


CONSULTING INSIGHTS

Welcome to the Winter edition of *Consulting Insights*, where Corporate Insight's Consulting Services team analyzes emerging financial industry trends.

Our cover story returns to the topic of social media, previewing the grading criteria for our upcoming *Social Media Leaders* report. We also highlight our team's recent research for our new *Mobile Monitor* service and the re-release of the Bank Website Audit. Corporate

Insight's *Property & Casualty Insurance Monitor* team also contributes an article discussing trends in interactive coverage tools.

Please feel free to circulate this publication to your colleagues. We hope you find this issue informative and encourage you to contact us to discuss how we can help you improve your business performance through competitor insights. 

SOCIAL MEDIA LEADERS: KEY METRICS FOR SUCCESS

This spring, Corporate Insight will publish a new syndicated report on the use of social media by financial services companies. This *Social Media Leaders* report will mark our third such study since we began tracking the topic back in the spring of 2008.

As we developed our grading criteria, we isolated metrics that will allow us to measure things such as activity level, engagement with clients and prospects, and overall commitment to a social media channel. In this article, we share some of the broad findings from our initial research.

INSIDE THIS ISSUE:

- Social Media Leaders* **1**
- Top-Rated Mobile Apps* **2**
- P&C Insurance Firms Go Interactive* **3**
- ATM Locators: Then & Now* **4**
- Presenting Mobile Monitor* **6**

The industry has certainly evolved over the last four years. When we published our first report, *Social Media: Trends & Tactics in the Financial Services Industry*, roughly a quarter of the firms we tracked at the time were actively participating in the social Web. A few pioneers had developed their own proprietary blogs and communities, and some had created profiles on Facebook and still-nascent Twitter.

Most firms, however, were unsure of the benefits of social media and frightened of potential compliance ramifications, and thus remained on the sidelines.

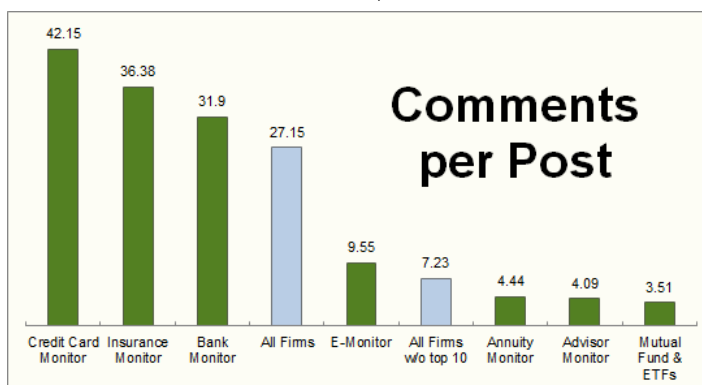
Today, nearly every firm we track has some social presence. Blogs and online communities continue to grow in popularity while Facebook and Twitter pages are now widespread across the industry. No longer the sign of an innovative, forward-thinking company, participation on these sites has become an expected part of a firm's broader branding, marketing and communications strategy.

In our past social media reports, we helped our clients understand the complete social landscape and what each of their competitors and other financial services companies were doing to harness the power of these communication tools. But with so many firms now participating in the social Web, we feel it has become much more important to start measuring the effectiveness of individual firms' strategies to identify the industry's best practices.

Building a Fanbase

The most visible Facebook metric has always been number of fans. It provides insight into the popularity of the company's brand and the reach of its communications. Traditionally, credit card companies have dominated this category, especially American Express and Chase, both of which have multiple pages in the top ten among the financial services.

The average number of Facebook fans across the financial services industry is a rather impressive 180,000. However, when we remove the top ten accounts, which includes six firms with over a million fans, that number decreases dramatically to roughly 35,000.



"Talking About This"

Of course, having a lot of Facebook fans is a good thing, but it doesn't tell the whole story about the effectiveness of one page versus another. Fortunately, Facebook recently started providing a new "Talking About This" metric, which measures user-initiated activity related to the page including wall posts, likes,

comments and shares. Credit card companies and insurance firms dominate this metric, with an average of 2,000 people talking about their pages, well over the industry average of 1,300. Of course, it's important to note that the industry average is again much lower - 400 - when you remove the top 10 firms.

