups: small business, consumer and commercial accounts. This segmentation approach supported the marketing team’s goal to roll out its email program in phases.

We wanted to have a program of consistent, professional marketing touches for our consumer and business customer base

Another key goal for the marketing team was to deliver communications that were personalized from someone at the bank related to the customer. The database work came into play here since customers were assigned a branch manager or a business banker as part of their profile. The customer’s “contact” at the bank was then prominently featured in messages and newsletters.

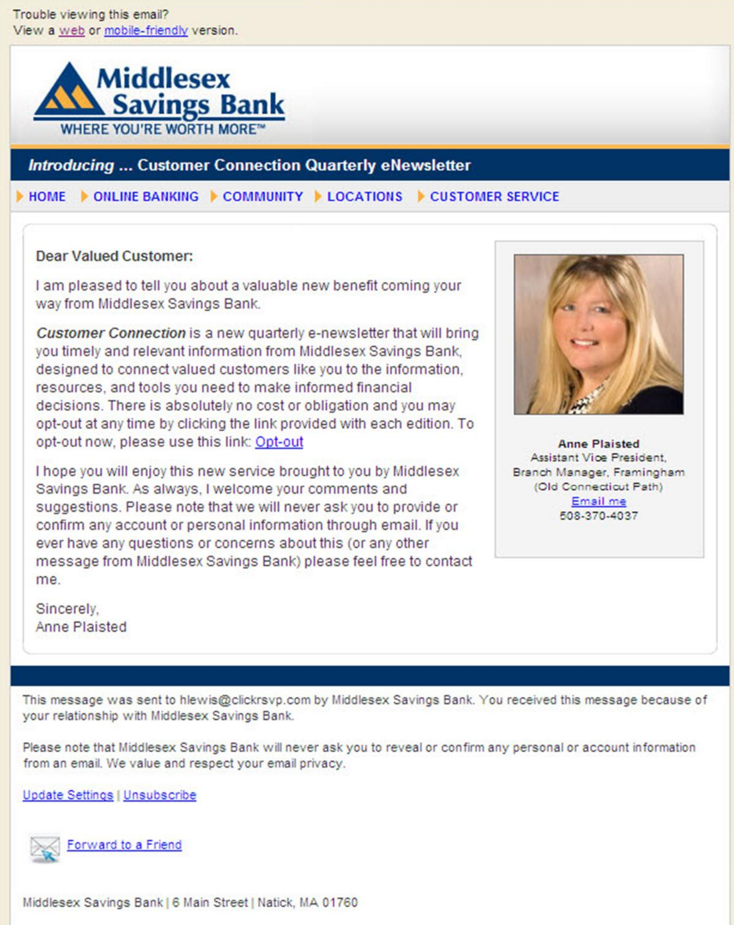
"We wanted to have a program of consistent, professional marketing touches for our consumer and business customer base," said Alan Schachter, vice president of marketing. "We know our customers are highly satisfied, and wanted to reinforce their decision to bank with us."

Initial program efforts focused on the small business segment, since the bank wanted to promote its numerous business events more effectively. These include sponsored “Creating Connections” networking events, quarterly business success seminars and an annual Economic Breakfast. Having all these events ahead provided the program with high-value content, as well as an opportunity to promote the bank’s programs.

Getting Permission

Since the bank had not previously contacted its customers by email, there was concern about the accuracy of its email addresses, as well as how those emails would be perceived by their customers. The bank developed a series of "permission messages" designed to introduce the email communications as the first step.

Depending on their profile, customers were sent letter-type emails from their bank contact that outlined the purpose of the program, and offered the opportunity to opt-out of further messages. These initial messages also served to "clean" the email database of undeliverable addresses and identify any delivery issues that sometimes occur when small local service providers see a sudden surge in email traffic from a new sender.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Middlesex Savings Bank
WHERE YOU'RE WORTH MORE™

Introducing ... Customer Connection Quarterly eNewsletter

HOME | ONLINE BANKING | COMMUNITY | LOCATIONS | CUSTOMER SERVICE

Dear Valued Customer:

I am pleased to tell you about a valuable new benefit coming your way from Middlesex Savings Bank.

Customer Connection is a new quarterly e-newsletter that will bring you timely and relevant information from Middlesex Savings Bank, designed to connect valued customers like you to the information, resources, and tools you need to make informed financial decisions. There is absolutely no cost or obligation and you may opt-out at any time by clicking the link provided with each edition. To opt-out now, please use this link: Opt-out

I hope you will enjoy this new service brought to you by Middlesex Savings Bank. As always, I welcome your comments and suggestions. Please note that we will never ask you to provide or confirm any account or personal information through email. If you ever have any questions or concerns about this (or any other message from Middlesex Savings Bank) please feel free to contact me.

Sincerely,
Anne Plaisted

Anne Plaisted
Assistant Vice President,
Branch Manager, Framingham
(Old Connecticut Path)
Email me
508-370-4037

This message was sent to hlewis@clickrsvp.com by Middlesex Savings Bank. You received this message because of your relationship with Middlesex Savings Bank.

