

IDEA EXCHANGE: Union Bank offers mix-and-match web page

Have you ever wanted to order just one favorite channel from your cable provider? Fat chance—you nearly always have to take a package stuffed with channels you'll never watch and don't want to pay for. But Union Bank's Art Smith thinks his bank has learned from cable's obstinate approach, and says consumers seem to appreciate a program unveiled last October: "Banking By Design."

Smith, chief marketing officer at the \$87 billion-assets national bank, says its research indicated that consumers wanted transparency, control, and choices in their bank products. For a long time, banking products, especially on the retail side, have tended to be combinations of products, with all-in-one pricing.

Union, which does business in multiple states but is based in San Francisco and covers much of California, launched a website, www.bankingbydesign.com, as the first stage of a new approach. The website permits retail customers to tailor a checking account to their own needs, preferences, and habits. They do so by picking "tiles" representing pricing options and account features. If they don't want something—paper statements are a \$1 per-month option, for instance—they can leave a tile unpicked. In some cases, where features go best together, or are often chosen together, the page will prompt the customer to add a choice. Prompts also suggest money-saving choices that the customer might have missed.

All told, there are 16 options, and once customers make their final selection, they receive a "Banking By Design" code that allows them to go back in and make changes. Smith believes that giving customers choices synchs well with the bank's relationship-banking approach, and stresses that while the website is very interactive, a banker can still be reached to render human assistance.

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After the customer designs the checking account, the expected monthly fee-if any-is computed and displayed, along with a features summary. Some combinations don't involve recurring charges, while others do. (The base price of \$3 is waived if the customer makes at least one direct deposit of \$250 or more each month.)

While he won't reveal specific results since the fall 2012 launch, Smith says, "it's done really well so far," both among newcomers as well as established customers.

Over 2013, the bank will develop the next stage of "Banking By Design," a group of services, including credit products, for the mass affluent. And in 2014, the bank plans to bring this approach to business banking.

What about

customers who don't fit the target market-the kind of people, say, who don't like diner menus that offer too many choices? Or people who are fine with pre-packaged cable service? For them, Union Bank plans to continue to offer bundled accounts. Smith says the bank aims to please all customers and prospects.

— Steve Cocheo, executive editor & digital content manager

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