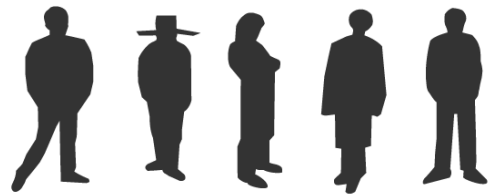


**metapeople**

**Effective Online-Marketing**



# **Performance-Marketing for banks**

**Characteristics, experiences and lessons  
from metapeople**

# Overview

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## Online-Bank-Market

For a long time, the internet as a distribution channel for banks, only was the playground mostly for direct banks. Their customers were primarily interested in simple stock exchange transactions. With the bursting of the New Economy Bubble at the end of the 1990s, direct banks slid into crisis. By no means ended, however, the rise of online banking as a whole since then it rather developed into an important pillar of universal banks. Most banks have undergone a relaunch of their websites and to the classic online offerings as online banking, new products were added, which may be obtained and transacted completely online. With the growing online product range has also increased the commitment of banks to offer its existing customers not only an online service, but also attract new customers on the internet.

### Users interested in financial products

With the rapid expansion of internet access, the internet has become the medium of all groups in society. In the first decade of the 21st century, the number of users of online banking has more than quadrupled. Meanwhile, almost half of the bank customers use online services of their financial institutions. The online banking users include users of all age groups; women and men are roughly similar, only for those aged over 60 with only 9% use, skepticism still prevails.<sup>1</sup> In total, already about 40% of the over 14-year-old Germans are operating their everyday banking transactions online.<sup>2</sup> Thus the internet is already the most important platform for customer retention and customer acquisition for banks.


The interest of comprehensive online financial services has increased substantially and thus has the demand for online consultation.<sup>3</sup> About a forth of all internet users are interested in financial products and looking online for information. The internet users, who have an affinity to financial products, are mostly employed men. In addition, typical for the users, interested in financial products, is that they mainly deal with the medium internet daily and check in test sites and forums and exchange opinions.<sup>4</sup> So these users know exactly

what they want, they inform themselves specifically and compare accurately. Compared to the total population online users overall are more interested in financial products as people who are not using the internet. Besides, the willingness of internet users to change their banks is higher than average.<sup>5</sup>

About 8% of all internet users buy online fee-based financial services. In particular, different forms of investment such as shares, funds and securities stimulate the interest of users, but loans are increasingly being researched, requested and purchased online.<sup>6</sup>

### Online research

Search engines are pivotal in the research process. On average, 25 days elapse from the first research to the purchase of a financial product. Meanwhile, an average of seven search queries are typed into search engines and more than 30 provider sites are visited.<sup>7</sup> Thus the financial industry particularly in the credit sector is one of the most rigorously researched branches in the search engines. If banks want to reach potential customers at that places, where they are looking for information about financial products that means for the financial industry: show presence. The best way to succeed is offered through a Performance-Marketing-Mix.



*„A Performance-Marketing-Mix can help banks to achieve a better online presence!“*

<sup>1</sup> Association of German Banks. Representative survey on the use of online banking 4/2008.

<sup>2</sup> Eurostat 2009.

<sup>3</sup> Vgl. Werner Karsch: „Direct Banking. Wettlauf im Web“, in: „die bank“ 12/2007.

<sup>4</sup> AGOF branch report „Finance“ 4/2009.

<sup>5</sup> Deutsche Bank Research 5/2009.

<sup>6</sup> AGOF branch report „Finance“ 4/2009.

<sup>7</sup> Google comscore panel „Such- und Kaufverhalten 2007“.

# Performance-Marketing

In banking, traditional e-mail and banner ads are still the dominant Online-Marketing elements. But Search-Engine-Optimization (SEO) and Search-Engine-Advertising (SEA) are gaining importance rapidly. About 75% of banks use newsletters and Banner-Advertising; more than 60% are investing in its presence in the search engines. Also the commitment of banks in Affiliate-Marketing is growing very fast and is now used by about one third of the banks.<sup>8</sup>

## Search-Engine-Optimization (SEO) & Search-Engine-Advertising (SEA)

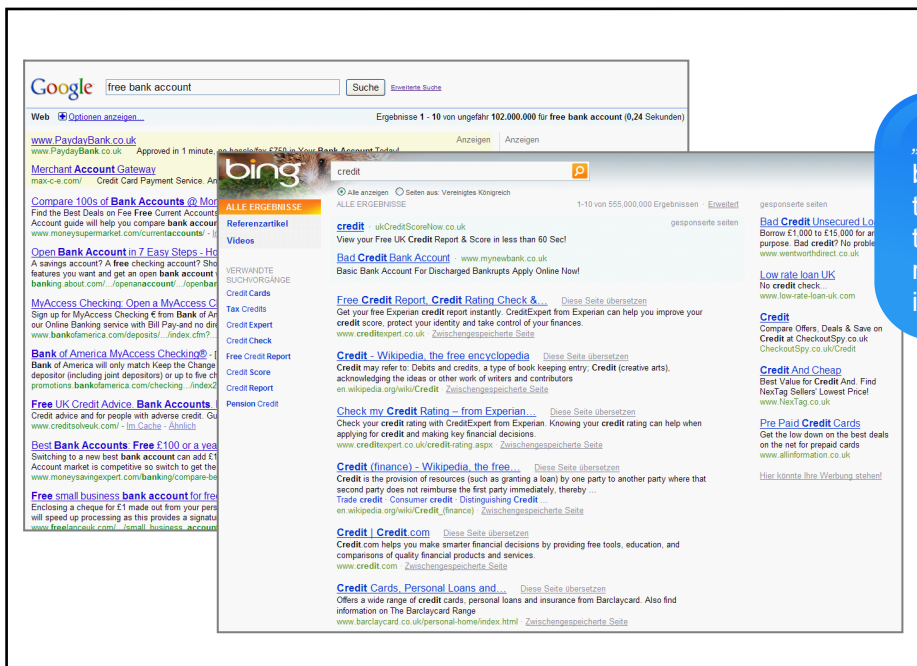
As already pointed out, search engines are the focus of search processes on the internet. But above all, universal banks neglect the possibilities to show presence in search engines. In Search-Engine-Optimization as well as in Search-Engine-Advertising, many banks do not use their full potential. That is why they rank in the search engines at important financial terms like “free bank account” or “credit” behind forums and Social-Banking-Platforms.

## SEO

Among the top 20 results in Google much more direct banks appear.<sup>9</sup> To be found at those extremely frequent keywords on Bing seems to be particularly important neither to universal banks nor to direct banks. The majority of the search results are comparisons, counseling and broker pages. Particularly striking is that both direct banks and universal banks increasingly bet on affiliates at the top keywords who have positioned themselves well in the search engines (more about that in the “Affiliate” part). In regard to generic search results, banks often rely on their brand awareness.

