

TITLE OF CASE STUDY: Using Research to Build Break-Through Marketing in Financial Services
– The Story of ‘Keep the Change’

Bank of America

I. Introduction

In the spring of 2006, Bank of America launched an advertising campaign designed to drive awareness and interest in ‘Keep the Change’, a debit card based savings service that allows consumers to automatically deposit the difference between checking based debit card purchases and the next whole dollar amount of these purchases into their savings accounts. While a radical departure from campaigns the organization had sponsored in the past, the campaign proved, in the end, to be a tremendously successful revenue generator. The following details how a comprehensive research program helped Bank of America achieve this success.

II. Business Situation and Campaign Objectives

As is the case in most other business marketplaces, organizations that operate in the financial services marketplace are under constant pressure to demonstrate revenue growth, particularly when it comes to checking and savings products. Traditionally, strategies to fostering growth have focused on new ‘at play’ account acquisitions. Advertisements have focused on aspects of checking and savings offerings that the sponsoring organization has felt served as ‘differentiators’ in the marketplace in the hopes that individuals in the market at any given time (i.e. movers, dissatisfied competitive customers, etc.) would be more likely to consider the organization for its services with knowledge of these differentiators.

For years, Bank of America’s advertising was built on this framework – by marketing messages about ‘convenience’ and ‘service’, the organization hoped to appeal to customers who cared about quality customer service and convenient access to branches and ATM’s. As the bank entered 2005, though, growth had gotten harder and harder to achieve with this framework. For one, the increasing size of the bank had made it more and more difficult to win new customers – those ‘at play’ were becoming increasingly comprised of former dissatisfied customers or those with some pre-disposition toward the brand and thus unlikely to be compelled with messages of this nature. Further, federal ‘deposit volume’ regulations prevented the bank from acquisitions that could yield incremental ‘at play’ growth opportunities. Lastly, competitive marketing activity in the category had made it increasingly difficult to ‘stand out’ from the competition.

In order to overcome these challenges and thus take itself to the next level of growth, the organization decided to increase the strategic marketing focus on revenue sources other than just new ‘at play’ accounts. At the core of this strategy was a renewed commitment to identifying and leveraging the ‘un-met’ customer need as a means for revenue growth, to leveraging this yet to be identified need as a foundation for attracting consumers other than those ‘at play’ and generating revenue through means other than simply new accounts (e.g. fee based services, etc.)

III. Research Story

A comprehensive end to end research program driven by firms such as IDEO, Socratic Technologies, Marketing Analysts, IPSOS, and TNS was critical to the success of the campaign. Through a combination of qualitative and quantitative techniques, BAC leveraged powerful

research insights to build a compelling value proposition and corresponding communications strategy.

Specifically, research was critical to the development of the campaign in the following ways:

1. It helped BAC identify the un-met customer need upon which the campaign focuses
2. It generated the initial product/service solution to this un-met customer need
3. It helped distill this initial solution to one that was consumer friendly, workable, and potentially profitable
4. It provided strategies for overcoming barriers to communicating this solution to the marketplace
5. It ensured the campaign was breaking through once executed

Components of the Program

Stage 1: Ethnographic Research

Stage 2: Concept Screening

Stage 3: Positioning and Forecasting

Stage 4: Creative Testing

Stage 5: Advertising Tracking

How the Research Insights Informed Campaign

As indicated above, insights from the research program were critical to the success of the campaign in a number of ways. First and foremost, they helped uncover a consumer need for mechanisms that make saving easier -- the un-met customer need on which the campaign focused. Early in the campaign development process, bank executives commissioned an ethnographic exploration of the financial behaviors of consumers in the hopes that it would identify gaps in the way that financial services products and services, specifically checking and savings, currently support consumers. Through this research, they observed families as they shopped, watched them as they made deposits and paid bills, and talked with them about their habits and practices. The research uncovered a common theme – consumers found it difficult to save money. It showed that consumers were worried about their saving levels and knew that they should be saving more than they currently were. But, their day-to-day responsibilities, and worries about the greater events of the world, proved overwhelming enough to stifle their ability to take action. They either couldn't find the time to take the necessary steps to change their spending and saving habits, or they didn't feel like they even had time to learn what those steps were in the first place. When coupled with secondary data sources that showed 2005 as a year in which personal savings rates in the US fell to their lowest levels since the Federal Reserve began monthly tracking in 1959 and that revealed that consumer debt was reaching all-time highs of over \$2 trillion (not including mortgages), Bank of America felt it had un-covered an un-met need that could have 'legs'.

