

FINANCIAL SERVICES BUYER'S GUIDE FOR REFERRAL MARKETING PLATFORMS



Some decisions are more important than others. Which bank should I use? Which credit card should I carry? Which trading platform can I trust? These are difficult questions to answer and even more difficult to answer correctly. The fear of being wrong and not necessarily trusting your source of information will often stop consumers in their tracks.

For marketers in financial services, it's critically important that your content, message, and brand are readily available when someone asks one of these important questions. And for that reason, financial services marketers must invest in refer-a-friend.

Through your customers, you are there when someone is making a switch.

Through your customers, your message, your benefits, your brand stand out.

Through your customers, a new account with you becomes the obvious choice.

At the same time, building or modernizing your referral program can be daunting. Mobile and even desktop web technologies are changing all the time. How consumers interact digitally with one another is in constant flux. Even something that appears easy — like changing your referral reward — becomes complicated quickly.

This guide outlines main criteria for evaluating referral technology providers in financial services.

Partnering with a Technology Provider to Power Refer-a-Friend

Whether you're starting from scratch or replacing an existing referral program, selecting a technology provider to power your refer-a-friend program will save you time, effort and dollars. The following sections describe some of the key criteria for selecting your partner.

Experience and Strength of Vision

When evaluating a technology provider, you're always looking for industry experience. It can also be helpful to look for experience beyond financial services, in adjacent categories like retail or subscription businesses. A richness of ideas from more nimble categories catering to fast-changing consumer habits will help you keep up and stay modern. And since your partnership is likely to be a long-term one, make sure your provider has a vision for the future and thoughts about how referral, advocacy, and customer engagement will evolve. You want to partner with a leader.

The advertisement features a background image of four smiling people. On the left, the text reads "Refer a friend and earn a statement credit.*". On the right, there is a login form titled "Secure Account Log In" with fields for "Extole" and a password, a "Remember User ID" checkbox, and a "Refer Now" button. Below the login form are links for "Forgot User ID / Password?" and "Register Your Account". At the bottom, two callout boxes describe the benefits: "You get a statement credit for each friend that becomes a cardmember" and "Your friend gets a statement credit after their first purchase in the first three months".

Refer a friend and earn a statement credit.*

Log in to Refer

Secure Account Log In

Extole

Remember User ID

Refer Now

[Forgot User ID / Password?](#)
[Register Your Account](#)

You get a statement credit
for each friend that becomes a cardmember

Your friend gets a statement credit
after their first purchase in the first three months

Security and Compliance

Making sure that your provider takes privacy and security as seriously as you do is paramount. Your vendor will need to be able to demonstrate thorough and complete security, privacy, and operational policies and procedures. ISO27001 certification is a plus, and make sure that regulatory compliance is built-in to the provider's platform including for ADA, CAN-SPAM, CCPA and GDPR.

Integration Integrity

Consider your provider's preferred and alternative integration approaches looking specifically at options for desktop web, mobile web, mobile app, call center, and in-branch integration. While your program may not initially cover all these important customer touch-points, it's important to make sure that it can when the time comes. Have a coordinated roadmap that allows for flexibility and adaptability.

Customer Experience and Journey

The customer experience of your referral program should be simple. Ensure the journey has as few steps as possible, is on-brand (with the ability to customize images and URLs to match your business), and includes all the creative necessary for a complete customer experience. As your program grows and matures, you'll find it necessary to track and reward every event that matters (i.e. application, approval, funding, disbursement, transaction). Customers should have as many sharing channels as possible and as permitted by compliance including email, SMS, Facebook, Facebook Messenger, WhatsApp, and personal share link.

The experience of referred friends must be effective and streamlined. This aspect of refer-a-friend in financial institutions is often overlooked and needs particular attention. Capitalize upon "moments of delight." Your provider should be able to provide benchmark data for every step in the referral journey so that your actual performance can be optimized and you can evolve your program for maximum impact. For example, if referred friends are clicking on links but not converting, your provider should be able to step in and provide guidance on how to increase your conversion rate.