## Optimal positioning

For an optimal positioning in the search engines, however, a two-pronged strategy is recommended: on the one hand well-positioned affiliate sites offer the opportunity to be present in high positions for highly competitive search terms which enables banks to draw attention to the customer in an early stage of the search process even for top keywords. On the other hand experience has shown that later in the advancing search process the search terms become longer and



<sup>8</sup> ibi research: „Suchmaschinen-Marketing bei Banken. Status quo, Trends und Erfolgsfaktoren“, Regensburg 2009.

<sup>9</sup> The results only reflect a snapshot. Future results may differ.

more precise because the user now knows precisely what he wants and is closer to the purchase. For banks, it is therefore essential to be present at Long-Tail-Search-Queries. If the bank can only be found through affiliates or Long-Tail-Search-Terms there is no entry into the search funnel.

It turns out that those banks that are investing in Affiliate-Marketing and in balanced Short-and Long-Tail SEO-measures achieve a much better visibility. This fact is easy to explain: Bank websites have an extraordinary relevance to finance-related keywords. Furthermore, banks usually have high link popularity for search engines and thus an increased relevance. Moreover, the domains are usually quite old which means that they are trusted sites for the search engines. These facts lead to a conclusion: Even if a bank has an affiliate program, SEO-measures still make sense, as it is – compared to intermediary sites - relatively easy to get the banks to prominent places in the search engines with the help of SEO activities and related technical and substantive optimization of websites. These measures capitalize the websites extraordinary relevance to finance-related keywords in the generic search results which otherwise are taken over by affiliates or other competitors.

	Google		Bing	
	free bank account	credit	free bank account	credit
1	Halifax 5	CreditSuisse 11	Halifax 5	Barclaycard 6
2	HSBC 7	Barclaycard 19	HSBC 8	Lloyds TSB 14
3	Barclays (bank) 9	CreditSuisse (Career) 23	HSBC 13	Halifax 22
4	Santander 28	-	Natwest 19	HSBC 27
5	Barclays (personal) 29	-	Halifax 21	CreditSuisse 28
6	-	-	Nationwide 27	RBS 29

**Banks visibility on Google and Bing in UK**

### Banks discover SEO

Many banks seem to have recognized the importance of their visibility in search engines. Surveys like the one of ibi research show that banks want to expand their involvement in the search engines significantly. In the opinion of bankers Search-Engine-Optimization would primarily have a benefit for products that are easy to complete online as well as for special offers or temporary actions. Approximately 60% of the surveyed bankers will also use SEO to increase brand awareness and about half of the respondents see an appropriate way to apply to the entire product range in SEO activities, including the cultivation of the bank's image.<sup>10</sup>

So far, however, the SEO engagement of banks is manageable. A look at the search engines Google (UK) and Bing (UK) shows in search terms of extremely relevance for banks like "free bank account" and "credit" that only few banks are on the first three result pages (top-30-results).<sup>11</sup> In general, more banks are among the top 30 at the search engine Bing than at Google. Google is highly frequented, so there is stronger competition for the best positions. At the

Long-Tail-Search term "free bank account" more banks get on the first three result pages, than at the search term "credit". Extremely many competitors rival for the two tested keywords but there is also a particularly high search volume: "free bank account" was sought in Google (UK) in March 2010, approximately 4400 times; "credit" was actually typed in the search engine Google (UK) 7.48 million times in the month of March.<sup>12</sup>

<sup>10</sup>\* ibi research: „Suchmaschinen-Marketing bei Banken. Status quo, Trends und Erfolgsfaktoren“, Regensburg 2009.

<sup>11</sup>\* metapeople internal evaluation: analysis of the visibility of universal and direct banks in the first two result pages of the search engines Google (UK) and Bing (UK). Search engine placement is subject to a dynamic. The results represent a snapshot, as of April 2010, future results may vary.


<sup>12</sup>\* Data are from the Google Adwords Keyword Tool, as of March 2010.

**German Banks in the SEO performance test:**

The comparative ranking is based on metapeople internal performance data. Therefore the visibility of selected banks was measured at major financial search terms in the search engine Google (GER) over 14 days. At the tracking in each case the first 100 results (the first 10 result pages) were taken into account. If a bank does not appear among the first 100 results, its value here would be 0.<sup>13</sup>


**Result interpretation:**

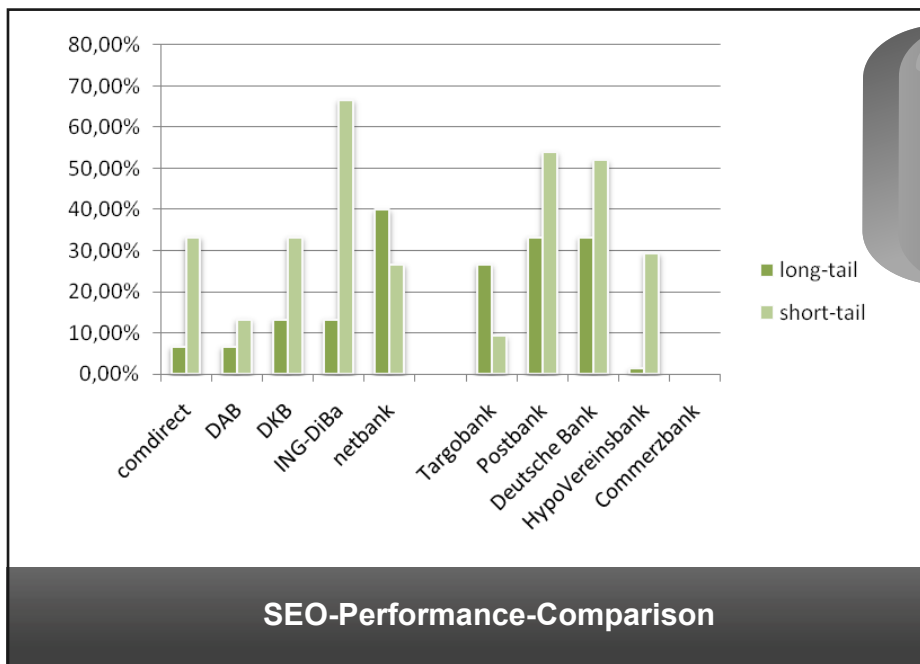
Looking at the performance of direct banks in terms of visibility in all tested Short- and Long-Tail-Search-Terms, it appears that the majority of direct banks are visible mainly in Short-Tail searches on Google. The ING-DiBa is leader; the DAB brings up the rear at both the Short- and Long-Tail-Searches on Google. The Netbank is visible at the long-tail searches above-average.