The task turned then to evolving the unmet need into a viable business opportunity, a front on which research again provided direction. During the 1-1 interviews, Bank of America came across a woman who always rounded up her check book transactions to the dollar. While her primary intention was to ease the checkbook balancing process, an ancillary benefit to the strategy was savings. Bank executives were intrigued by this process because it was one they felt could easily be modeled with debit card users, thereby providing these users a simple and effortless way to save a few extra dollars. From a revenue standpoint, the idea appeared promising because it would require customers to have their checking and savings relationships with Bank of America. Moreover, debit card usage (and thus debit interchange fees collected from merchants on every purchase) would likely increase as consumers sought to reap the benefits of the service.

As the idea continued to gain momentum in the organization, research was again leveraged to refine and structure the value proposition in a way that was consumer friendly and business viable. Screening was used first to evaluate the potential of the value proposition against others the bank was considering at the time as well as products that had been introduced to the category in the past (i.e. historical norms). Through this testing, the 'Keep the Change' concept, as it became referred to internally, consistently stood out as a unique and compelling value proposition across a variety of consumer segments. Volumetric forecasting was then used to help executives structure the product in a way that maximized consumer interest but did so in a business viable manor. A number of alternative pricing and benefit structures were considered through this research, including ones with various promotional devices, as well as others with only the core value proposition. Ultimately, the research helped the team determine that the attachment of a 3 month promotional match to the base value proposition represented the most viable and attractive business solution for the organization.

Next, research was leveraged to help Bank of America overcome challenges it faced in communicating the product effectively. Because of the novelty and complexity of the value proposition, communicating the product clearly was anything but straightforward. Moreover, how to position the value-proposition in a way that was most compelling was in question. To that end, qualitative and quantitative copy testing techniques were used to consider a variety of ways of: 1) describing the service in a comprehensible manor, and 2) demonstrating the value/advantage of the product. Ultimately, the research supported an approach that focused on a clear and explicit demonstration of the service through example coupled with the idea that the service makes savings easy and effortless.

Next, and somewhat unintentionally, research was used to inform the architecture of the campaign launch. During the previously described focus groups, the bank came upon a potential theme for the initial PR event for the campaign. During the groups, there were conversations about where people get loose change from and how it is always exciting to find loose change in the couch. The bank tweaked the idea by creating a custom-made 20-foot-long red-velvet monstrosity that would really grab eyeballs. To launch the product, then, they staged a marketing event-cum-press conference in New York's Grand Central Terminal. The staff lugged the mega-couch into the station, stuffed it with coins and invited people to look for change. The bank sent replicas of the sofa to malls in Boston, Dallas, Los Angeles, and Miami and co-sponsored events with the National Football League. Wives of NFL players and retired gridiron stars such as Ed "Too Tall" Jones were hired to show up at malls and dig for change. Proceeds were donated to charity. Bank of America ran TV commercials for the program during the winter Olympics. The bank continues to promote Keep the Change on its Web site, and it has bought ads with search engines.

Lastly, research was used to ensure successful roll-out of the campaign. Leveraging the bank's existing ad tracking instrument, awareness and impressions of the Keep the Change

campaign were monitored over time to ensure that awareness of the value proposition was increasing, that impressions of the service were positive, and that communications about it were appealing. Results validated the strategy, as awareness of the product rose to well over 60%, while impressions were extremely positive relative to competitor products and services.

IV. Campaign Description

As stated earlier, Keep the Change offered consumers an easy and effortless way to supplement their primary savings without having to change their behavior. The challenge of the campaign was to communicate how the product works but at the same time demonstrate a clear end benefit. To that end, the campaign focused on ways to demonstrate how the product works (use debit card, round up to nearest dollar, round-up amount transferred to savings account), to reinforce how simple it was to save, to show how quickly spare change could add up with the service, and, most importantly, to show how it could easily fit into your everyday life/spending habits.

Overall Strategy

With the need to reach a mass consumer audience, a broad media effort was required to develop awareness of Keep the Change and drive account openings. The presence of the Amex One Card and its similarity to Keep the Change also required Bank of America to go beyond a traditional campaign, in order to truly differentiate Keep the Change and gain mindshare.