TOP CONSUMER-RATED MOBILE FINANCE APPS

From our *Money on the Move* report last June to the launch of *Mobile Monitor* this January, we here at Corporate Insight have kept busy tracking mobile apps across the financial services industry. While we'd like to think our reviews and analysis speak for many mobile customers, there is another extensive database of reviews and feedback all interested firms and individual consumers can access: user reviews from app stores.

Users of the iPhone or Android, the two most popular operating systems on the market, can download apps from the iTunes App Store or the Android Market, respectively. Both stores also make it easy for users to leave a public review. If they aren't already doing so, financial institutions should be actively monitoring this valuable source of feedback.

The iTunes App Store and Android Market both allow users to rate the apps they've downloaded on a scale from one to five stars. Both programs helpfully post the breakdown of how many votes of each level the app has garnered, and reviewers' comments are shared publicly.

We took a look at the ratings and comments for each of the banks and brokerage firms covered by *Mobile Monitor* to see what those ratings suggest about which firms are best meeting their clients' needs.

Ratings Overview

Leading financial institutions could potentially expect to see tens of thousands of reviews of their apps. The highest numbers are usually found on the iTunes Store, and these ratings show the most variation as well, with firms' average scores ranging from two to four stars. The reviewers on the Android Market seem to be much more positive, scoring their firms from 3.5 to as high as 4.7, even when the firm's iPhone app was rated significantly lower. iPad users tend to be happier with banking apps, with all scores at three or above. With brokerage apps, though, some iPad versions were actually rated lower than their iPhone counterparts.

Interestingly, the majority of reviews for most firms seem to be either five stars or just one star, with far fewer ratings in between. The firms with the highest ratings have earned enough perfect ratings to outweigh the vocal, critical minority. Adding to that point, many one-star reviews are due to technical problems, which may or may not be the firm's fault.

Chase, USAA & Wells Fargo are Top-Rated Banks

Chase's iPhone and iPad apps both received an average of four stars from reviewers; more than half of the reviews of these apps' current versions give them a perfect five. Qualitative feedback is also strong, with multiple reviewers claiming to use the apps every day. Many positive reviewers appreciate how remote check deposit can save them trips to the bank. The most recent version of the iPhone app allows clients to add bill payees, which some reviewers have noticed and applauded as well.

On the other hand, critical reviews (outside of those addressing technical problems) focus on "annoying" push alerts, missing pending transactions data and the app's request for access to phone contacts.

USAA's iPhone and iPad apps also receive four stars, and its Android app was the highest rated among the banks we studied, at 4.7. Many reviews cite USAA's notable mobile features such as remote check deposit and Quick Logon, a unique feature that authenticates clients by PIN rather than by their full username and password. A few of the most recent reviews also give USAA credit for making frequent updates, correcting technical problems promptly.

While USAA's breadth of services — banking, credit card, investing, insurance — generally provides an advantage for cross-customers, it has actually led to some issues in the mobile space. A few reviews complain of the apps' complicated design, as if the firm is trying to

provide too many services on one small interface.

While not rated quite as highly as Chase and USAA, Wells Fargo received a strong 3.5 on average for its iPhone app, and its Android app saw a bump all the way to 4.4 stars.

The Wells Fargo apps lack some advanced features available from Chase and USAA, as well as from a number of less-favorably rated banks. Many of the apps' negative ratings bemoan the lack of an iPad app or remote check deposit. Still, a number of reviewers acknowledging these shortcomings still gave favorable three- or four-star ratings. From the positive reviews, it seems that making sure the app efficiently handles basic account information and transactions is enough to meet most reviewers' needs. Other negative reviews point out that the apps lack full information on brokerage and mortgage account types.

The iTunes App Store provides an abundance of user ratings and reviews.

PROPERTY & CASUALTY INSURANCE FIRMS GO INTERACTIVE IN ONLINE EDUCATION

In recent years, property and casualty insurance firms have increasingly adopted a more modern approach to marketing. Instead of focusing solely on product details and customer service, their new strategies highlight their expertise and leadership in the industry. As part of this shift, firms have added useful online resources to advise and educate prospective clients on the insurance products that may apply to their personal circumstances. Most firms still follow a more traditional route by providing educational articles, but some innovators have turned to advanced technology in the form of interactive coverage tools.

Education Remains a Priority

All twelve firms that *Property & Casualty Insurance Monitor* covers offer educational articles on their public sites, making them a dependable source of information. Current and prospective clients can browse topics like road safety, home catastrophe prevention or how to lower their insurance premium.

