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SALES & MARKETING

Consumer-to-Business (C2B) Marketing

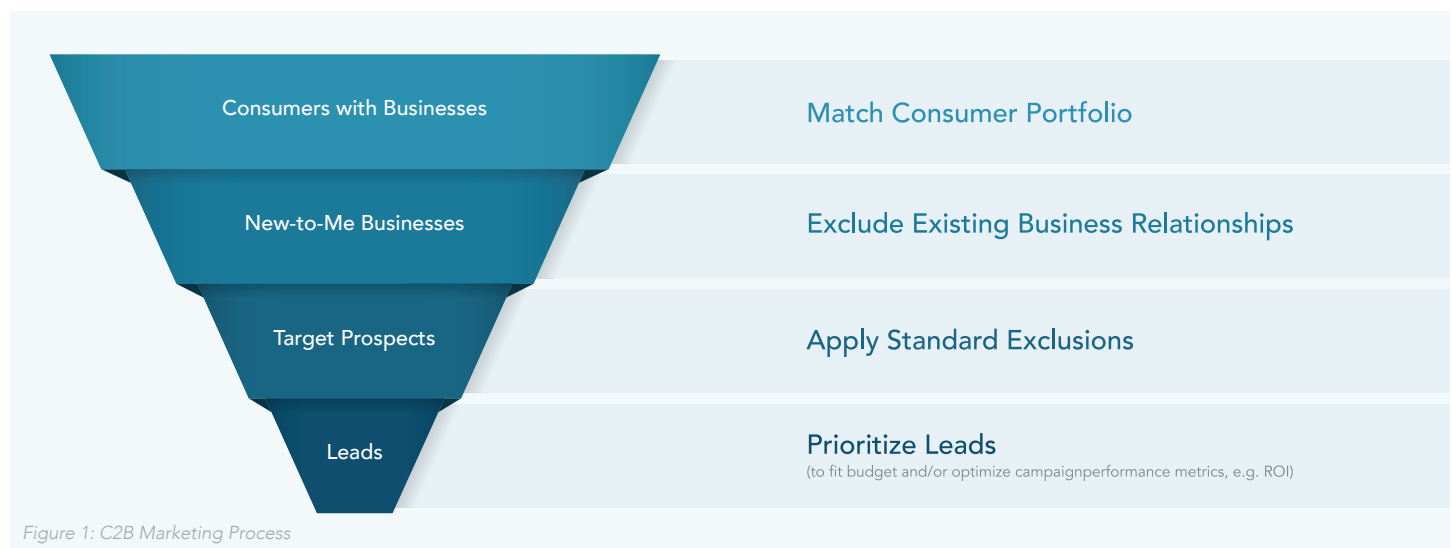## A Guide for Financial Institutions

WHAT IS C2B MARKETING?

If you've been mining the same lead lists for years, you could be experiencing declining campaign results and wondering how you'll ever break out of that rut. One strategy* for financial institutions to consider is Consumer-to-Business (or C2B) cross-selling. The basic concept is, for those financial institutions that have both consumer and commercial accounts, we can look for business leads within the typically more robust consumer portfolio. Starting with our existing customers on the consumer side of our business, we identify people who have a decision-making authority within a business and approach the best prospects with a business product or service offer.

This approach works particularly well in the small-business segment where purchasing decisions are often made by an individual versus a larger buying team. We've also seen this strategy provide a critical jump-start for institutions expanding from a consumer-only model to one targeting commercial clients as well.

C2B cross-sell marketing improves response and approval rates, and in many cases, portfolio profitability. These benefits result from the following advantages:

- Since it takes advantage of existing relationships, C2B Marketing tends to produce more warm leads.

- It enables a tailored message and offer, which are more likely to be noticed and opened and will resonate.

- It helps manage credit risk, as the institution may already have extensive payment behavior data on each business lead.

