

Data Enhancement

Regional Bank Utilizes MX Data to Boost Interchange Income

The Challenge

A regional bank with \$50 billion in assets and more than 400 branches was looking to leverage its MX enhanced customer data to identify opportunities that would support and accelerate its business objectives while also realizing a return on its investment with MX.

The Solution

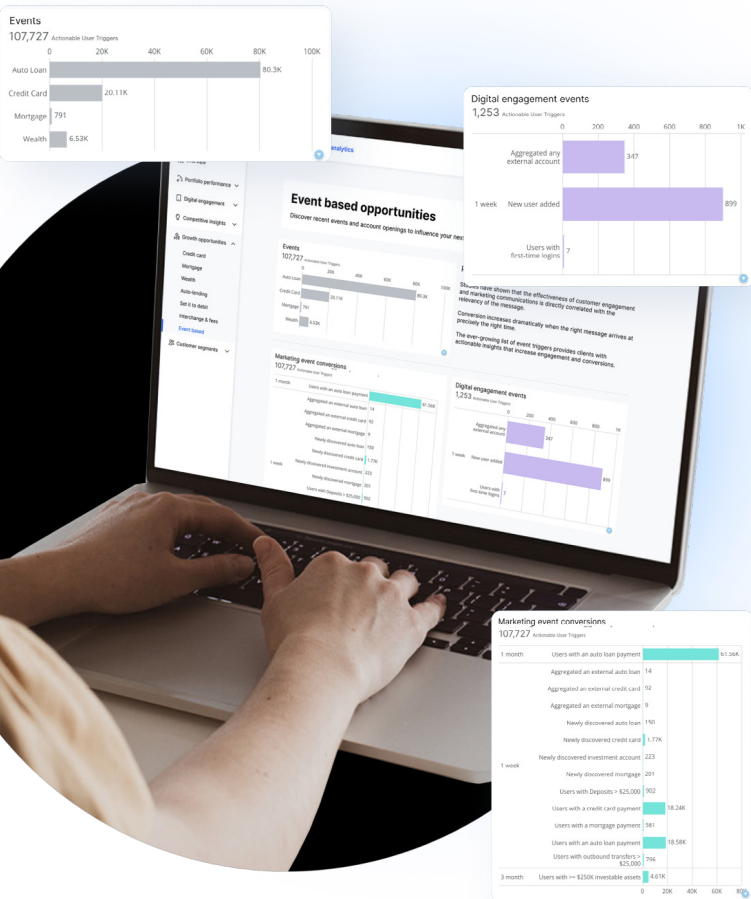
By engaging with the MX professional services team and utilizing MX's data enhancement tools, the bank was able to identify trends in its customer financial data and use these insights to grow its interchange revenue and better connect with its customers.

Using Data to Launch a Campaign

The bank's focus has long been on commercial banking. Over the past few years, however, there's been a shift at the bank, and several of its new leaders have been tasked with growing the bank's digital capabilities. This included collaborating with MX, which has had a relationship with the bank since 2015.

"Our goal is to reach our customers where they are," said one bank leader. "Being able to see their accounts and how they use their money gives us the insights that guide our interactions with them — whether it's through more personalized messaging or asking the right questions so we know which products can really change their financial lives."