-  **Top-Performer (direct banks):**  
ING-DiBa / Netbank
- Midfield (direct banks):**  
Comdirect / DKB
- Tail light (direct banks):**  
DAB

Regarding the universal banks, Postbank, Deutsche Bank and HypoVereinsbank show presence in Google especially at Short-Tail-Keywords. The Postbank is also disproportionately visible for Long-Tail searches. HypoVereinsbank is hardly visible for Long-Tail-Searches. The Targobank in turn is hardly to be found for Short-Tail keywords but ranks at specific Long-Tail search terms such as, for example, "günstiger Kredit online abschließen" (in English: "cheap credit to conclude online") very high (3-5) in the search results.

\* The Commerzbank appears neither for the usual Short- nor at the Long-Tail-Keywords on Google. The home page of the Commerzbank ([www.commerzbank.de/](http://www.commerzbank.de/)) can only be found by searching for the brand. Otherwise, the Commerzbank is found with a parallel online portal ([www.commerzbanking.de/](http://www.commerzbanking.de/)) in the search engines. Since here the homepage [commerzbank.de](http://commerzbank.de) has been tracked, a value neither exists for Short nor to Long-Tail-Searches.

-  **Top-Performer (universal banks):**  
Postbank / Deutsche Bank
- Tail lights (universal banks):**  
Targobank / HypoVereinsbank/  
Commerzbank\*



„In each case 15 relevant financial short- and long-tail search terms were used as investigation basis. A visibility among the first 10 results pages for all 15 short- or long-tail keywords would here correspond to a 100 percent visibility.“



<sup>13</sup> The results of the tracking only reflect a snapshot. Future results may vary.


## Link-Juice

### Result interpretation:

When it comes to link popularity and Page-Rank, the Postbank sets the standards by which the competitors have to be measured.<sup>15</sup> According to both the number of incoming links, as well as in relation to the assigned Google Page Rank, the Postbank partly leads with clear distance.

The direct banks in terms of link popularity are throughout at the back. The Targobank, weakened among other things because of the new name, the Hypo-Vereinsbank, the DAB, and the Netbank can only show a small number of incoming links. Commerzbank performs with its homepage [commerzbank.de](http://commerzbank.de) in terms of inbound links to the URL quite as good, but on the URL of the parallel portal [commerzbanking.de](http://commerzbanking.de), the bank can only record very few incoming links. A grouping of the pages would be advisable under a SEO point of view.

In terms of page rank all tested banks are ranked at an almost similar level. The Postbank stands out positive, also here the Targobank is well below the average.

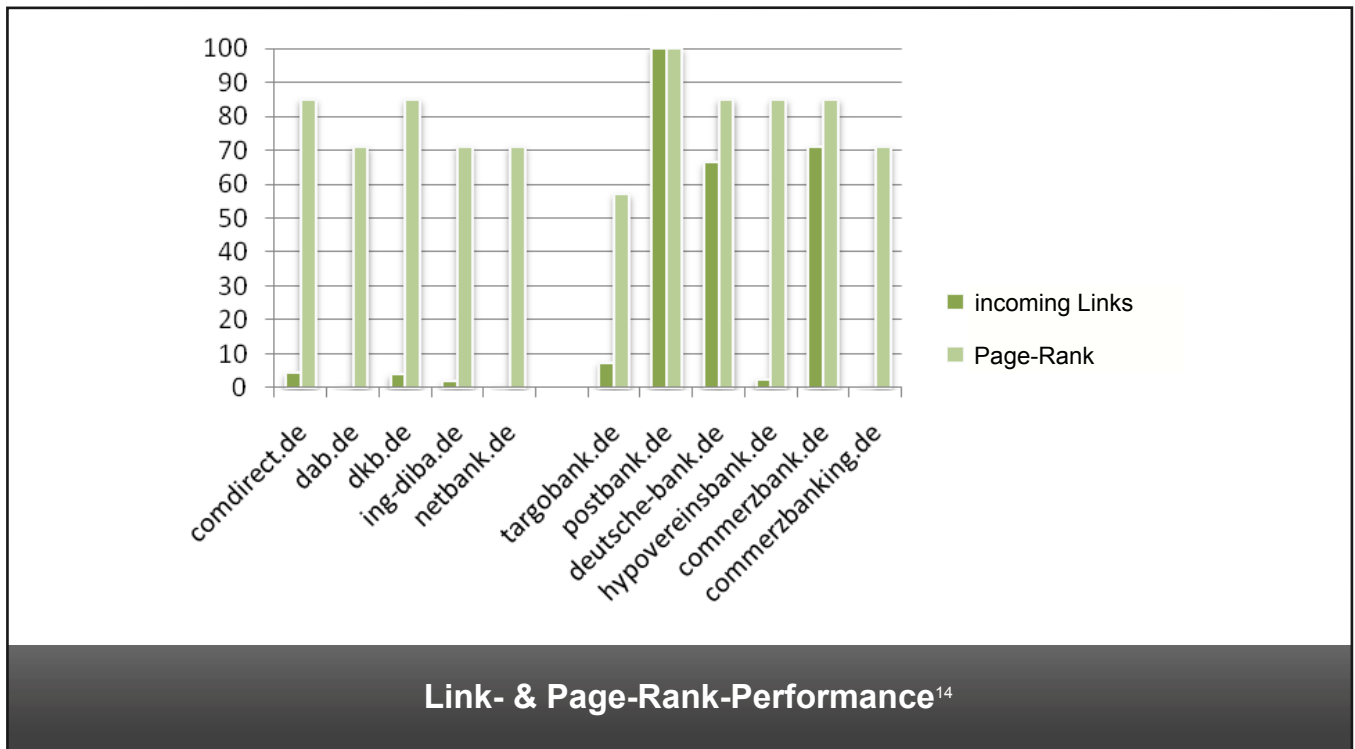
 **Top-Performer:**  
 1. [postbank.de](http://postbank.de)  
 2. [commerzbank.de](http://commerzbank.de)  
 3. [deutsche-bank.de](http://deutsche-bank.de)

**Midfield:**  
[comdirect.de](http://comdirect.de)  
[dkb.de](http://dkb.de)  
[hypovereinsbank.de](http://hypovereinsbank.de)  
[ing-diba.de](http://ing-diba.de)

**Tail lights:**  
[dab.de](http://dab.de)  
[netbank.de](http://netbank.de)  
[commerzbanking.de](http://commerzbanking.de)  
[targobank.de](http://targobank.de)

### Conclusion of the SEO results:

In the overall view SEO performance analysis of the tested banks shows that both direct and universal banks appear primarily on Short-Tail-Keywords in the



<sup>14</sup>\* Link-Performance in relative data. metapeople internal tracking. The results only reflect a snapshot. Future results may vary.

search engines. The ING-DiBa is the absolute leader concerning Short-Tail-Searches, Deutsche Bank and Postbank seem to have the most balanced mix of Short- and Long-Tail-Keywords.