Firms update this information regularly to remain relevant to seasonal weather-related risks. For instance, in the last few months, firms such as GEICO, Liberty Mutual, Progressive and Travelers have updated their catastrophe centers with articles focused on snow storms.

Interactive Tools for Personalized Information

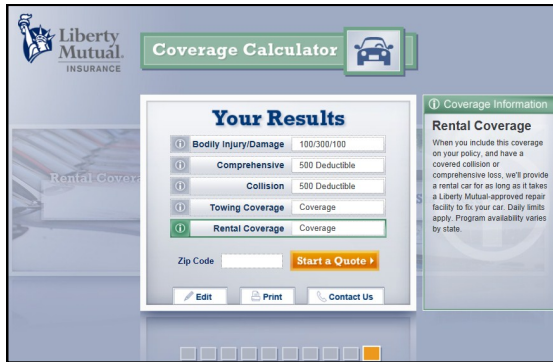
Over 40% of the *P&C Insurance Monitor* firms have embraced the Internet as more than a content-delivery medium and have started offering interactive tools that enable clients to get personalized recommendations.

These advanced capabilities stand out among P&C firms' educational offerings. In addition to their informational role, these tools can provide actionable next steps for insurance shopping.

Coverage tools are the most useful resource for prospective clients, and are generally easily accessible on the public site. Allstate, GEICO, Liberty Mutual, The Hartford and Travelers offer examples of these simple but informative tools. Each one is comprised of a few input steps leading to a recommendations page. Users must answer questions about their current situation such as their marital status, financial profile (income and assets) and properties such as cars and motorcycles. Certain firms, such as Travelers, even ask users how they value premium price relative to coverage level.

Two Types of Recommendations

Although all of these tools seem to use similar inputs, they vary in the nature of their recommendations, falling into one of two types. The first and more common approach focuses on one product type — usually car insurance — and thus does not recommend other products. These tools' recommendations include coverage levels and provide descriptions of what the firm offers. For instance, GEICO's "Coverage Coach" presents suggested amounts for bodily injury, property damage and uninsured motorist coverage and features expandable sections that define these coverage types.



The second kind of coverage tool tells clients the types of insurance products they should consider after each step is completed. The recommendation page helps users learn more about insurance types that they may not know about, such as renters insurance. Although firms that follow this type — Allstate and Travelers — only highlight product types without specifically pointing out their own offerings, they feature a direct link to their quote tool or provide contact information to speak to insurance agents.

Of all the firms that *P&C Insurance Monitor* covers, Allstate is the only one to feature a coverage tool on



Insurers such as Liberty Mutual and Allstate now offer interactive coverage tools.

its private site. While closer to the second type, this tool is slightly different, as its purpose is to complement the insurance that clients already have with the firm. In addition to the personalized recommendation — based on the client's information on file and other inputs — the firm promotes every one of its products on the results page.

Conclusion

Interactive coverage tools serve two purposes. First, they allow prospective clients to understand the level of coverage that they need before seeking a quote. Second, these

tools highlight the gaps that may exist in their choice of insurance products, which can lead to greater interest in the firm's offers to bundle products.

Personalized resources give firms a great competitive advantage in attracting prospects and pointing them to the appropriate products before ever speaking with an agent. Coverage tools are one of many developments that allow clients to explore product information online prior to purchasing, a trend that will only grow as the industry continues to invest in the online channel.

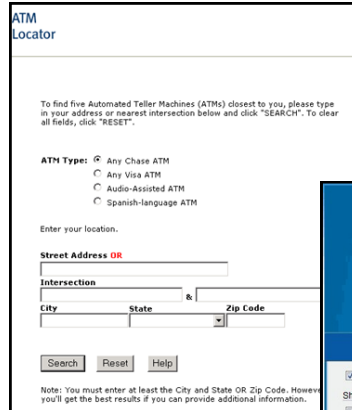
For more information on Corporate Insight's new *Property & Casualty Insurance Monitor*, contact Chase Marshall at 212-832-2002 x140 or cmarshall@corporateinsight.com.

ATM/BRANCH LOCATORS: THEN & NOW

The upcoming re-release of our Bank Website Audit service has given us the opportunity to look back and see the progression of online banking technology. The Audit benchmarks banking websites to provide a picture of competitive strengths and weaknesses, and our Consulting team has been grading firms in our *Bank Monitor* coverage group on hundreds of website attributes. We last conducted this research in 2007. Five years later, we're struck by just how much these sites have developed, mostly for the better.