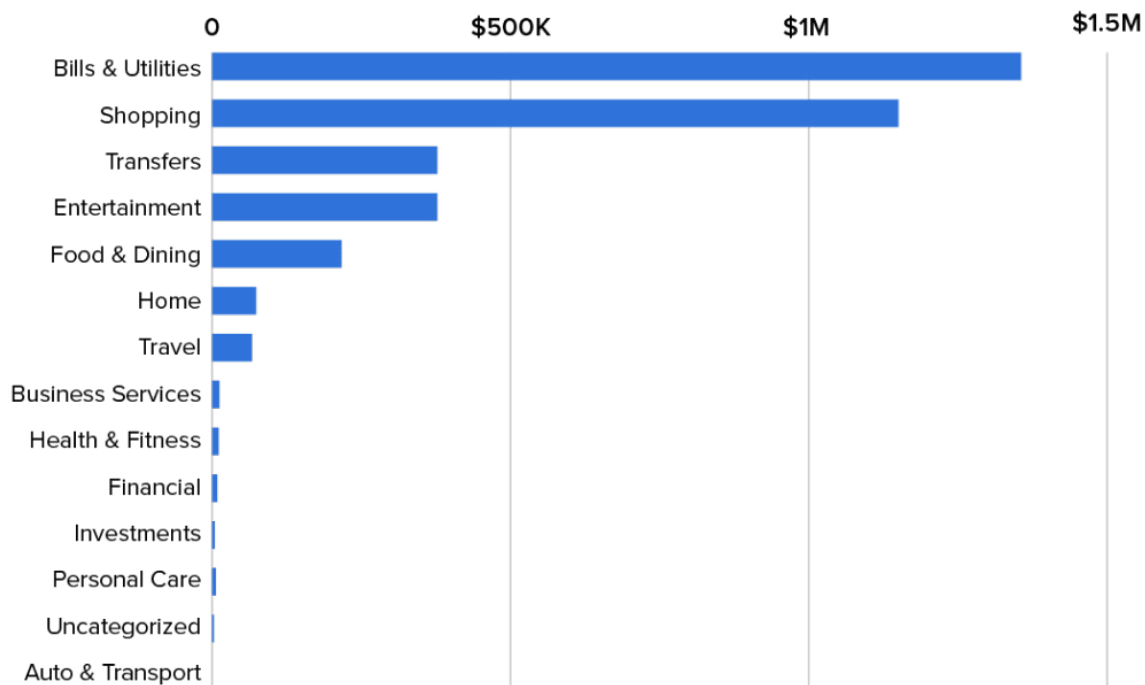
In late 2020, MX's professional services team presented a custom data dashboard to the bank that focused on its two main objectives of creating primary banking relationships with its clients and expanding product adoption. Based on the recommendations made by the MX team, the bank joined with MX and the bank's debit card issuer to create a "Set it to Debit" campaign with the goal of boosting interchange income by encouraging its customers to switch their recurring payment method from ACH to their debit card.



This engagement falls squarely in the realm of using data to boost our clients' ROI. What the bank was looking to do was increase the usage of debit cards versus ACH for processing recurring transactions — things like gym memberships, utilities and streaming services. **Doing so addresses both sides of the efficiency ratio calculation, increasing recurring revenue through interchange income and also reducing ACH-related expenses.**

\$35k in Potential Monthly Interchange Revenue

from Switching ACH Payments to Debit Card



MX helped identify this opportunity and the ideal target population, and then their debit card issuer helped create momentum and excitement for the bank's customers to make the switch by providing incentives — including cash prizes — for the campaign.

The bank launched the campaign to more than 50,000 users who had been identified through the data analysis as ideal participants given their transactional history with ACH recurring payments. All active participants in the campaign were entered into a drawing for a cash prize of up to \$5,000 once they moved at least one of their recurring payments from ACH to debit card.