Focusing additionally on link popularity and Page-Rank, the SEO performance of Postbank and Deutsche Bank in the field of universal banks can be emphasized. Concerning the direct banks, the competitor field is close together. A clear winner cannot be identified here.

by ibi research say that they can reach the age groups 18-55 years with Search-Engine-Marketing very well. But also to increase their visibility and to stay competitive, SEA appears to many to be an appropriate measure.<sup>15</sup> The subsequent performance test is to show how the selected banks are doing according to their presence in AdWords of the search engine Google Germany.

**German banks in the SEA performance test**

The comparative ranking is based on metapeople internal performance data. Therefore the visibility of selected banks was measured at 16 major financial Short- and Long-Tail-Search-Terms in the search engine Google (GER) over 14 days. A visibility among the first result page for all 16 Short-or Long-Tail-Keywords would here correspond to a 100 percent visibility. At the tracking in each case the first result page (the first 11 Ads) were taken into account. If a bank does not appear among the first result page, its value here would be 0.<sup>16</sup>

**Result interpretation:**

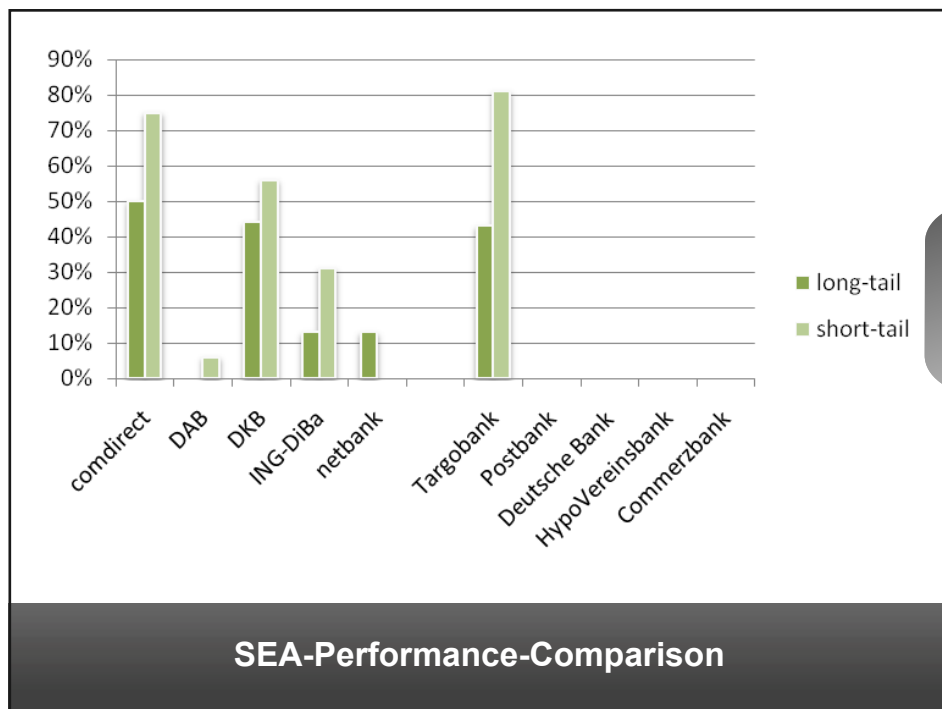
The performance comparison of direct and universal banks shows that direct banks are much more visible in Adwords. In the tested universal banks only the Targobank appeared in Google Adwords on the tracked financial keywords. The ads of the Targobank were visible in 81% of the tested Short-Tail-Keywords

 **The overall SEO-Top-Performer: Postbank**

**SEA**

Banks sometimes do not appear at all on the top search results at relevant financial keywords. Search engine advertising could provide a way to be present on the important first result pages.

Using SEA, banks particularly want to win new customers and to increase the sales rate of their products. Another motivation is the possibility of reaching new target groups better. About 90% of the banks surveyed



*„SEA-Performance-Comparison in Long- and Short-Tail searches“*




<sup>15\*</sup> ibi research: „Suchmaschinen-Marketing bei Banken. Status quo, Trends und Erfolgsfaktoren“, Regensburg 2009.

<sup>16\*</sup> The results of the tracking only reflect a snapshot. Future results may vary.

and 43% of the Long-Tail-Keywords. For this reason the Targobank is leading in terms of Short-Tail presence and ends up in the Long-Tail-Searches, compared to the tested three direct banks to the third place behind the Comdirect and DKB. The Comdirect is compared to the other tested direct banks leading as well in Short- as in Long-Tail-Searches.

The universal banks Postbank, Deutsche Bank, HypoVereinsbank and Commerzbank are neither visible in the Google ads for the tested Short- nor for the Long-Tail financial search terms.



**Top-Performer:**  
1. Comdirect/ Targobank  
2. DKB  
3. ING-DiBa

**Tail lights:**  
Netbank/ DAB

**Not visible:**  
Postbank/ Deutsche Bank/  
HypoVereinsbank/ Commerzbank

### Positioning in Adwords


For the first 11 Ad-results (first result page) of Google Germany were measured. Position 1 here stands for the best Ad-Placement. Banks, which do not at all appear at the tested keywords on the first result page in Google Adwords, were also evaluated with the value 0 here.

### Result interpretation:

Market leader, in both the Long- and Short-Tail-Searches, is the Comdirect. The Comdirect on average ranks, in the Short-Tail-Keywords at position 3 and for the Long-Tail-Keywords, even at 1.8.

The Targobank as well appears on the top positions for Long- and Short-Tail-Search-Terms. The DKB can be found in Long-Tail-Searches also at the better positions. The ING-DiBa might be better positioned for Short- and Long-Tail-Keywords. The DAB can only be found for Short-Tail-Searches in Adwords, the Netbank only for Long-Tail-Terms. Both DAB and Netbank, could improve their positions.

Postbank, Deutsche Bank, HypoVereinsbank and Commerzbank are neither to be found for Short- nor for Long-Tail-Keywords on the tested financial search terms in the Google ads.