On one level, there was a need to blanket the footprint. On another level, Bank of America's top performing markets needed to be impacted. The solution was to launch with a mix of broad awareness vehicles (Radio POS and PR), combined with local market events and Direct Mail/Email targeting current debit card holders who have trouble saving. As the campaign continued to roll out, Television, Out of Home and Online were added into the mix, rounding out the effort and delivering a "surround sound" plan that would create the awareness and comprehension needed to drive sales. In totality, the strategy focused on educating consumers on how the product worked and the value it provided.

Channel Communications

Events and Public Relations – The campaign launch was initiated with several large scale events, the primary intention of which was to create an initial buzz around the Keep the Change value proposition. Using existing local and national sponsorships/affiliations, event footprints were established at Grand Central Station, shopping malls, NFL stadiums, and NASCAR events. The Keep the Change "Big Red Couch" toured the country, accompanied by a nationwide PR push, inviting consumers to dig for loose change and immediately connecting Keep the Change with an effortless way to save money. Additionally, by leveraging their status as the "official bank of baseball", baseball-themed experiential elements had appeared in high traffic event locations through a summer-long Keep the Change match program to benefit the Little League Urban Initiative. A Speed Pitch booth was designed to track MPH of pitches generated from consumer activity, with a summer-end total being donated. The localized event tour came to an end in August 2006 with a Today Show appearance. Bank of America achieved maximum visibility with a live remote where an executive presented a donation to the Little League Urban Initiative, with the Little League World Series US Champion runner-up team from Beaverton, Oregon in the background.

Radio – Shortly after the initial public relationship ‘burst, radio spots were launched in Bank of America’s top 15 markets primarily as an awareness and comprehension driver, while driving home a call to action to other channels (online and/or store). Radio provided the perfect medium to reach consumers in the retail mindset.

Out of Home – Consumers were exposed to highway bulletins, street-level postings, and gas pump messaging in key markets corresponding with radio and TV activity. A change jar was used in these executions to immediately connect Keep the Change with savings.

Online – Posted on the Bank of America Homepage, online ads depicting the value proposition were designed primarily to convert prospects from consideration to purchase and thus facilitate the purchase cycle (sign up online).

Television – Integration of television several weeks after launch allowed for the attachment of a visual component to the message in existing markets where audiences were already exposed to the product via radio. TV established initial product awareness to new audiences, while deepening the relationship on a local level. The television ads display people doing everyday activities, having everyday conversations with their significant others/families; all these activities show the wide application of how KTC works for people and how small, everyday actions can add up to big savings and tangible rewards. The everyday situations also show people how easy it is to fit into regular life. KTC does not require many extra steps to save or for people to make any changes to their daily routine because saving is automatic. People continue with their normal lives but KTC gives them something extra, all obtained easily and without notice of saving.

POS and Dynamic Signage – Using Bank of America’s network of over 5,800 banking centers for large-scale national distribution, point of sale materials were displayed as a means for ensuring Keep the Change was top of mind at the point of transaction. POS materials display all relevant KTC information in text, graphics and tables and charts. This is the only physical item the consumer has about KTC and can use in the manner of learning what is best suited to them. It can be used in person at the banking center as a marketing tool, an information tool for the consumer to take away from the banking center and a reminder for the consumer at home to learn more about KTC. The POS has the widest variety of applications and likely has the most involved level of engagement from the customer, due to the lengthy details and abundance of information it gives about KTC.

Print – Print ads were included in several major publications to provide national support alongside the TV campaign. The print ads provide a visual display of how the amount of change in a jar can add up with individual purchases with a debit card. What used to be an old coin jar has the potential to become special purchases because the change cumulates into more than people used to think their change is worth. The ad changes the concept of a change jar from an extra jar in the corner of someone’s room into the benefit of luxury items (e.g. IPOD, etc.).

Targeted Direct Mail and Email – Direct mailers were used to generate demand among heavy debit users and those with no card at all.

V. Business Results

In the end, the campaign proved to be a tremendously successful revenue growth driver for the organization, both in the form of new accounts as well as non-traditional sources. First and foremost, savings account acquisitions grew nearly 10% when compared to the previous year.

With these savings acquisitions came parallel checking account growth – nearly 5% over the same time period in previous years. Lastly, the organization enjoyed nearly 13% growth in debit transactions as a result of the campaign. Taken together, these increases represented year over year in-organic growth in the checking and savings space that the organization had not seen before, thereby deeming the effort a tremendous success for the organization.