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On Focus and In Depth

'Green' Marketing Pushes Seen Working Selectively

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By [Daniel Wolfe](#)

Banks are finding that environmentally themed marketing campaigns can persuade customers to change their habits and even buy new products but that the message's appeal does not apply across all product lines.

HSBC Holdings PLC, for one, reported strong results for a paperless checking account with online bill pay.

Nicole M. Rousseau, HSBC's vice president of retail marketing, said her company's "grass-roots green" campaign last year was "a real risk" but one that earned the bank the highest deposits of "any marketing campaign we've had to date."

HSBC handed out "Green Living" kits to those opening an account during the promotion. The kit included compact fluorescent light bulbs and a copy of The Green Guide, a National Geographic Society magazine about environmentally sensitive living.

The campaign asked more of its customers, such as giving up monthly statements on paper, than do most new-account promotions, Ms. Rousseau said.

"We did have a pledge to go paperless with these customers," she said, and

asked them to pay their bills online.

Deposits for personal accounts were 13% higher than HSBC had projected, and for affluent customers' Premier accounts, which require six-figure minimum balances across HSBC banking and brokerage accounts, balances grew 58% higher than projected.

Ms. Rousseau was one of several bank representatives who spoke at the Financial Services Going Green conference this week in New York. (The conference was organized by SourceMedia Inc., the publisher of American Banker.)

Other speakers reported mixed results from green promotions.

Sovereign Bancorp Inc., on one hand, found an environmental pitch to be effective in driving the adoption of paperless billing, but others, such as Bank of America Corp. and Citigroup Inc., said other green-themed products had fallen short of expectations.

Several speakers said that consumers are increasingly mindful of their impact on the environment. Media attention, including Al Gore's 2006 documentary "An Inconvenient Truth," has helped to raise consumers' awareness, as have rising gasoline prices and even the peer pressure to recycle.

Sovereign, a Philadelphia thrift company, said that the environmental message was the only way it found to persuade online bill pay users to start receiving their bills at the bank site. The company began its marketing campaign last year in conjunction with Fiserv Inc.'s CheckFree unit.

"For every e-bill that was adopted we would plant a tree, so somebody got a feeling that they were doing something proactive," Jenny Dixon, Sovereign's bill

pay product manager, said on Monday. "The environmental theme made it so much easier for us to educate our audience.

Indeed, the environmental pitch was the central element in promoting electronic bill presentment to customers, because receiving bills online does not offer consumers the same advantages as paying them online, Ms. Dixon said.

Consumers who pay bills online save on postage, but there is no cost savings to the consumer for receiving bills electronically.

"It's been a lot more of a different value proposition," Ms. Dixon said. "It's just not been that silver bullet that we've had with the bill pay element of online banking."

Sovereign found that it had to take a different approach with this marketing message than it would in other campaigns.

"Mindful of being hypocritical, we didn't do any direct marketing by mail" when the campaign began last year, she said. This year, Sovereign used mail as part of an effort to reach more customers, but it embedded flower seeds in the paper so that it could be planted in the ground.

However, a green message is not always enough to attract new customers or to change behavior.

Karen Ogden, a principal for global commodities at Bank of America, said her company's green-themed credit card, introduced in November, has been "maybe not as strong as we expected, although it's still early days."

The Charlotte company's Brighter Planet credit card offers reward points that could be used to fund renewable-energy projects, but it has found that many people prefer airline miles.

"Consumers tend to say one thing and sometimes do another," Ms. Ogden said.

But a checking account with a green theme did better than expected,

demonstrating at least some interest.

"None of these have been blockbusters right away," she said. "We do see some steady growth."

Bruce S. Schlein, Citi's vice president of environmental affairs, said the New York company has had some difficulty in offering a mortgage with incentives for borrowers who maintain their homes in an environmentally sound way and it has not proven popular.

It is hard to add a green perk to a complicated financial product, he said.

"Adding another layer of complexity, we think, perhaps was another obstacle" for both consumers and mortgage brokers, he said.

Inci Kaya, an analyst at TowerGroup Inc., a Needham, Mass., independent research firm owned by MasterCard Inc., said that, though green sentiments are only slowly becoming important today, "going out 5, 10, 20 years, this is really going to be one of those things that is common to us."

But not every product can be easily adapted for a green message, and not every consumer will be receptive to it, she said. "It is about providing the right product for the customer who cares," she said.

Mark Schwanhausser, an analyst at Javelin Strategy and Research in Pleasanton, Calif., said banks that offer environmentally friendly options today, such as averting paper statements, are not necessarily promoting these features in a way that connects.

"A third of the folks aren't turning off their paper — even among the 'greens,' " he said.

Most bank customers are either mindful of the environment or at least neutral on

the issue, he said.

The biggest challenge is those who do not care at all, Mr. Schwanhausser said.

But those who say they are neutral "can be swayed if you give them a reason to come to the green side."

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