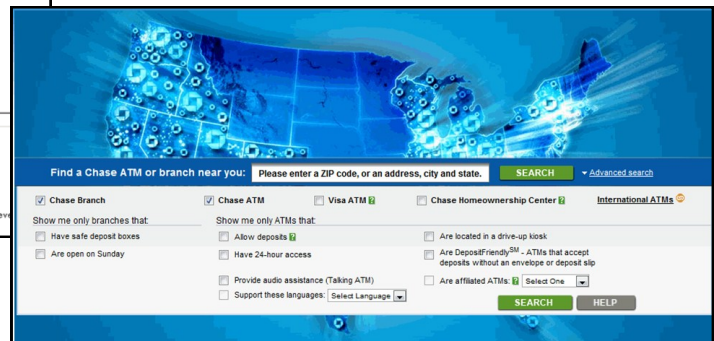
Improvements since 2007

One website feature that especially stood out was the ATM/branch locator tool. Now ubiquitous, ATM/branch locators have shown a substantive improvement even as we raised grading standards for this version of the Audit.



Since then, most of the firms in our *Bank Monitor* coverage group have caught up with the best-in-class standards of 2007. With updated grading criteria and new research gathered in 2012, Bank Website Audit Scores have improved by 12% in this sub-category, up to an average of 3.0 out of 4.0, enough for the equivalent of a Good rating.

Today, most best-in-class firms use Bing Maps, which includes the option for satellite images and driving directions with traffic. Bank of America and Chase, two of the highest scoring firms in this sub-category, also feature a single search field in which users can enter a number of flexible search criteria including an address, ZIP code or even landmark (e.g., near Yankee Stadium).



Chase's old (l) and new ATM locators (r) illustrate the evolution of these tools.

In 2007, the average Audit score in this category was 2.67 on a 4.0 scale, with 4.0 representing an Excellent rating. Many firms used static images from MapQuest and had multi-field search requirements. According to our 2006 *Bank Monitor Report*, only five firms — Citibank, KeyBank, Wachovia, WaMu and Wells Fargo — let users search for ATMs and branch locations simultaneously.

(Continued on page 5)

(Social Media Leaders, continued from page 1)

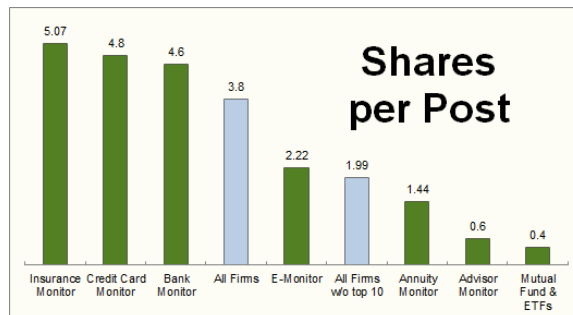
Weighing Likes, Comments and Shares

The "Talking About This" metric is a quick and easy way to understand how successful a firm is at getting their fans to interact with their page. However, we believe there should be a distinction between actions such as likes versus comments. After all, it's easier and takes less time to simply click a "like" button than it does to write a response. Sharing content, on the other hand, doesn't necessarily require more time, but it does demonstrate that the underlying content is relevant or interesting enough to the fan that they advocate it themselves.

In order to better understand how often firms receive feedback from their fans in the form of likes, comments and shares, we collected data from each firm Corporate Insight tracks over the period starting October 1, 2011 and ending December 31.

Some firms benefitted from the timing of our research, as it coincided with major marketing and/or advertising initiatives. In the instance of American Express's Small Business Saturday page, the firm's activity was so unusual — the firm received seven times more likes per post and 46 times more shares per post than any other firm — that we removed the data from our industry averages.

Overall, financial services firms are doing a good job engaging their fans with the content they publish on their Facebook pages. Once again, the credit card industry leads the pack in terms of comments and likes per post. When it comes to sharing content, insurance firms edge out the rest of the industry with an average of over five shares per post.



Successful Strategies

Of course, there's more to the success or failure of a Facebook page than the industry it represents. In fact, the focus or purpose of a page is much more important. While general company pages can be and often-times are quite successful, we've witnessed a few particular page types do extremely well in gaining fans and encouraging interaction.