Mobile App Flexibility

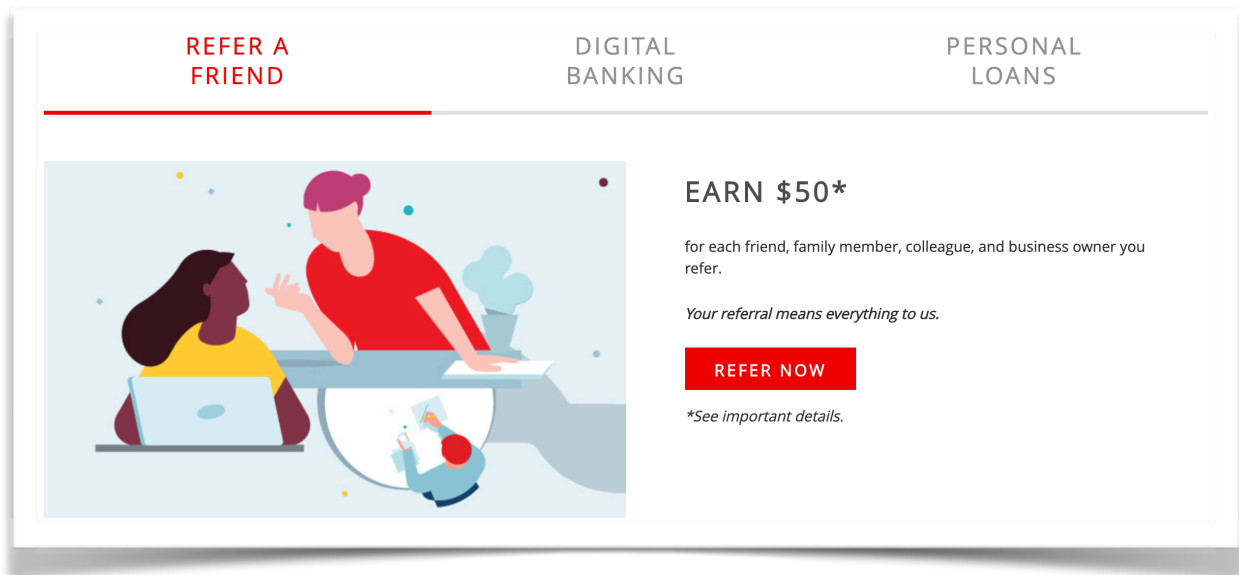
With the massive increase in customers who primarily or exclusively interact with financial services on mobile apps, making sure that your provider has a strong foundation in powering referral programs in-app is a top priority. Look for a platform provider who offers a range of mobile app

capabilities including API-based integrations, an SDK if your mobile app team prefers it, and even the fast use of app-to-web techniques which may be appealing in early phases of your relationship.

Analytics & A/B Testing

Your provider must offer analytics that are rich and complete, and they need to be readily available in dashboards and via API. In addition, you will likely require some element of custom reporting to reflect your business's unique measurement and analytics infrastructure. It's important to be open-minded about data and results as Refer-a-Friend consists of a two-sided funnel (advocates and friends), vs more traditional one-sided marketing channels (i.e. paid media).

A main purpose of rich analytics and benchmarking is to focus activity where it can most improve program performance. A key capability therefore is A/B testing. Look for the ability to test share experience capabilities, as well as offers, journeys, rules/limitations, and marketing placements.



The image shows a promotional banner for a 'REFER A FRIEND' program. At the top, there are three navigation tabs: 'REFER A FRIEND' (highlighted in red), 'DIGITAL BANKING', and 'PERSONAL LOANS'. Below the tabs is a large illustration of two women sitting at a table, one using a laptop. To the right of the illustration, the text reads 'EARN \$50*' for each friend, family member, colleague, and business owner you refer. Below this is the tagline 'Your referral means everything to us.' and a prominent red 'REFER NOW' button. At the bottom right, there is a small asterisked note: '*See important details.'

Customer Segmentation & Targeting

Most brands start their refer-a-friend journey with a one-size fits all approach to their program. However, one of the great opportunities for your enterprise grade approach is the ability to offer different rewards and experiences to different customer segments. For example, your platinum card members should be treated and rewarded differently than your student card holders. Treat referral like a benefit to membership, not a promotion.

When evaluating a referral technology provider, determine whether their technology can simultaneously target different experiences to specific audiences, localize language as necessary, identify interesting segments of advocates, and reward different audiences or segments.

Capabilities for Your Call Center

When an advocate calls your call center asking about an unreceived reward, you need to be able to provide a fast and accurate response. Look at your providers customer care screens and resolution capabilities to make sure that this important part of the referral experience isn't overlooked but, rather, is a strength. Your customers and CSRs will all benefit.

Furthermore, if your call center is involved in the signup process for new customers, part of the process may be asking whether he or she was referred so that referrals can be captured manually to trigger appropriate rewards. The call center is an overlooked part of the customer journey.

Breadth of Rewards and Reward Rules

Standard rewards for most banks and financial institutions consist of points or account credits. Thoroughly evaluate not just these capabilities but also the ability to offer custom rewards and even gift cards. As your program grows and expands, having these options will be increasingly important. Get feedback from your customers as you diversify and test your rewards. Ensure that your reward is competitive in the market, as well as against other active promotions.

Protecting against Fraud and Gaming

The best referral programs will have rules in place to detect fraud as it happens. While actions like self-referral may take place, it is important to understand the intentions of your customer and to learn from how they are interacting with your program. Are these people only looking for rewards or are they “deal-seekers” searching for the best offer. The best referral providers will have experience with fraud controls and prevention that consider customer intent will be able to generate program optimization plans accordingly.

Professional Services and Support Desk

Finally, it's essential that your provider offer professional services that can contribute actively to the growth of your program whether you require best practices based consulting, data analysis, creative services, technical services, program strategy, or support desk level troubleshooting and issue investigation and resolution.

About Extole

Financial services companies use Extole to turn customers into advocates. Our enterprise technology and team of experts create powerful advocate and referral programs, so brands can harness the power of personal recommendations and sharing to the benefit of their bottom line. Extole enables marketers to engage thousands of advocates, scaling word-of-mouth to acquire new customers and increase loyalty using their greatest competitive advantage: their customers.