This guide outlines the process for financial institutions to plan and implement a C2B approach—from matching, selecting, and prioritizing leads, to designing the sales and marketing campaign.

Consumers with Businesses	Match Consumer Portfolio
New-to-Me Businesses	Exclude Existing Business Relationships
Target Prospects	Apply Standard Exclusions
Leads	Prioritize Leads (to fit budget and/or optimize campaignperformance metrics, e.g. ROI)

Figure 1: C2B Marketing Process

* For other ideas on new data sources or new ways to use existing marketing data, please refer to "Other Resources" section at the end of this paper. Your Dun & Bradstreet team can help you select and execute the best options; don't hesitate to put them to work.

WHICH OF MY CONSUMER CLIENTS HAVE A SMALL BUSINESS?

The first step in the C2B Marketing process is to identify businesses associated with the individuals in the consumer portfolio. The easiest way to achieve this is to employ Dun & Bradstreet's match algorithm. Since the match reference database contains information about individuals who own and lead businesses, entering an individual's name will return the business for which they can make decisions. What's more, the metadata returned from match inquiries indicates cases in which a match was made on the basis of individual names, which helps retain only the most relevant matches.
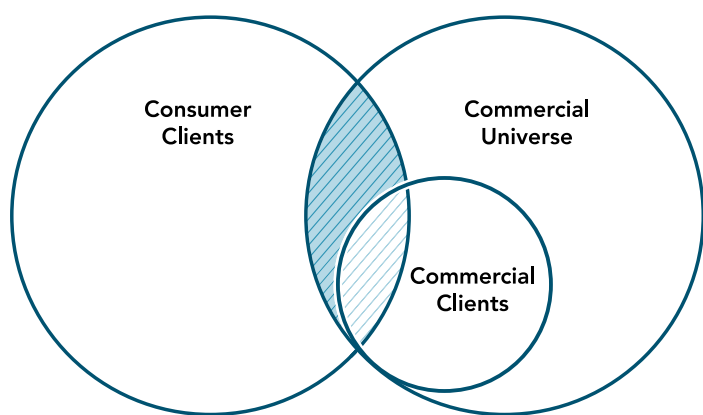

Figure 2: 10%-15% of consumers have a small business; striped area represents C2B opportunity

Depending on the nature of the institution's consumer portfolio, we typically find 10%-15% of the clients are associated with a business they either own or manage and therefore are likely to have purchasing decision authority. Dun & Bradstreet's Data Advisory Service has a team of experts who can leverage match metadata, such as Confidence Codes, Match Grade Strings, and Match Data Profiles, to optimize this matching step. This ensures that only the best matches are returned, thereby producing a raw lead list to be refined in the next step.

SELECTING AND PRIORITIZING LEADS

The next step in the C2B Marketing approach is to filter the list of businesses identified in the previous matching step until we arrive at an actionable high-potential lead list. As always, it helps to begin with the end results in mind and consider key constraints and performance metrics associated with the campaign. For example,

is there a fixed budget or resource limitation dictating a maximum number of leads that can be targeted or worked? How will campaign performance be measured – is sensitivity more important than specificity, or vice versa? Understanding these factors will help set the right balance along each of the following steps:

Step 1
### Keep only businesses within the target market.

Once a business has been identified, we can append basic firmographic data to enable segmentation. If the financial institution has a clear definition of the target market based on such criteria – business size (employees and revenues), industry, and location are among the most common — they can be applied at the onset. That is, only leads that fall outside these parameters would be rejected. If these criteria are not yet clearly defined, Dun & Bradstreet can help by profiling existing clients to develop a look-alike model that can be applied to leads.

Step 2
Remove existing commercial clients.