Charity-related pages like Chase Community Giving and the American Express Members Project have long been in the top ten in terms of number of fans, but they also do a great job generating likes, comments and shares. Company sponsor or mascot pages, like Progressive's "Flo," Discover's "Peggy" and Geico's "Gecko," also appeal to a wide audience. While the messages posted on these pages are often unrelated to the products and services offered by the firms, their humor and entertainment value resonate with fans, helping to promote the brands they represent.

So who has the most effective Facebook page and overall social media strategy? Stay tuned for our upcoming report, due out later this quarter. We'll provide effectiveness scores for firms' individual properties and social media channels, as well as a score for their overall social media efforts. We will also provide in-depth reviews of the leaders in each industry segment (e.g., credit card issuers), property type (e.g., blogs) and social network (e.g., Twitter).

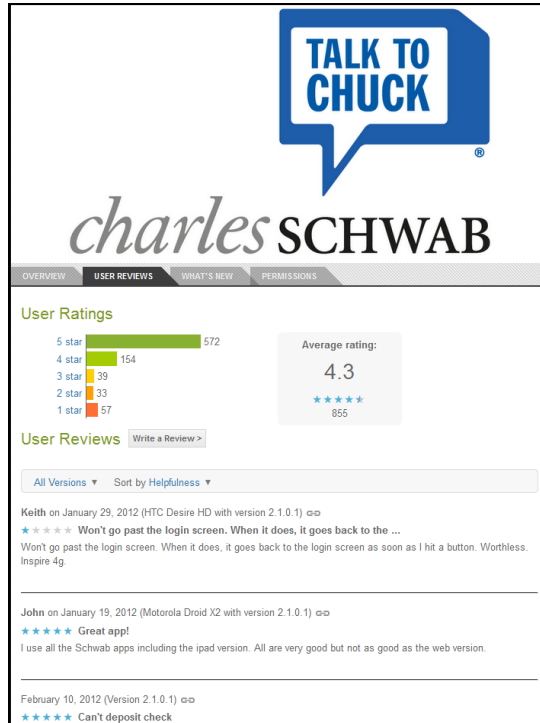
For more information on our upcoming *Social Media Leaders* study, please contact Bob Burlin at rburlin@corporateinsight.com or by phone at 212-832-2002 x115.

(Top-Rated Mobile Apps, continued from page 2)

Schwab, Vanguard & Merrill Edge Lead Brokerages

Charles Schwab introduced its apps late in the game relative to the competition (iPhone, Android and iPad apps were launched from late 2010 through 2011), but all score four stars or above. The new apps, with additions such as funds transfers and remote deposit capture, now earn the firm praise for full-featured mobile investing. However, some reviewers find the check deposit tool glitchy, rejecting their check images. Other complaints include the lack of advanced options capabilities, bill pay and key purchase price and P/L data for holdings.

Vanguard was rated a less-enthusiastic 3.5 on the iPhone, but a 4 for the iPad and 4.5 on the Android, the highest score among brokerages. On the iTunes App Store, many positive reviews acknowledge that Vanguard lacks advanced mobile trading features, but claim the apps meet their account information needs, especially on the iPad's larger screen. Unfortunately, failed login seems to have been an issue for many clients, by far the most common reason for a negative review.



More reviews can be found on the Android Market.

Merrill Edge offers apps for the iPhone and iPad, both of which received ratings of four stars. Surprisingly, these ratings were higher than the very similar Merrill Lynch apps. Merrill Edge clients were apparently more impressed with the apps' strong navigation and useful trading capabilities. Outside of technical issues, many clients point out that it doesn't support multi-tasking, a significant inconvenience.

Lessons from App Reviews

While the hundreds or thousands of reviews on the iTunes Store and Android Market can be daunting, it's worthwhile for firms to take the time to understand client feedback, both positive and negative. Of course, these reviews are not perfectly reliable, as clients could be using an outdated version, have overlooked key features or experienced network problems.

Beyond the complaints and plaudits of their own apps, firms can also learn from their highly-rated competitors. Advanced features such as remote check deposit can boost ratings, but simple and quick access to account information is still the backbone of a useful mobile app.

(ATM/Branch Locators, continued from page 4)

What Matters to Clients

The Bank Website Audit's ATM/branch locator sub-category is evaluated based on five attributes: search functionality, results presentation, number of results, printability of search results and navigation to ATM/branch locator. Each of these attributes is weighted differently in our scoring model to reflect their relative importance to 1,000 banking customers we surveyed late last year.