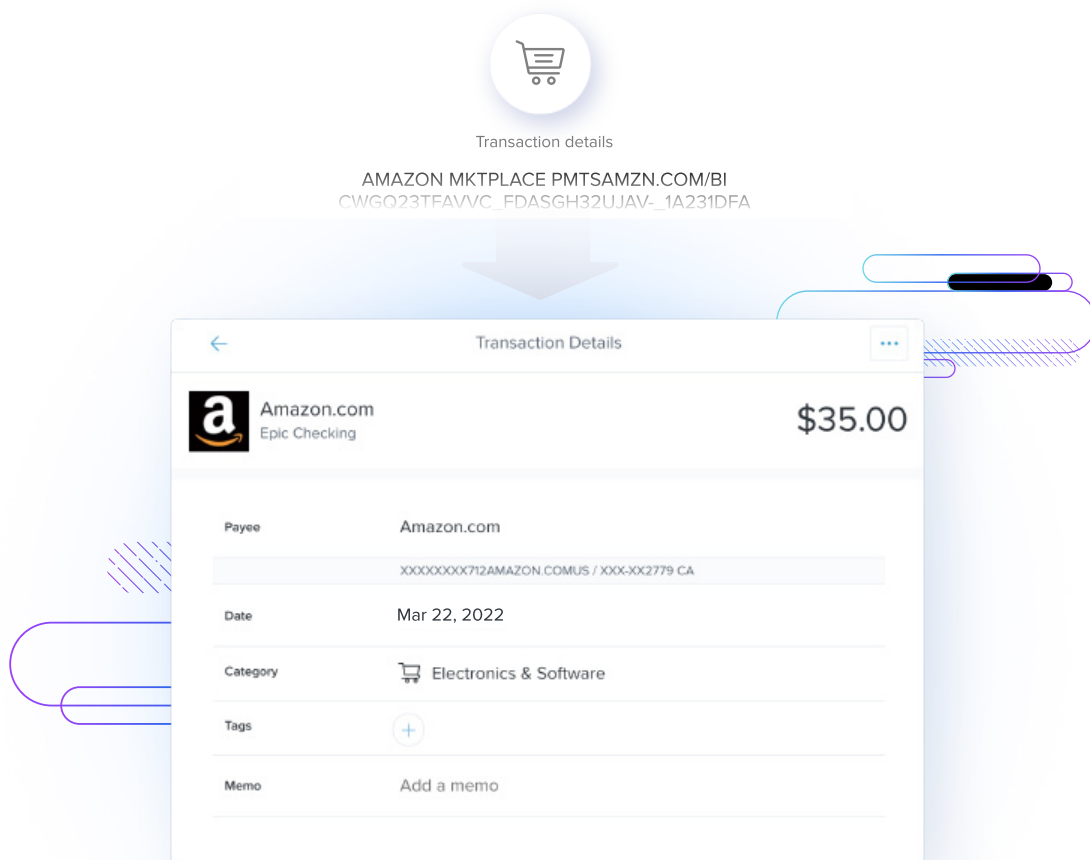
“The data was the star of the show here,” MX data consultant Clint Johnson said. “It’s what powered the campaign, both in terms of how we segmented the audience and measured the results and impact — and then how we quantified the impact. The bank gave us a snapshot before and then provided a new set of data after the campaign finished. We did the comparison to identify new merchants, transactions and subscriptions that were being added by its customers, and then we gave those results back to the bank.”

Delivering Demonstrable Results

The campaign ran for one month (from June 1 through June 30, 2021) and delivered strong results, including an 11% response rate — well above the typical response rate of around 1%, according to market data from Statista. In total, 5,800 customers added debit cards as the payment method for their recurring transactions, 25,000+ new recurring payments added, and nearly \$157,000 in estimated annual recurring interchange revenue.

“Being able to specifically target this population and then track results afterward in a meaningful way is not something we’ve had the capability to do before,” the bank said. “The data and insights MX provided confirmed many of our assumptions — and it also showed several areas where we could improve.”

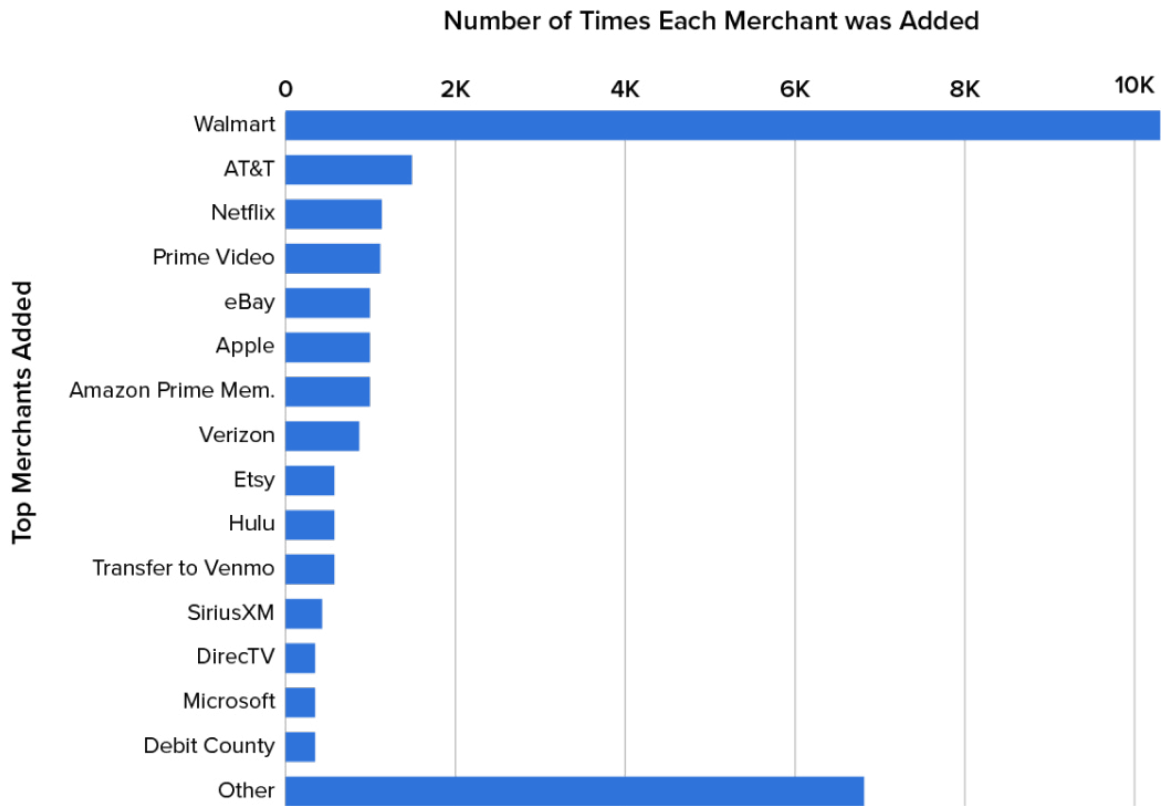
Using data in this way — to drive organizational strategy — is an enhanced way of doing business for many of MX’s clients.