Next, to avoid wasting marketing dollars and the risk of eroding trust, we exclude current customers. The easiest way to do this is via a unique key such as the Dun & Bradstreet D-U-N-S Number®, which is convenient since most Dun & Bradstreet clients have already matched their business client portfolios to a D-U-N-S Number. If that's not the case, the Dun & Bradstreet team can help quickly run current portfolios through the match process to assign a D-U-N-S Number and enable this analysis. Once a unique key has been assigned, we navigate around two nuances in order for this step to be successful:

- Match acceptance – A conservative approach typically means setting strict match selection criteria; however, in this use case, minimizing risk (of wasting marketing dollars or damaging existing relationships) actually mandates the reverse: setting looser match acceptance criteria on the existing portfolio, to err on the side of excluding those who might already be clients (though we're not certain) from the C2B campaign.

- Corporate structure – Since the D-U-N-S Number is assigned to a business at a specific location, businesses that have multiple locations as part of the same legal entity (e.g., a manufacturing site, a distribution
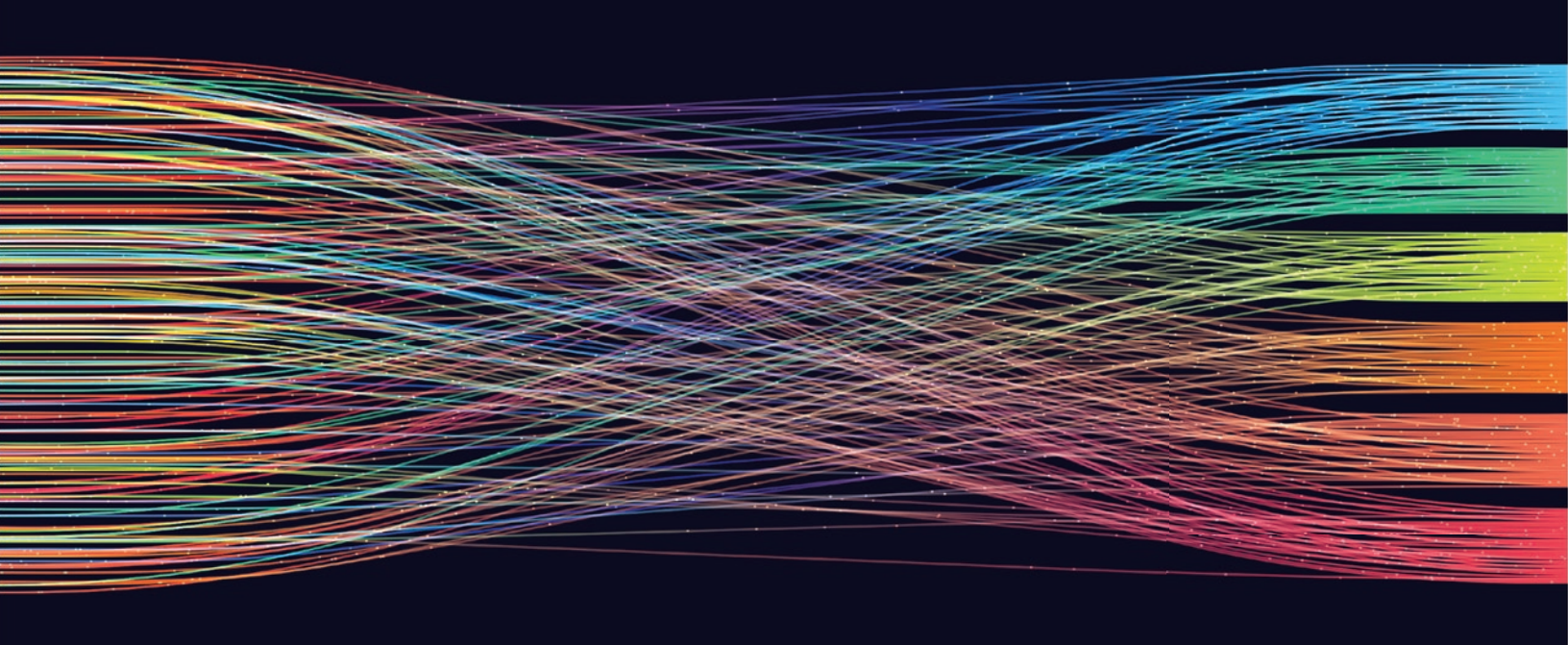
center, and a business office) have multiple D-U-N-S Numbers. Therefore, if the business has a current relationship with the manufacturing site but the C2B match points to the distribution center, these two locations will have two different D-U-N-S Numbers, which may prevent us from removing this current client from the list. Thankfully, these Headquarters-Branch relationships, as they're termed in Dun & Bradstreet's Data Cloud, are represented through corporate hierarchies. One of the most common approaches therefore consists of "trading up" to the headquarters D-U-N-S Number in all or most analyses and deduplication efforts. Likewise, Dun & Bradstreet's corporate hierarchy data can be used to account for more complex corporate grouping strategies (i.e., at higher levels within the corporate family tree).

