

Client Success Story

Bankers Trust
Des Moines, Iowa
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Bankers Trust Sees Retention & Activation Increase w/Online Channel

Background

The largest independent bank in Iowa, Bankers Trust has 1.6 billion dollars in assets and 9 branches throughout the state. Founded in 1917, the company focuses on relationship banking for both its consumer and commercial customers. For individuals and families, Bankers Trust offers highly-personalized services, including residential mortgage loans and trust and investment management services. Products and services for small and large businesses include loan capabilities, cash management products and a full-service international banking department. Bankers Trust's online suite also includes Check Imaging, Check Reorder, Email Manager and Tier 1 Support - all Digital Insight solutions.

Challenges

One-to-one relationships form the foundation of Bankers Trust's customer loyalty. So when Bankers Trust customers provided feedback that the online banking services lacked user-friendly functionality, the feedback was taken seriously. "Everything we do at Bankers Trust has a relationship focus to it because customer relationships are our primary investment and our most important commodity," explains Bankers Trust Senior VP Paul Erickson. "We believe the online channel should reinforce this philosophy by providing top-notch services that enhance our ability to retain and grow our customer base."

So Bankers' Trust had to look at: How could it maintain the trust – and more importantly, the loyalty – of its customer base without efficient, customer-centric online banking services? Furthermore, how could it expect to drive additional customer adoption of online banking?

Solution

In response to customer feedback, Bankers Trust quickly assembled a bank user group comprised of its online customers. The online conversion team gathered information from this volunteer focus group to determine what functionalities needed improvement or worse, didn't exist at all. As a result of this needs assessment, Bankers Trust decided to outsource its online banking to Digital Insight, which delivered a state-of-the-art online banking platform.

“Internet banking and bill payment are now staple products,” says Erickson. “And you have to have a good, strong partner to deliver them to your customers.” Bankers Trust introduced the new and improved online banking solution in October 2003.

After implementing this powerful online banking platform, Bankers Trust faced a new challenge: increasing user adoption and activation to maximize online channel profitability. To meet these requirements, Bankers Trust:

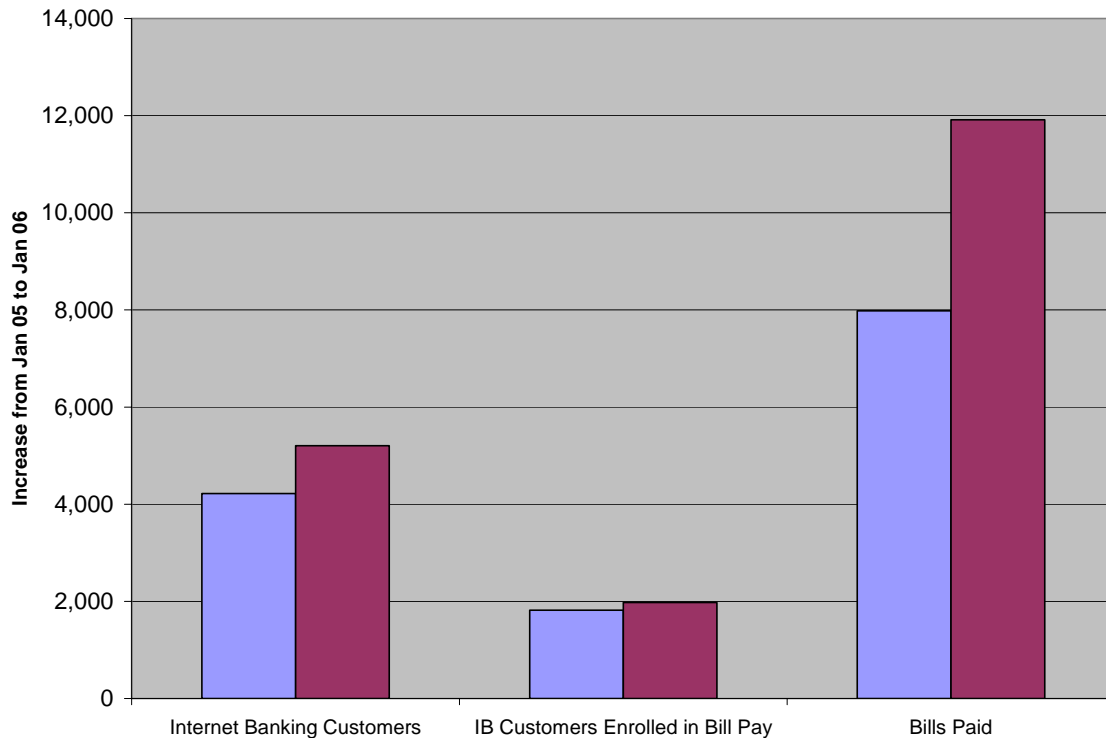
- **Trained staff to use online banking:** When staff learned the ease of online banking first hand, they were more apt to promote it to customers. Training was implemented in tandem with the site’s re-launch.
- **Created a staff incentive program:** Although the staff incentive program was a bit cumbersome – staff manually kept tabs on who they encouraged to sign up for online bill payment and tracked those who followed through – the \$5 incentive per customer, as well as immediate reward promotions for branch staff, boosted morale and drove users online.
- **Promoted bill payment online:** An aggressive campaign to spur online activity and profitability included a \$20 incentive for new online bill payment customers. After a user’s first bill was paid online, customers saw \$20 appear automatically in their account. The bank also sent direct mail and email blasts, in addition to posting promotional signage throughout the branches to drive this promotion.
- **Locked in customer loyalty:** As customers set up online banking portfolios Bankers Trust experienced an increased retention rate, evidenced by a corresponding decrease in accounts closed during the first six months.

Results

In just over two years, Bankers Trust’s online banking services have demonstrated tremendous success:

- 25% increase in online banking enrollment since January, 2005
- 29% increase in bill payment enrollment since January, 2005
- 24% of Bankers Trust customers now use Internet banking
- Customers have paid more than 11,000 bills online per month – up 29% from the beginning of the year through October of 2005
- 26.88% online enrollment rate – the highest rate among peer group banks*
- 9.7% checking account holders are enrolled in bill payment, three times higher than banking peer groups *

*Cornerstone Reports, Independent Banking Monitoring Service



Conclusion

Every part of Bankers Trust’s online banking re-launch has been a success. Healthy competition occurred among staff as they competed for dinners, movie tickets and cash bonuses, rewarded at quarterly sales meetings. By offering Bill Pay for free, Bankers Trust created customer loyalty, and there has been a direct correlation between the re-launch of online banking and a reduction in calls to their call center. “We went after customer satisfaction, and that’s what we achieved,” says Erickson.

Bankers Trust’s confidence in their online banking services was reflected in their promotional investment. Of the \$20 incentive, for example, Erickson said “We’re certain we’ll make the money back with the retention rate. They’ll be more loyal than before.” He also cites the non-use fee (\$4.99) as impetus for bill pay users to stay active.

Bankers Trust is closely monitoring its success via Cornerstone reports and other Digital Insight tracking tools. “We feel confident that online banking is helping us retain customers,” says Erickson. By having the online banking power of the nation’s biggest banks, Bankers Trust plans to keep growing their business while maintaining the customer relationships for which they’re best known.

For additional information call: 888-344-4674, option 6 or visit <http://digitalinsight.com>. Results in this case study are illustrative and are not meant to predict actual results of other Digital Insight clients. Your own actual results, including product sales, adoption rates and time and cost savings may vary substantially.