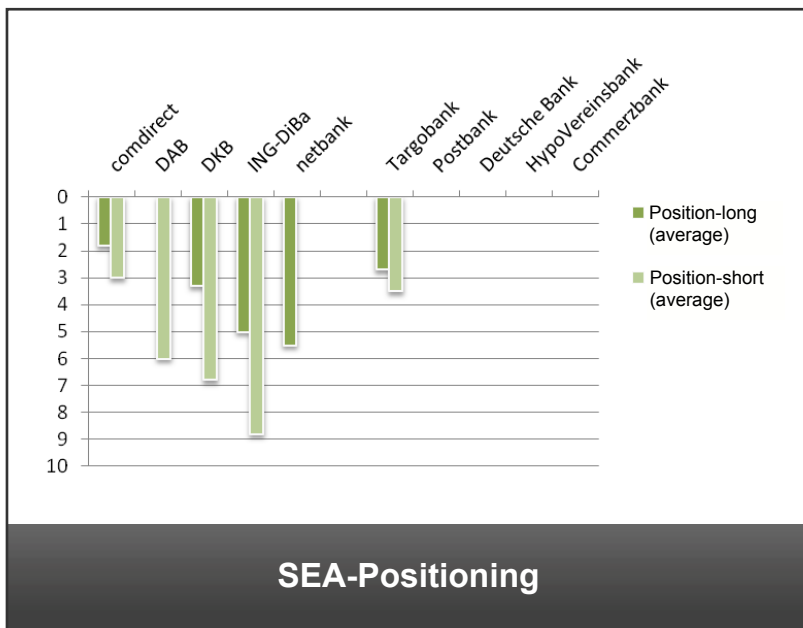


**Top-Performer (SEA-Positioning):**  
1. Comdirect  
2. Targobank

**Midfield (SEA-Positioning):**  
3. DKB  
4. ING-DiBa

**Tail lights (SEA-Positioning):**  
Netbank/ DAB

**Not visible (SEA-Positioning):**  
Postbank/ Deutsche Bank/  
HypoVereinsbank/ Commerzbank



„The figures show the average position of the direct and universal banks concerning the tested Short- and Long-Tail-Keywords.“



### Conclusion: SEA-Bank-Performance

The universal banks Postbank, Deutsche Bank, Hypo-Vereinsbank and Commerzbank are not visible on the first result page in Google Adwords for relevant financial keywords. SEA-Measures are at these banks either not present or to be greatly improved.

The SEA-Performance-Analysis of the tested banks shows that the banks which are to be found at Adwords primarily bet on visibility for Short-Tail-Keywords. A better position in Adwords, however, can be reached consistently by Long-Tail-Search-Terms. The two banks with the greatest visibility in Google Adwords, Comdirect and Targobank, also achieve the best positions. Moderately active and average-well positioned are the DKB and just behind the ING-DiBa. Netbank and DAB have significant backlog. The direct bank Comdirect and the universal bank Targobank are sharing the title SEA-Top-Performer.


sales-rate, since most users may only click to get first information. While the banks have a high quality factor assigned by the search engines with these ads due to high CTR, they yet risk not to achieve the desired targets and to generate many clicks without providing any specific monetary value to the bank.



<p><b>Great Loan Rates</b> Online Loan - 7.8% APR Typical Apply Online Today! <a href="http://www.sainsburysbank.co.uk">www.sainsburysbank.co.uk</a></p>	<p><b>TESCO Loans Online</b> Personal loans - 7.9% APR typical for £7.5k - £14,999. No set up fees <a href="http://www.TescoFinance.com">www.TescoFinance.com</a></p>
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More frequently encountered are therefore advertisements in which specific information is given to the offered conditions. Mostly concerning loan offers, the lowest interest rate is cited and possibly a specific target group is responded. TescoFinance for example here addresses users who are interested in a personal loan. Sainsbury advertises with the offer to cover the credit directly online. Click incentives can be generated also by the promise of "no set up fees" (see Tesco Finance). Also possible is a concrete calculation example that displays the loan amount and the monthly rate or the possible credit spread as it is exemplary shown here by the TescoFinance-Ad. The two banks here might have the generation of credit accounts as a clear target to their search engine ads. As a result these ad texts lead to a much lower CTR and generate relatively better sales-rates compared to the upper display texts, as they can address those users more specifically who are already in the advanced search and are therefore looking for specific offers. Indeed, due to the lower CTR, it can be expected that the search engines rate these ads with a lower quality factor. This might entail a slightly higher CPC (Cost-Per-Click) but compared to the significantly higher conversion rate of the ad text this investment certainly pays off.

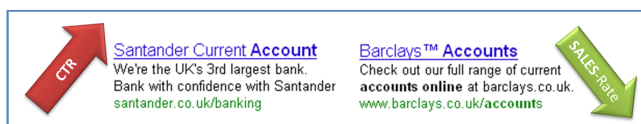
May the ad texts by the limitation of text characters only offer little information options, it anyhow has been shown that the ads can be targeted towards very different goals. In addition to the knowledge of the effects of individual text variations including the right linking of the ads with the relevant landing pages is crucial to success. In order to operate best and if necessary to optimize the running campaigns, it is therefore extremely important to have the technical capabilities to measure continuously, which display texts in connection with which objectives of the landing pages help to achieve the goals of the search engine marketing campaign. Such data can be collected through the so-called Creative-Tracking. Many rely solely on keyword tracking, more crucially, however, are often the results of the Creative-Tracking.



**The overall SEA-Top-Performer:**  
**Comdirect**  
**Targobank**

### Qualitative ad texts

In addition to the general visibility on the first result pages in the search engines, the quality of the ads matter. Therefore, banks that want to successfully conduct Search-Engine-Marketing must be aware what goals they want to achieve with their ads.



<p><b>Santander Current Account</b> We're the UK's 3rd largest bank. Bank with confidence with Santander <a href="http://santander.co.uk/banking">santander.co.uk/banking</a></p>	<p><b>Barclays™ Accounts</b> Check out our full range of current accounts online at <a href="http://barclays.co.uk">barclays.co.uk</a>. <a href="http://www.barclays.co.uk/accounts">www.barclays.co.uk/accounts</a></p>
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Santander as well as Barclays appear with these ads for the search term "bank account" on the first result page at Google UK. With these ads, the two banks may especially want to show presence. The ads do not provide concrete information about interest rates or offers, but only communicate that one may get information about bank accounts here or that the bank is "UK's 3rd largest bank". The aim of the campaign might primarily be the improvement of the brand awareness as well as the approach of potential new customers. The effect of the ad text is a high CTR (Click Through Rate) combined with a relatively low

### What is searched for online?

If a bank sets up its goals for their Online-Marketing-Campaign, it is important to know which products can be marketed online better and which worse. Experience has shown that sensitive financial products, e.g. those products in which a larger threshold to trust a person, such as for credit, are increasingly researched online, as the bank customer could inform himself here at first anonymously. About financial products such as deposits bank customers prefer to speak, and therefore, tend to seek personal contact. Especially concerning investments it is sensible to advertise application and provision of expert consultations, regarding credits the best advertisement may offer concrete online information and product attractions.

Since users, particularly interested in credits, are constantly using search engines during their research process, search engines are very customer-oriented advertising platforms. Smaller personal loans are for example strongly recommended. Since the competitor field is very narrow here, e.g. ads with special offers or smaller gifts may help banks to stand out from the competition. Unlike the Anglo-American countries, it is very difficult in continental Europe to market credit cards online. While credit cards are also on the rise in Europe, the willingness to order them online is still restrained. Rather, it was shown that the advertising of credits often can contribute as a lure for subsequent accounts as deposits and accounts. However, this is to respect that other products are applied only after the accomplishment of the credit agreement, otherwise the buying process may be interrupted and potential customers might get lost.

