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First Data believes that significant value can be derived by combining payment and demographic data with advanced analytics. Through our Information Services division, we provide that value every day to merchants and financial institutions looking to reduce risk and improve customer relationships. In this month's *First Data VantagePoint™ news*, our new white paper, *Understand "Customer Tempo" to Improve Marketing Results*, demonstrates how, by using a technique known as customer tempo analytics, we can help you gain a dynamic view of your customers' habits. Customer tempo measurement combines transaction data and traditional marketing demographics to help you identify the ever-changing panorama of your customers' purchasing behaviors.

This kind of analytics consistently delivers significant, measurable ROI, as studies produced by [International Data Corporation](#) and others have documented. We see information as key to all business process improvement, and we are weaving our analytics solutions into various First Data product sets to help customers better leverage their information.

As always, we look forward to [your feedback](#) to make the *First Data VantagePoint news* as valuable as possible.

Leveraging Transaction Data for Improved Customer Targeting

Factoring customer behavior and buying patterns into marketing strategies is important but it has to be taken to the next level. For the past decade, traditional direct marketing methods have had deteriorating response rates across the broad market. The disintegration of the mass market into increasingly fragmented audiences requires marketers to address smaller and smaller target groups. Keeping pace with changes in consumer behavior and demographics allows marketers to redirect the emphasis within a campaign to target faster-growing groups and address specific event-driven behavior.

First Data has helped customers dramatically improve results from targeted marketing efforts by leveraging transaction data to refine their customer segmentation.

In a new white paper, *Understand "Customer Tempo" to Improve Marketing Results*, First Data introduces the concept of customer tempo analytics. Customer tempo measurement harnesses transaction data over time, combining it with demographic information to illuminate the dynamics of consumer purchasing behavior. This creates ongoing moving pictures of data rather than a point-in-time snapshot. Marketers who pay attention as the characters develop discover information that may influence and perhaps even significantly change marketing strategies—returning more effective results.

First Data Related Events

- November 3-4, 2008
TechMecca 2008
[read more](#)

- November 19, 2008
1:30 p.m. ET (one hour)
Emerging Technology Panel
Webinar: Consumer Identity
& Access Management

Host: BankInfoSecurity
Panel Participants:
First Data, BITS,
Javelin Strategy & Research
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- November 18-20, 2008
BAI Retail Delivery
Conference & Expo
[read more](#)

- January 14-16, 2009
Royal Media Collection
Technology Summit
[read more](#)

- February 3-5, 2009
Debt Buyers Association
(DBA Annual Conference)
[read more](#)

- February 10-12, 2009
ATMIA National
Conference and Expo
[read more](#)

The Center Point of Commerce: Mobile Payment Ushers in the Future

Commerce is making and receiving payments. If there is no payment, there is no commerce. The infrastructure needed to support mobile commerce transactions—making and receiving payments via mobile devices—is in place today, all around the world.

In his new paper, *Mobile Payment: the Lynchpin of Mobile Commerce Economy*, Barry McCarthy, President of Mobile Commerce Solutions, focuses on what is special about mobile commerce transactions (speed, increased security and account flexibility) while addressing the technology behind mobile commerce, the challenges toward adoption and how to get to complete mobile commerce.

Don't forget that the first paper in Barry's series, *The Risks and Opportunities in a Mobile Commerce Economy*, is also available at the [First Data white paper library](#).

Consumer Payment Preference Study Provides Payment Trend Insight

The payments landscape is ever-changing and it's critical for financial institutions to understand emerging trends. Recent research, sponsored by First Data, shows that many opportunities exist for financial institutions to take advantage of anticipated growth. For example, online bill pay increased from 24 percent of payments in 2005 to 41 percent in 2008.

The 2008 Study of Consumer Payment Preferences conducted by Hitachi Consulting provides better understanding of the current payments environment and the future outlook. Data was collected on *In-Store Payment Preferences*, *Online Payment Preferences*, *Bill Payment Preferences*, *Debit Cards* and *Emerging Payments*. Check out these briefs to learn more about the future of payments.

Is Your Internet Banking Solution Costing You Customers?

Sixty-one million households use Internet banking today and two-thirds of those users would switch FIs for a better online banking solution. Internet banking users are younger and more affluent than the average user, plus they are significantly more profitable—in short, they are exactly the customers whom FIs are competing for. Despite the growing importance of Internet banking to attract and retain high-value customers, many FIs still rely on first-generation systems that lack the service levels and features that savvy online bankers are seeking.

First Data's new white paper, *Is Your Internet Banking Solution Costing You Customers?*, explores the key functionality sought by today's online bankers and the limitations many FIs face with their existing solutions. It also offers steps to determine the right solution for your FI and tips on how to make a conversion as smooth as possible.

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Give us feedback. We'd love to hear your thoughts.

Increase Differentiation, Decrease Cost of Your Consumer Bankcard Loyalty Rewards

Most traditional loyalty programs are built around a basic concept that rewards consumers for using a bank credit card. These rewards can take the form of points or a cash rebate that consumers can apply to acquire merchandise.

Unfortunately, the majority of financial institutions (FIs) offer similar loyalty programs, and the costs associated with these programs have become large constraints. This situation has created a commodity-like status for loyalty programs, making it difficult for FIs to build any significant differentiation in the marketplace. This inflexibility leads many FIs to believe that traditional reward-based programs no longer provide as significant a return on their marketing dollar investment. The commodity nature of traditional rewards programs has made FI loyalty programs ineffective in driving desired changes in customer behavior.

The new white paper from First Data, *Increase Differentiation, Decrease Cost of Your Consumer Bankcard Loyalty Rewards*, provides both FIs and retailers with a better understanding of the challenges associated with traditional loyalty programs. It shows how the application of premier **merchant-funded loyalty programs** can provide a more effective incentive to build card use and increase customer acquisition and retention rates.

Personalized and Integrated Customer Messaging Builds Trust

As the number of marketing messages to consumers continues to grow, financial institutions need to find effective ways to cut through the clutter to deliver personalized and relevant information. *Mail: The Journal of Communication Distribution* recently featured an article that showed one of the best ways to do this is by leveraging monthly account statements. Account statements are personal and pertinent and can be enriched to benefit the customer, and unlike many other forms of direct mail, account statements get opened.

First Data can help you accomplish this: **Our Strategic Communications SolutionSM** not only helps financial institutions deliver timely account statement messages, but our solution features a decisioning engine, color printing, online billing and invoicing, e-statements, e-alerts, e-notices, e-letters and text messaging capabilities.

