



Developing a Customer Acquisition and Retention Strategy to Increase Revenue and Market Share

Financial Services Firm

A Customer Acquisition & Retention Case Study

M/A/R/C[®] Research

Developing a Customer Acquisition and Retention Strategy to Increase Revenue and Market Share

How a regional bank gained an understanding of its position in a highly competitive market and pinpointed strategic actions to retain and acquire customers.

Business Issues

Although the company has successfully outgrown a “local” bank reputation, revenue has been flat over the last few years. As the company grows and competes with larger national banks, management needs strategic direction for its marketing, advertising, and operational efforts.

Research Objectives

Areas and questions addressed:

- **Brand Health:** How can the company strengthen its brand in the market? What is the company’s share potential in the market?
- **Competitive Context:** How is the company perceived in the competitive marketplace?
- **Customer Satisfaction & Loyalty:** How satisfied are current and competitive customers?
- **Strengths & Opportunities:** On what operational and communication areas should the company focus to acquire and retain customers?
- **Customer Adoption:** In what phase of the customer acquisition process is the client losing opportunity? What hurdles need to be overcome to get to the next phase?

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The Solution

M/A/R/C[®] developed a two-phased research study to address these objectives.

Qualitative Phase:

The first phase consisted of individual, in-depth *CustomerLink* interviews with current and competitive customers to elicit underlying needs related to banking services.

Specifically, qualitative interviewing identified:

- 1) service attributes that consumers use to evaluate banks and
- 2) the customer language used to describe these service elements.

These attributes served as the basis for meeting research objectives and measuring customer perceptions in the second phase.

Quantitative Phase:

The second phase consisted of large-scale interviewing among current and competitive customers across primary regions, representing retail and commercial segments. Respondents rated the importance of service elements and evaluated the company on service performance. M/A/R/C gathered respondents' awareness and preference of banks in the market as well as determined loyalty and resistance to switching banks.

Key Findings

The research revealed the following major learnings and insights:

- 1) The bank's position in the market is strong.
- 2) Customer retention is not an issue.
- 3) The company enjoys strong name recognition in the market.

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Major Research Deliverables and Resulting Actions

- Statistical modeling that demonstrated which service attributes influence brand equity enabled the company to direct marketing efforts toward attributes driving brand equity most strongly.
- M/A/R/C's Customer Adoption Model showed the lack of comprehension and low evaluation of the bank among non-customers, thus prompting the company to educate the market about the company's offerings, reaching beyond name recognition.
- M/A/R/C's perceptual map of key service attributes — prioritized by importance to consumers — pinpointed which marketing issues to address first, i.e. *Entry Tickets* and *Key Drivers*.
- Combining M/A/R/C's Brand Equity and Customer Adoption models, the company further prioritized the key operational and marketing areas to address *Entry Tickets* and *Key Drivers* that drive brand equity.
- A “funneling” process in the Customer Adoption Model illustrated the number of non-customers in the market required to win one customer. This insight enabled the company to establish sales prospecting and direct marketing goals.
- Key service attributes uncovered in the *CustomerLink* phase directed and enhanced the company's advertising message for maximum effectiveness in the market.

For more information on this case study or an illustration of sample report components, please contact M/A/R/C Research at 800-884-MARC (6272) or www.marcresearch.com

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