Please note that Middlesex Savings Bank will never ask you to reveal or confirm any personal or account information from an email. We value and respect your email privacy.

Update Settings | Unsubscribe

Forward to a Friend

Middlesex Savings Bank | 6 Main Street | Natick, MA 01760

This is a "permission" email in which Middlesex Savings Bank solicited its retail customers to receive the bank's electronic newsletter. Note that the message includes a photo and contact information from the customer's branch manager. The customer is also given the opportunity to opt-out.

Given the age and unknowns of the initial email addresses, the "permission activation" process returned solid results, and paved the way for strong subscriber retention metrics going forward. The charts to the right illustrate results for bounces (undeliverable addresses), and opt-outs (customers requesting not to receive further messages) for both business and consumer segments.

What's interesting to note from the results is that the business list proved to be substantially cleaner than the consumer list. On the flip side, business customers opted out of further email communication at twice the rate of consumers. This would support the logic that business customers tend to be more actively engaged with their bank on a regular basis.

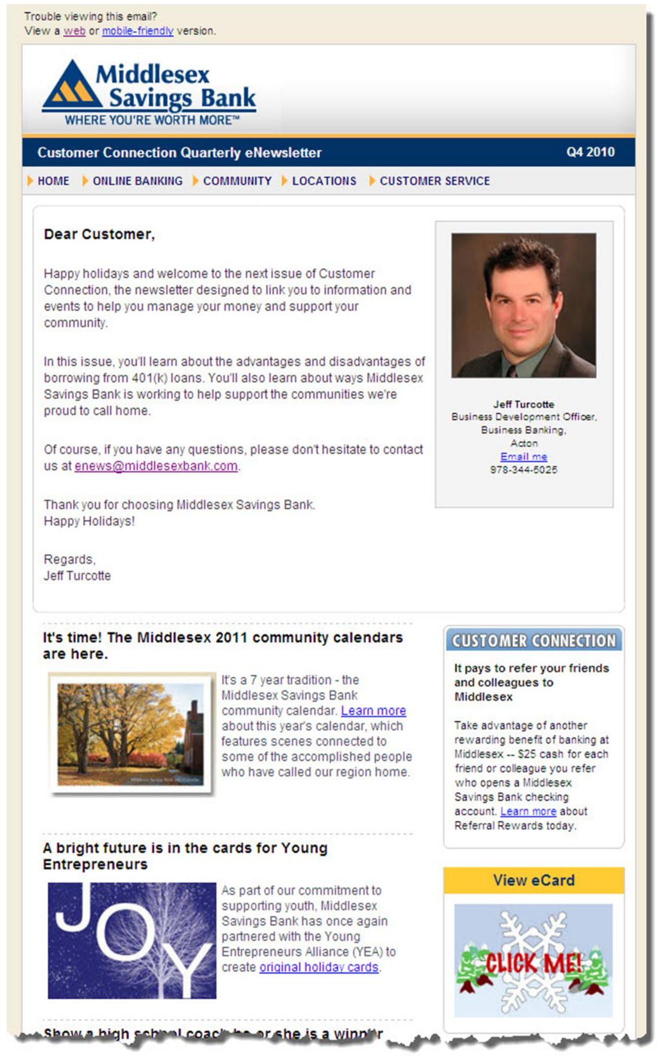
The number of opt-outs and bounces drop dramatically after the initial permission campaign. This indicates that the program is maintaining a good balance of relevant content and frequency.

Consumer	Bounce Rate	Opt-Out Rate
Initial	13.4%	2.2%
Ongoing	2.0%	.38%

Small Business	Bounce Rate	Opt-Out Rate
Initial	9.0%	4.4%
Ongoing	1.6%	0.27%

Program Design

The bank had ClickRSVP design a series of templates that strongly support the bank's style and branding, with consistent message headers and color scheme, and a professional look that matches its website. Templates were designed to support the requirement of incorporating the customer's primary bank contact photo and contact information into the message.



This is a copy of Middlesex Savings Bank's quarterly electronic newsletter for retail customers.

Connecting with Customers

For its consumer segment, the bank offers a quarterly newsletter that features a photo and contact info of the customer's branch manager. The bank used an "opt-out" permission process and has grown its consumer email database to nearly 30,000 customers. The database is updated quarterly, before each newsletter is sent. Engagement metrics (views and clicks) remain strong for the consumer segment as well, with average unique message views of 29% and unique click-through rates of 17.5%.

Customers are comfortable providing us with their email addresses; all we had to do is ask.

"We put together a plan to collect addresses and did a great job of collection, with all new account openings and with online banking. Customers are comfortable providing emails, all we had to do was ask…and we did. And in terms of content, we have quite a few community programs, customer profiles and business seminars planned that need to be communicated and promoted," he continued.

The email program has been well-received by the bank's non-marketing business units, as they recognize the potential for reaching customers quickly and cost effectively. As the program has grown, so has the number of bank users on the system. Customer-facing employees that need to access the email database, or manage their own "private" list, are given access to the application based on their role.