Basically, in Online-Marketing for banks seasonal variations are hardly identified. For the optimization of campaigns, the possibility of timely tests is therefore necessary. These tests can be quite elaborate depending on the campaign. An experienced Performance-Marketing team in the banking sector can save time and money.

### Always close to the customer with Geo-Targeting

Experience is also helpful if campaigns are to run limited regionally. Especially for regional banks or branches Geo-Targeting can be a viable option, to target their local clientele. If for example a user in the Berlin area is looking for a branch bank or a credit, the nearest bank may be displayed as a result. Beside the example shown, the searcher may also get the

address in addition to the display text. Regional banks may spare the transmission of its ads on areas where they are not present and advertise targeted, where they see their customers.

On the one hand Search-Engine-Advertising may enable "closeness" to regional customers for nationwide banks and on the other hand it is also an attractive form of advertising for smaller banks or individual branches. Besides, as an additional service, branches can be highlighted on online maps. Scattering losses can be narrowed significantly with Geo-Targeting and the effectiveness of the measures can be increased.



### PPC is predominant

Pay-Per-Click (PPC) is clearly the dominant billing model in SEA. About 80% of the banks pay for Keyword-Marketing efforts on PPC. Alternative payment models such as Pay-Per-View or Pay-Per-Lead, however, are getting used more and more.<sup>17</sup> This shows that banks are no longer restricted to purely sales-oriented advertising on search engines, but increasingly operate in content networks, and also use keyword advertising more gradually to increase brand awareness.

<sup>17</sup> ibi research: „Suchmaschinen-Marketing bei Banken. Status quo, Trends und Erfolgsfaktoren“, Regensburg 2009.

## Social-Media

### Social-Media for banks

Banks usually shy away from the possibilities of the web 2.0, their performance in social networks is therefore mostly half-hearted. But it is precisely this strategy that does more harm than good, because the popular maxim is: Social-Media should be operated completely or not at all. So far, banks decided then mostly for totally neglecting Social-Media. But now the progressing development is that more and more banking customers seek advice online and recommendations to other customers, clearly speaks against this passive behaviour. Forums, blogs and social platforms are extensively used to obtain information about bank products. Expert advice and experiences of customers is already trusted more than the offers of the bank consultant. So the research department of the Deutsche Bank has recognized that customers pay more confidence in the recommendations of other customers than in the advice of their own bank. That is why DB-Research already in 2007 came to the conclusion that banks should urgently make use of the potential benefits of Web 2.0.<sup>18</sup> But so far in this respect there is only little involvement of the banks to recognize.

Looking at the social networks (here exemplary the portals Facebook and Twitter) it is obvious that the tested direct banks completely ignore Social-Media.<sup>19</sup> Sparkasse and Volksbank are visible on Facebook with multiple portals. Their regional portals usually

enjoy more attention than the nationwide performances. Commerzbank is both on Facebook and Twitter with limited presence. The Deutsche Bank has a compelling Facebook profile, its Twitter account is still in its infancy. HypoVereinsbank convinces on Facebook by strong activity but on Twitter the bank is not yet active. The major activity of the tested banks on Twitter has the Targobank, which although has only 17 followers and does not at all interact with customers on Facebook, as there exclusively messages appear posted by the administrator. Altogether it can be said that the Social-Media activities of the banks are only operated half-heartedly and are consistently highly expandable.

### Banks give consulting business out of hand

Banks are leaving the business with financial advisory services to others and are therefore going to lose an important field of expertise. Specialized consultancy portals push forward in the Social-Media vacuum caused by the banks and provide proper reviews and advices of so-called "experts" for users seeking information in the financial sector. There is hardly an industry in which the brand and reputable image of the brand is playing such a prominent role as in finance. If banks want to regain impact on their reputation actively, they need professional appearance and advertising in the social networks.

Banks	Facebook	Twitter
<b>Commerzbank</b>	no activity / 1 member	0 tweets / 0 followers
<b>Sparkasse</b>	4 profiles / 1 or no member	0 tweets/ 92 follower
<b>Volksbank</b>	3 profiles / 1 or no member	0 tweets/ 109 follower
<b>Deutsche Bank</b>	1 strong profile / 2.737 members	4 tweets/ 101 follower
<b>HypoVereinsbank</b>	strong activity / 92 members	0 tweets / 14 follower
<b>Postbank</b>	low activity /65 members	0 tweets / 88 follower
<b>Targobank</b>	only admin-activity / 58 members	12 tweets / 17 follower
<b>ING-Diba</b>	2 profiles / ca. 712 members	0 tweets / 0 followers
<b>DKB</b>	not visible	0 tweets / 0 followers
<b>DAB</b>	not visible	0 tweets / 0 followers
<b>Netbank</b>	not visible	0 tweets / 0 followers

## Activity and presence of German banks at Facebook and Twitter

<sup>18</sup>\* Deutsche Bank Research: „Be a driver, not a passenger. Implications of Web 2.0 for financial institutions“, Frankfurt am Main 2007.

<sup>19</sup>\* metapeople internal research, snapshot, 26th of April 2010.

## New advertising in social networks

Social-Media-Marketing, however, differs completely from traditional forms of advertising. There is no longer a unilateral PUSH-communication taking place in the social networks, but the company now has to deal with in the true sense of the word responsible customers who may also oppose or criticize products. This may act as a deterrent, but also can be a benefit for the criticized company. Done properly, Social-Media offers the opportunity to enter a direct dialogue with customers. At best real testimonials can occur. Banks may increase transparency, thus create more confidence and finally there is no other industry where confidence is as important as in the financial world. Similarly, Social-Media can be used to recruit staff efficiently. Overall, banks are in any case a bit closer to their customers.

## Online-Media/ Banner Ads

Banks and insurance companies together have invested about 164 million Euros in 2008 in graphic internet advertising. Financial service providers are thus the third largest advertiser in the media field.<sup>20</sup>

### Branding

Banner ads are the online advertising formats that are the most similar to the usual off-line advertising formats. Mostly the increase of the brand awareness and the widest possible spread of advertising are in the foreground here. For this reason display ads are particularly suitable to raise brand awareness and to reach new customer groups. To bank customers, the bank's brand creates trust. Branding effects are therefore enormously important, particularly for banks.

The banner ads from JPMorgan and Deutsche Bank are examples of advertising media that are primarily oriented towards branding. Concrete products are not offered here. The banks mainly want to represent the brand, convey confidence and catch the users attention. In order to achieve this, these banners were played on the homepages of financial newspapers, where a certain target group can be expected.

