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The Voice of the Loyalty Marketing Industry Since 1990

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New COLLOQUY Report Shows Banks Increasing Customer Retention/Growth with Loyalty Marketing

Free White Paper Available for Download at
<http://www.colloquy.com/reports/WhiteIntro.asp>

(December 6, 2006 -- Cincinnati, OH) COLLOQUY®, a leading provider of loyalty-marketing information, consulting, research and education, reveals the results gained by banks who have embraced “Relationship Banking” in its latest white paper: *BankTalk: Choosing the Right Tools For Your Relationship Banking Strategy*.

The free 16-page report examines several banks’ recent initiatives that have increased customer growth and retention thanks to “Relationship Banking,” a concept that COLLOQUY put forward in an April, 2003 report. This new report suggests the next steps that can continue the upward trend.

“While the marketplace may have answered our original question—yes, relationship banking *is* a trend—the current expansion of banking loyalty strategy raises a host of new questions. Which relationship tactics work best, and why? Can these programs develop and maintain profitable relationships with customers? How complex is the financial planning required to launch and operate a relationship banking program? And what iterations of this still-new concept are most compatible with your organization’s goals?” asks COLLOQUY Editorial Director, Rick Ferguson.

COLLOQUY Director, Kelly Hlavinka, adds, “While banks view relationships in terms of the number of products a customer has with the bank, consumers view relationships in terms of confidence and trust. Any successful retail banking loyalty initiative, therefore, must communicate that the bank has the best interests of its customers at heart.”

COLLOQUY notes the diminishing returns of credit-card reward programs when compared to more comprehensive approaches that encourage customers to consolidate many financial services. After tracking results from several different but successful programs by Citibank, Bank of America, AmSouth, National City, USBank and others, the white paper suggests the next steps that banks can take to maintain their momentum:

1. **Achieve acquisition and retention goals via a common vehicle:** Establish a common promotional currency across multiple products, stimulating new product acquisition and increasing product and service usage. Build community by adding strategic partners to attract new customers and drive retention over the long term.
2. **Play the rewards game at a lower cost:** Find complementary consumer brands to partner in your customer strategy, to share rewards program costs and create soft benefit content for your program.
3. **Tie program liability to results:** Deferred liability created by the value of unredeemed reward points causes angst at all levels of management. Program liability can either build or erode an organization's profits.
4. **Pursue the coalition effect:** Outside the U.S., the most successful loyalty model is the multi-merchant coalition program. The same concept can apply in a retail banking environment—just substitute the fuel retailers, grocers and pharmacies in a traditional coalition model with credit cards, checking accounts and home equity loans, and you get the idea. The banking brand, product managers and consumers all benefit.

Download a **free copy** of the complete COLLOQUY *BankTalk* white paper at <http://www.colloquy.com/reports/WhiteIntro.asp> or send an email with your complete name, title, company name, mailing address and telephone number to info@colloquy.com.

About COLLOQUY:

COLLOQUY comprises a collection of resources devoted to the global loyalty-marketing industry. The flagship resources are COLLOQUY Consulting, a loyalty consulting practice, COLLOQUY®, a magazine serving the loyalty-marketing industry since 1990, COLLOQUY.COM the most comprehensive loyalty web site in the world, COLLOQUY's Research and Education divisions, and the COLLOQUY Network, a global network of consultants certified in COLLOQUY's consulting methodology. Together they provide a worldwide audience of 25,000+ marketers with consulting services, news, editorial, educational and research services across all industries and around the globe. COLLOQUY magazine subscriptions are available at no cost to qualified persons at www.colloquy.com or by calling 513-248-5918.