This personalized approach was further extended with business development officers having their own "signature templates" and personal contact lists to keep in touch with new contacts they meet at various functions.

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"For our business customers, since we don't have the ability to personally manage every relationship, this email program is a way for us to remind them that we appreciate their business," Mr. Schachter noted.

Mark Drew, one of the bank's senior business development officers, uses a variety of lists and templates to stay in front of his contacts and "centers of influence" to position the bank as a valuable resource. The custom templates allow him to effectively deliver personalized, consistent-looking messages in a time-effective manner.

Driving Event Participation

One of the initial goals of the email program was to expand the bank's annual Economic Breakfast event. The event features local economics personalities and draws hundreds of attendees. For the most recent event held last October, the bank used a three-part email program that resulted in nearly half (41%) of attendees registering via email. The final segment of the campaigns featured a downloadable recap document, as well as a video of the event. This was sent as a follow-up to attendees, non-attendees, as well as other business segments – further extending the program's function and value.

Lifecycle of the Bank's Annual Economic Breakfast Email Promotion

Two campaigns sent 10 days apart to a total of 1,300 recipients, of which 1,226 were actually delivered. Both campaigns were purged against previous registrants.

Campaign	Unique Views	Unique Clicks
#1	513/42%	134/26%
#2	351/31%	64/18%
Total	864/70%	198/16%

Results

348 registered attendees, of which 141 (41%) came through the email channel.

Note: the event was promoted across multiple channels including website, direct mail, print and in-branch.

Initial email invitation

Registration confirmation email

Post-program follow-up email

Messages were sent to three different business customer segments. The follow-up email included a video of the event, as well as a downloadable recap. The campaign resulted in 10.5% of recipients downloading the recap.
The overall click-through rate on the video was 15%.

“The newsletters served to maintain our brand presence, but the biggest win is with making our seminars and events promotion and registration more effective and professional looking. Plus our tracking/reporting has vastly improved,” noted Mr. Schachter.

Now entering its third year with the program, Middlesex Savings Bank appears to be well-poised to expand the use of email for a variety of communications.

“Aside from the event invitation/registration process, email has been somewhat of a side experiment. The fact that the program is professionally done reflects well on the bank and is a tangible benefit. I expect email to play a bigger role in communicating new services and programs to our customer base,” Mr. Schachter concluded.

What’s Your Email Plan?

Ask bank marketers for their view on email as part of their strategy and you will hear some common concerns.

"We've always told our customers we won't email them…"
"We don't have/collect enough email addresses..."
"We're concerned about phishing…"
"We can't get support from our IT / operations group…"

It’s no wonder that until recently, email was not considered a strategic bank marketing channel. With the importance of online banking services, email communication is now becoming more mission-critical. Here are some proven strategies to ensure success.

Say "Please?" Bring your customers into your email marketing program by requesting their permission -- explicit (opt-in) or implied (opt-out). Opt-in programs will yield a smaller, but more qualified and engaged list; while opt-out programs, first introduced with a non-promotional permission message, have seen (in our experience) opt-out rates averaging less than 3%. In either case, be sure to contact only current, active customers (contacting ex-customers by email is not a good practice).

Mine Your Own Data. The mother lode for email addresses is your online banking system. These customers are typically most likely to be responsive to email messages. Take an inventory of all email addresses and their source system. Merge and use the information to create an "e-MCIF" that can be used for campaign segmentation.

Use It or Lose it. Once you have your customer's email address, it's important to establish communication, early and regularly. Initial emails should be informative and relevant, with little or no selling involved. E- newsletters are a great starting point, but be sure to include some articles/information specific to your bank rather than all "generic" content.

Collect and Correct. Capture customer email addresses at all touch-points, from account openings, to online sessions, to in-branch visits. Since most consumers maintain multiple email addresses, it's worthwhile to ask for the email address they check regularly.

Email addresses change - frequently. Train and enable your front-line staff to ask: "Do we have your correct email address?" Messages should allow subscribers to update their email address securely (with confirmation or log-in). Your website should also have secure methods to support updates.

Don't Try This at Home. Email marketing is more complicated than it may seem. Besides list management, message assembly, bounce processing and email reporting, bulk email delivery is tricky. That's because ISP's (internet service providers like Yahoo, Hotmail, AOL, etc.) increasingly use "sender reputation" to traffic inbound messages (block, junk folder, or inbox). Professional email service providers have the tools and resources in place to manage this. Most bank IT departments are not equipped (nor inclined) to deal with these ever-changing issues.

About Middlesex Savings Bank

Middlesex Savings Bank is a mutual savings bank headquartered in Natick, Massachusetts. The bank has nearly $4 billion in assets, along with 31 branches and five business lending centers.

About ClickRSVP

ClickRSVP is a specialized email provider with over 10 years' experience in financial email. With over 200 financial institution clients nationally, ClickRSVP is a leading provider of financial email communications. For more information, visit www.clickrsvp.com or call 877-807-2027 Ext. 102

Ray Parenteau, the author, is president and founder of ClickRSVP.

This Case Study was published in the April 2011 edition of ABA Marketing Magazine