### Targeting & sales-oriented Bannering

It is not enough to randomly place as many banners as possible. The skillful placement of ads can save money and reduce wastage. For this purpose it is beneficial to know where potential bank clients are to be found online. With the help of targeting tools, target groups

can be reached better. For example, car search portals are appropriate for ads that offer car loans, on pages where users are looking for real estates, the current offers for building savings or cheap private loans may work well. Thus offers such a variety of options for banks to display specific attractions to potential customers. The more specific the targeting, the more accurate can the sale approach be formulated in the banner texts. As the examples of the ads of Santander Bank and ING Direct show, banner ads can also be formulated offensively sales-oriented. These ads have been displayed on the website moneysupermarket.com, where different accounts were presented and compared. Corresponding to the page content, the banks here give concrete information about interest rates and directly request the user to switch his account or to click here in order to open up a new account.

### Re-Targeting

In a similar way via Re-Targeting existing and potentially new customers can be directly addressed. If users have once visited and informed themselves on the homepage of a bank but have not directly purchased anything, banner ads with concrete offers of the bank could be displayed to these users in the following days. As the search and comparison process is particularly intense in financial products, such promotional activities offer an important decision support. Thus Online-Media provides a perfect marriage of branding and Performance-Marketing.

### Cross-Channel-Tracking

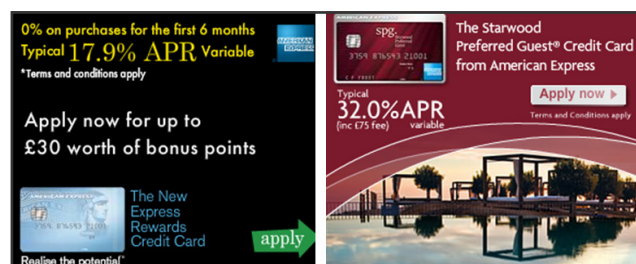
Banners can be identified as both sales-oriented and primarily focused on branding effects. In both cases, a return on investment can be demonstrated. Thanks to Cross-Channel-Tracking even those sales can be measured and assigned to the respective ad, which originally lead back to a branding campaign.

That means, for example, if a customer gets displayed a banner of a bank, is not clicking on this one, but as a reaction enters the URL of the bank or is looking for the bank in the search engines and is in the following period closing a deal, the generation of this sale can be taken into account for the banner. Thereby effects as well as direct and indirect sales impacts of banner campaigns can be measured. For this reason it is clearly measurable, how the individual Performance-Marketing channels can benefit from each other. Due to an optimization of running campaigns, therefore, Cross-Channel-Tracking is enormously helpful and irreplaceable.

20\* „Online-Werbemarkt trotz Krise: Banken unter Top 3“, in: „die bank“ 7/2009.

## Affiliate

Affiliate programs can not only enable the visibility of banks in the top search engine positions (see SEO), but are particularly suitable to increase the online-sales and to acquire new customers. Affiliates are usually specialized on topics, thereby well positioned and pursue high-traffic sites. On their topic-relevant pages the affiliates integrate advertising materials of the banks. Which products the banks want to be advertised depends heavily on the objective of their affiliate marketing commitment. If the campaign is mainly sales-oriented, the ad materials are usually characterized by a more aggressive sales approach and specific offers.



The advertising of American Express is clearly sales-driven here. The ads are animated, which increases the haptic perception of users. The animation works out a concrete offer for the user. The rate offer serves as an eye-catcher and the holiday picture shows an example for what the money could be spend. The "apply (now)" button finally conveys a concrete call to action to the viewer.



The online lender wonga.com bets however primarily on witty ads in the corporate identity colors. There is also a direct "click here"-invitation to the viewer, but in general these ads seem more focused on generating leads than sales. Whether the dog has eaten the credit card or you want to go on a snorkeling vacation, wonga.com seems to have something suitable for these cases. But the ads do not reveal the interest conditions. First of all these ads aim to attract the user's attention and to spark interest in wonga.com.

## Content and target

The design of the advertising material should always match the objective of the campaign. Visual effects could replace long texts or loosen it up. The use of CI-compliant symbols, scripture and colors enhance the recognition value and implicate an additional branding effect. In addition to the graphic design of advertising material, also the remuneration of the affiliates should be adapted to the targets of the campaign.

## Performance-related remuneration

Banks can build up an efficient sales-driven online branch network due to Affiliate-Marketing, which is paid on success basis. Experience shows that financial products such as loans, accounts and deposits are particularly suitable for sales-driven advertising via affiliates, which are then mostly Paid-Per-Order (Cost-Per-Order/ CPO). Counseling and sales talks for banking products such as real estate financing or investment products advice can also be budgeted performance-based for the generation of contacts (Cost-Per-Lead/ CPL). Also possible, but rarely used, is the billing model Cost Per Click (CPC). This is particularly suitable for campaigns which explicitly have the primary goal to increase the attendance of the banks website (for example after a relaunch).

program	billing Lead/ Sales	number of remuneration levels	cookie-runtime	number of advertising material	AdRank (by zanox)
<b>CreditPlus</b>	5,00-14,50€/ 10-145€	3	60 days	42	8,3
<b>Targobank</b>	12,00€/ 20-120€	0	60 days	210	6,0
<b>Santander</b>	0€/ 35-140€	2	30 days	67	5,5
<b>easyCredit</b>	14,00€/ 120-160€	5	30 days	112	2,6

### Affiliate activity of individual banks in comparison <sup>21</sup>

The range of commissions widely varies. The best premium offer has easyCredit with a commission of 160 €. CreditPlus is ranked just behind it with 145 €. In the area of leads, there are no such strong variations. A special feature is that Santander does not offer any leads-related budgeting. Credit Plus and the Targobank have a 60 days cookie duration, all other tested merchants run their cookies for 30 days. The number of advertising is very different. The Targobank's high number of advertising media must be seen also due to the variety of different products. EasyCredit also has a strikingly high number of advertisements available. Here it is, not at least the different types of advertising material, leading to a higher number of advertising media. The lowest number of advertising media is offered by CreditPlus but this strictly credit-focused bank also has the smallest product portfolio.

According to the zanox AdRank, CreditPlus is by far ranked the best, compared to the here tested banks. This is an indication that not only the number of advertising is important but rather the quality, budgeting, and operating time.

Regarding the maximum handling time, easyCredit with 8 days for the leads and Santander with 49 days for the sales are the fastest. The Targobank has the longest maximum processing time with 30 days for the leads. For sales, CreditPlus has the longest maximum handling time with 90 days. These handling times only show, however, the latest date, the affiliate may expect a confirmation of his sales or leads from the bank. If

there was no confirmation up to the maximum processing time, there is usually an automated confirmation coming into effect. That basically means, the longer the maximum processing margin, the more can be expected through the examination. EasyCredit, with one standard and four premium-commission models, offers the most remuneration levels. CreditPlus does not offer any lead-compensation to new affiliates. This barrier is to protect against fraud. The next stage begins with the first sale; the top step is reached from 10 sales per month. The Santander bank offers only the remuneration levels of 0-10 sales and the premium model starting at 11 sales per month. Therefore it differs in the remuneration of various products. A sale for the Best-Credit of the Consumer Bank, for example, is paid differently than a BestCredit-sale of the direct bank. The Targobank does not offer premium commissions for affiliates, but calculates differently according to the product.