Step 3
Remove prohibited industries.

Another important exclusion is industries identified as undesirable. For most financial institutions, corporate policy aims to avoid targeting competitors as well as potentially sanction-prone industries such as firearms or cannabis. At this stage, it is also common practice to consider removing branch locations, as they are merely a secondary location that is part of the same legal entity as the headquarters location. In most cases, business direction and purchase decisions are set at the headquarters.

Step 4
Remove high-risk businesses.

Following good risk-based marketing practices, we then exclude businesses that are unlikely to be approved through the credit underwriting process.

Although this isn't as critical for deposit products as for credit products, the following metrics nonetheless tend to be a good gauge of what makes good clients:

• Activity status – At a minimum, we consider excluding businesses identified as "out of business." For a very risk-averse scenario, we may also exclude companies identified as "unable to confirm" (UTC), which are those that haven't shown traditional detectable business activity signals in the past 24 months. Interestingly, because the UTC segment is often neglected in marketing activities, they can sometimes yield great campaign results when they are finally presented with an offer.

• Legal actions – Since certain legal activities reflect increased risk, we typically remove businesses with open bankruptcies, suits, liens, or judgments over a certain number or dollar threshold.

• Creditworthiness – Traditional credit metrics can provide an efficient and relatively inexpensive proxy for a complete credit underwriting decision. Dun & Bradstreet's descriptive PAYDEX score, as well as the more forward-looking Delinquency Score, Financial Stress Score, and Small Business Risk Insight Knock-Out Scores are all great candidates for this task.

Step 5
Prioritize most likely to buy and grow.

Having applied a number of exclusions, we can now prioritize the most desirable leads. Of course, if resources are unlimited or the go-to-market approach scales without additional costs, this step is not necessary. If, however, campaign efficiency is critical and/or individual bankers will be reaching out to prospects, the approaches below may be used, ideally in concert, to effectively prioritize leads:

- Decision authority – A good prospect is one who can make a purchasing decision. Since this feature can be difficult to discern, the Dun & Bradstreet Decision HQ index can help identify leads that are most likely to have decision-making power.

- Propensity scores – In general, demand propensity is a great way to prioritize leads. This can use off-the-shelf scores, such as those in Dun & Bradstreet's Financial Services Prospector Suite, which are specifically designed for lenders. These scores include balance predictors as well as card response scores.

- Look-alike analysis – For a more powerful prioritization, we typically suggest building profiles based on existing clients. Dun & Bradstreet's Analytical Services can help build and deploy look-alike models on tight time frames.

- Response model – Prior campaign data is another great dataset that can be used for modeling. With the right response flags, we can look for those most likely to

respond. Taking this one step further, we can overlay those who are most likely to be booked as new business. Since these conditions tend to vary inversely, the combination can yield a powerful Net Conversion score.

- Growth – In addition to current demand potential, prospects should also be evaluated based on their propensity to grow. This can be accomplished by training a look-alike model based on best clients where "best" is defined as having provided revenue growth. Alternatively, off-the-shelf scores such as Dun & Bradstreet's Growth Trajectory score can prove an effective proxy.

