



Case Study: How COVID-19 Impacted Onboarding Programs

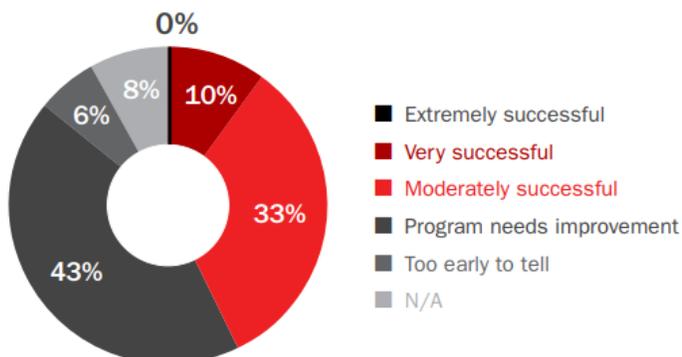
Connecting the dots for your new customers using the communication channels they most prefer has never been more important. Customers need your help more than ever, and the tools to enable their journey have never been more varied – or critical.

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Twelve years since the financial crisis of 2008, COVID-19 is yet another crisis impacting the economy. As in the past, economic hardships accelerate innovation for traditional financial institutions and digital-native startups alike. In fact, during this time, many estimates say the digital strategy among financial institutions has accelerated by six years, driven by the changing behaviors and demands from their customer.

SUCCESS OF CURRENT ONBOARDING PROGRAM

How would you categorize the success of your current onboarding program?



Source: Digital Banking Report Research © January 2021 Digital Banking Report

But what about for those financial institutions that already have an onboarding program up & running – what changes in customer behaviors have occurred in 2020? According to The Financial Brand, 0% of bank marketers say their Onboarding program is Extremely successful. And **6 in 10 bankers say their Onboarding program needs serious help.**

CS3 Marketing has conducted an in-depth review of proprietary performance data from the period of February through October 2020, and the results of this analysis formed this basis for **our newest case study.**

In this study:

- Regional banks, local banks, and credit unions were included in the analysis.
- A mix of institutions from rural and urban areas were included, geographically dispersed across the 48 contiguous US states.
- Response rates were compared by month, quarter, and full-period. They were compared to comparable offers using identical channels over the same period, prior year, reflected as a Year-over-Year measurement (YoY) for simplicity.

Here are the primary findings from our analysis:

- **Rapid acceleration in SMS Text adoption.** Customer preference to leverage SMS text as a preferred marketing channel spiked in 2020. Not only did we see a significant increase in SMS Text response (YoY improvement of 13% on average), we also saw 1 of every 3 institutions add SMS Text as a marketing delivery channel in their onboarding program. Prior to 2020, SMS Text was only used for operational communication.
- **Increase in eMail performance.** Interestingly, YoY email open & click rates did not see the same spike as SMS Text in the review period, though they both increased. There are a number of contributing factors that exceed the basics of “channel preference” which could impact email not spiking, all of which can be directly or indirectly tied to COVID-19. A heavy inflow of deposit dollars, a diminished lending environment, and reduced auto usage (impacting direct & indirect auto loans as well as auto refinance) all play a role in causality.

How To Make This Insight Actionable

There are five actions that every bank marketer should enact immediately to gain efficiency & boost response rates within their new customer onboarding programs:

1. **Measure ROI overall AND at the channel level.** Its one thing to use actual internal data to measure the ROI of your program at the 100,000 foot level, but its critical to be looking at channel performance, and use that data to inform your program outputs. Pivoting on channel strategies when faced with overwhelming evidence of your customers’ preferences is the obvious decision.
2. **Be nimble.** Doing something the same way its always been done in the past because “that’s how we always did it” is one of the worst reasons to do anything. Use your data, and use the flexibility baked into your Onboarding program to quickly change your approach based on customer desires & quality data. Be prepared to change it back if sentiment shifts again.
3. **Adapt SMS Text as a marketing tool.** If you haven’t already moved down this path, you are missing out on the fastest growing customer channel. Faster growth than Social, and far & away faster growth than email.
4. **Take the load off of your branch staff.** Staffing levels in every FI we spoke to are down, and they are being asked to do more with less resources. While an outbound Thank-You call is still a best practice, take the rest of your onboarding program off of the branch, and centralize it.
5. **Stay the course on email.** Yes, response rates on email have failed to spike as SMS Text did – but the email channel is here to stay. Good email discipline (testing subject lines for open rate, testing offers, creative, and copy for CTA to increase your click rate) is more important than ever before.

Since the early 2000's, a multi-channel Onboarding program has become an essential step in securing a high degree of engagement, especially with net new checking account customers. While the checking account onboarding experience has been improving over the past three years as quantified in a new [study](#) from [Cornerstone Advisors](#), its clearly also critically important to optimize the channels within the study to meet your customer expectations.

Rich Givone is the SVP of Digital Strategy for **CS3 Marketing**. Having begun his early career in banking, over the past 20+ years Rich has held senior leadership positions serving the banking vertical in companies specializing in digital publishing, digital marketing, adtech, martech, and direct marketing.

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