#### What affiliates want

This raises the question what role do the different criteria play for the affiliates when choosing an affiliate program. This will certainly vary depending on the affiliate. While for the top affiliates with a high number of sales, offers with attractive premium remunerations are more interesting as the processing time, the smaller affiliates are guided more by the level of the standard compensation and the turnaround time. When it

21\* Data are related to the German market and represent only a snapshot: April 2010. Future results may differ. The elevation of the zanox AdRank is based on a formula that considers different dynamic factors such as sales, conversion rate, confirmed leads/ sales, traffic, etc., see zanox.com.

comes to optimization options, a combination that will satisfy both groups might perform the best. All things considered, a scaling of the remuneration of the affiliates can be regarded as very useful. Premium offerings especially according to sales-incentive products may create an appeal to affiliates to increase sales. Multi-level premium offerings can help to ensure that both small and top affiliates are motivated to increase sales and remain true to the bank they are successful with. Commission variations can also be useful due to the product. Products that are harder to sell online because of having long application duration for example can be made attractive to affiliates by higher revenues per sale. Otherwise, banks risk generating only small turnovers by their affiliates. Likewise, the cookie lifetime should be measured according to the product. Advertising materials running for products that have, prior to experience, a long research process, should also have a long cookie lifetime.

### Inhouse vs. Agency

Some universal banks run their affiliate program in-house. But most banks rely on affiliate partner programs and mandate agencies to take care of their activities. Certainly it may be tempting for banks to save the fees for the affiliate network when handling it in-house. Yet there are many problems that can arise: there is a lack of control by an independent third party such as an agency and affiliate network that monitors next payment and also supports the tracking. Moreover, the bank must independently take care of the acquisition of affiliates for their in-house affiliate program, because they cannot rely on a large pool of affiliates, as only the affiliate networks and agencies do. The bank then even has to carry the effort and costs of administration and support itself. Bank internal decision-making can unnecessarily complicate; the outsourcing of the affiliate programs does make sense solely because of this reason. Affiliate agencies can also provide competent support, close cooperation and personal care to both banks and publishers. Not every bank product can be commercialized in the same way. Which promotion and what remuneration models are to be used in order to meet the campaigns' goals of the bank, is mostly judged best by experienced agencies. In addition, Affiliate-Marketing agencies are specialized on seeking out appropriate affiliates, to acquire and to care for them, and are constantly focused on optimizing the brokering of the affiliates. Good agencies are interested in long term success and therefore always anxious to ensure fair

and attractive compensation models for both sides (merchant & publisher). Affiliate programs require continuous optimization and updating, therefore, a comprehensive real-time tracking is indispensable. Reliable and transparent tracking is the ultimate basis for the provisioning of the affiliates and the most effective means to protect oneself from fraud. This can only efficiently be provided by well-positioned agencies that have the know-how and the necessary technology.

### E-mail

Also E-Mail-Marketing is particularly well for banks as thereby a personal attention can be suggested and the customer feels acknowledged individually. For direct banks without any branch network, this might even be the main tool for customer retention. Newsletters are less suitable for acquiring new customers, but rather for cultivating relationships with existing customers and should therefore be firstly informative, and offer individually tailored services to meet the customer's needs.

### After-Sales by E-Mail and Media-Ads

Experience has shown that particularly in the banking sector so-called after-sales work well. Under no circumstances other deals should be submitted to the user until the running search or purchase process is completed. Only after the first transaction is closed, quasi when the user is to leave the bank, more offers can be made to the customer. If the first closure worked out easily and trust was created, after-sales may succeed. Newsletters but also subsequent display ads may then be successful.

*„Banks may gain additional after sales by personalized mailings and targeted Display-Ads.“*



# Conclusion: Performance-Marketing for banks

No one would dispute that a raise in online engagement is worthwhile for banks. Credit institutions can increasingly meet relevant audiences in the internet and draw purposeful attention to their products. Even if there are still inhibitions for many users to complete a few banking products online, it is also worthwhile to show online presence here. Since bank customers more and more use the internet as information and research platform for more thorough financial products, which they, if not directly completed online, then often will close offline at that bank, which had offered the best deal online. The so-called ROPO-effect (**R**esearch **O**nline, **P**urchase **O**ffline) is especially according to rigorously researched and also for sensitive financial products particularly significant. Even if the customer apparently does “only” research on the internet, a monetary benefit therefore may also occur, if the bank can advertise convincingly online for their products. These ROPO-effects can be measured and therefore the return on investment can be disclosed with the right technical instruments.

The visibility of a bank in the search engines is of particular importance. The customers to-be are looking there for information about financial products. Using SEO banks can improve their position in the search engines and optimize the structure and usability of their websites.

Social-Media-Marketing can help to attract new audiences, to recruit suitable staff in an innovative way and to improve the overall reputation.

SEA makes it possible to offer targeted and suitable products to the user with specific queries and to link him directly to the product page of the financial institution. SEO as well as SEA are therefore important instruments for acquiring new customers. But also existing customers search for their bank in Google in order to navigate easier. To show presence in the search engines therefore makes sense for many reasons and by the way also contributes to the strengthening of the brand awareness.

Brand awareness is reinforced particularly by banner campaigns. The right placement and the different targeting options help to improve the return on investment and make banner campaigns to highly effective means to increase brand awareness and to reach new

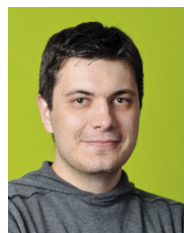
audiences. Through the Cross-Channel-Tracking-Technology the sales or leads can be attributed to exactly that ad, which generated the first customers attention to the bank. Similarly, targeting methods, which make it possible to display targeted media ads to those users that have recently been in contact with the banks website or with financial portals, have proved to be extremely profitable.

Banks can take advantage of Affiliate-Marketing using the internet as an ideal distribution channel and to strengthen its branch network. The selection and care of the affiliates, as well as the constant tracking of the campaign and the consequent possibility for the optimization can be effectively and transparently provided only by affiliate agencies.

**metapeople & metaapes** together cover the entire spectrum of Performance-Marketing. The metapeople-group can point to years of experience in Performance-Marketing for the banking sector and has the necessary know-how and the technical resources, to turn innovative ideas into successful campaigns. We gladly explain to you how we can help you to optimally position your bank in Performance-Marketing.

## Contact & Information

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