“Getting access to the right data insights is often very challenging,” MX said. “So it’s a big deal for this bank to be able to show proof that it can use data to make a big impact in a short amount of time.”

“This campaign was very successful, and the results demonstrate how being able to really understand the data allows us to change the bottom line,” the bank said. “But this isn’t just about debit cards and interchange income — it’s about being able to put action with our data as we look to transform our organization. With MX’s help, we’ve significantly increased our understanding of our customers’ behavior and who they are, and that will continue to make a huge impact for us and our customers.”

25K New Recurring Payments Added



Key Benefits

5,800+

customers added
recurring payments using
their debit cards

11%

campaign
response rate

25,000+

total new recurring
payments added

\$156,000

estimated annual
recurring interchange
revenue

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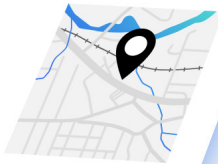


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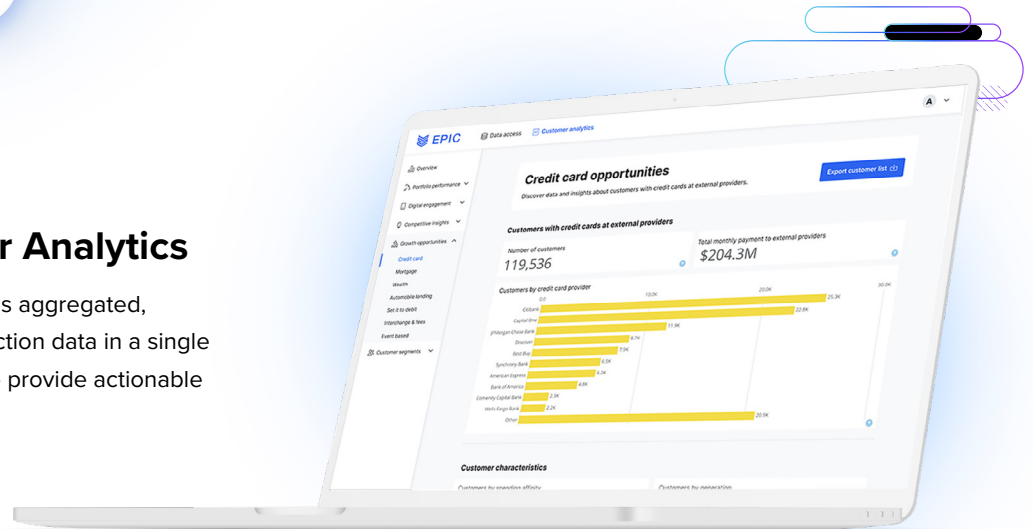
MX offers a comprehensive suite of data enhancement services to deliver enhanced, verified financial data to improve money experiences, drive new growth opportunities, enhance decision making, and make better use of time and resources.

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About MX Customer Analytics

MX's Customer Analytics combines aggregated, discovered, and enhanced transaction data in a single place with pre-built dashboards to provide actionable insights and segmentation.

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