Step 6
Prioritize reachable leads.

Finally, it's judicious to consider prioritizing leads we are more likely to reach. Again, the go-to-market approach will define what this means for each campaign. For example, a banker may use one of their regular live discussion touchpoints with a client to bring up a potential business relationship. At the other end of the spectrum, we may opt to send an offer by email, in which case we need a business email address. In this case, availability of such data (through Dun & Bradstreet's Global Contact Authority data, for example) will naturally further reduce the prospect pool.

5M Consumer Accounts

Consumers with Businesses

Match Consumer Portfolio
1M Small Businesses

New-to-Me Businesses

Exclude Existing Business Relationships
850K Small Businesses with no current relationship

Target Prospects

Apply Standard Exclusions
400K Desirable Target Businesses

Leads

Prioritize Leads
140K Reachable, High-Priority Leads
(to fit budget and/or optimize campaignperformance metrics, e.g. ROI)

Figure 3: Example of a C2B Campaign

LAUNCH THE CAMPAIGN

As mentioned in the last section, campaign goals, which are dictated by business goals, will inform how a campaign will best be executed and measured. Campaign success criteria or key performance indicators (KPIs) should have been used in designing the prospect pool, as different approaches will place different constraints on the number of leads that can be worked, as well as data that will be needed to assign or activate each lead. Let's return to our examples:

- In the case of the banker mentioning business offerings during a regular touchpoint with her consumer clients, we must consider how the banker is "fed" the business opportunity. Common examples include a task in a commercial customer relationship management (CRM) system. Another approach may mean adding an indicator flag to the account overview in a homegrown application used by bankers in their daily work. Either way, it's critical to ensure the right information flows to the end-user—the banker, in this case.

- In the example of the email campaign, lead scoring and other key activation data (e.g., titles, email addresses) must flow through the CRM and Marketing Automation platform.

Likewise, other ABM approaches require working through similar data flow requirements; no matter the specifics, your Dun & Bradstreet team, particularly Data Consultants and Solution Architects, can help identify the most impactful data elements and design the most efficient process flows. Don't hesitate to bring them into your discussions.

Finally, at the conclusion of the campaign, response and approval results should be systematically used to refine the selection criteria and models, as outlined in the previous section, to help improve performance during the next campaign. Our more nimble clients even make these adjustments as the campaign progresses. Here again, Dun & Bradstreet's Analytics Services team can help supplement your analytics resources.

GETTING STARTED

- DIY – With this guide and the right data, your Analytics team should be able to leverage their favorite tools to help design and activate ideal prospect pools. Keep in mind that some specialized tools may help along this journey (e.g., Dun & Bradstreet Market Insight or Analytics Studio platforms). Even if you choose to go it alone with your own tools, keep in mind that Dun & Bradstreet Advisors are always happy to help answer questions on our datasets and match process.

- Bring in expert help – Internal analytics teams do tend to be in high demand. If your resources are difficult to access, contact your Dun & Bradstreet account team, your Data Advisory Services (including authors), or Analytics Services so we can schedule time to discuss options.

Other resources available from Dun & Bradstreet to help you refresh your marketing efforts:

HOT LIST INDICATORS
Identifies businesses that have recently experienced a change in the nature of their business–key changes that may indicate readiness to buy.

TURN UNKNOWN WEB VISITORS INTO LEADS
Use D&B Visitor Intelligence to profile web visitors and deliver real-time personalization to enhance website engagement.

DEMAND PROPENSITY
Either as a filter in other approaches or as a standalone campaign, predict a company's potential usage of your products or services. Both off-the-shelf and custom scores are available.

BUYER INTENT
Find out what companies are searching for the products and services you offer.

Your Dun & Bradstreet account team can help you select, test and execute the best options. Don't hesitate to put them to work.

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