While we're pleased to see that ATM/Branch locator tool functionality has improved significantly since 2007, our consumer survey for the Audit indicated a slight downward trend in the overall importance of ATM/branch locators on the firm website.

In our original survey for the Bank Website Audit, conducted in November 2005, we asked bank site users how important it was to have access to an ATM locator on their bank's website. Fifty-five percent of respondents said such a tool was "very" or "extremely important" to them, i.e., a top-two box rating on a five-point scale. In 2011, we asked how important it was to have access to branch and ATM locators in separate questions. Branch locators received a top-two box rating from 52% of respondents, with 50% for ATM locators, a modest decline, but a decline all the same.

Taking the Next Step with Mobile

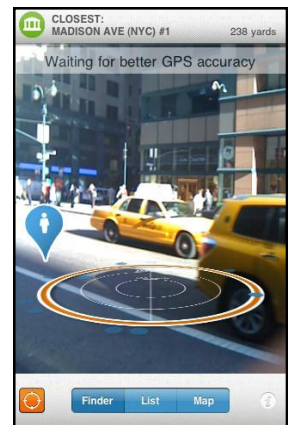
This downward trend could possibly be explained by the growing popularity of mobile banking. With mobile apps, banks can provide directions based on the user's current location, among other nifty features. Seven out of ten banks in our new *Mobile Monitor* coverage group offer GPS integration with their mobile ATM/branch finder.

PNC Bank also recently introduced a separate app for the iPhone named PNC Finder, which uses "augmented reality" technology to guide clients to the closest location. Users can point the phone in any direction to see indicators for nearby PNC branches or ATMs. They can also hold it horizontally to see the distance of locations in all directions.

So far, this remains a unique offering among the firms Corporate Insight tracks, and it has not been incorporated into the main PNC app. However, this could still indicate the direction locator technology is headed in the future.

Keeping Things in Perspective

Since our 2007 Bank Website Audit, retail banks have made some helpful improvements to their websites, including their ATM/branch locators. The mobile channel has also become significantly more important and a focal point for innovation. While mobile may be key to the future of banking, customers are still much more likely to interact with their bank via the primary website than they are via a mobile device. Some 76% of the bank site users we surveyed in 2011 said the quality of their bank's website was "very" or "extremely important" to the relationship they have with that bank. In contrast, just 32% of respondents said access to a mobile app or site was that important. Clearly, the mobile channel presents exciting new opportunities for serving consumers, but banks must not neglect their primary websites if they want to keep today's clients happy.



PNC's new "augmented reality" locator app.

Here is your latest issue of *Consulting Insights*...

Corporate Insight, Inc.

420 Lexington Ave.
Suite 560
New York, NY 10170

Phone: (212) 832-2002
Fax: (212) 832-3327
E-mail: ellisonm@corporateinsight.com
www.corporateinsight.com

Follow @cinsight on 



*Competitive intelligence for
financial services.*



corporate
insight presents:

MOBILE MONITOR

Following the success of *Money on the Move: Mobile Finance Review 2011*, our comprehensive mobile study published in June 2011, Corporate Insight is pleased to announce the launch of our newest Monitor service, *Mobile Monitor*. This subscription service provides consistent updates and analysis of the rapidly-evolving mobile finance space.

Mobile Monitor tracks more than twenty leading firms across the financial services industry – banks, credit card issuers, self-directed and full-service brokerages, mutual fund firms and annuity providers. Deliverables include:

- ◆ **Bi-Weekly Updates** reviewing key changes to the mobile sites and apps of the *Mobile Monitor* coverage group, as well as significant enhancements from other financial services firms.
- ◆ **Quarterly Reports** analyzing relevant topics in mobile finance. Our first report, **Mobile Leaders**, published January 31, 2012, rates and reviews the top-performing firms in the Bank & Card, Brokerage and Asset Management industry segments.
- ◆ **Capabilities matrices** presenting side-by-side the devices and platforms supported by all firms in the *Mobile Monitor* coverage group and the mobile functionalities available from each.
- ◆ **Behind-the-Login Films** showing the experience navigating through and executing all mobile capabilities. These films cover each firm's mobile site and iPhone and iPad apps.

For more information on *Mobile Monitor*, please contact Robert Burlin at rburlin@corporateinsight.com or by phone at 212-832-2002 x115. 