

Playing the Long Game

A Banking Marketer's Guide to Building Customer Lifetime Value



WHAT IS CLV AND WHY SHOULD YOU EVEN CARE?

We can probably all agree on this: for years, financial marketing has felt a lot like a frantic speed-dating event. We spend a ton of time, money, and energy trying to woo new people, get them to open an account, and then... we immediately start looking over their shoulder for the next new prospect. It's exhausting, expensive, and frankly, not a great way to build a relationship.

What if we stopped treating our customers/members like one-time conquests and started treating them like long-term partners? That's the entire idea behind Customer Lifetime Value, or CLV. It's a shift from chasing transactions to building relationships that last – and are far more profitable.

In simple terms, Customer Lifetime Value is the total net profit your institution will make from an account holder over the **entire** duration of their relationship with you. It's not about the profit from their first checking account; it's about the mortgage they'll get in five years, the car loan for their kid in fifteen, and the investment account they'll open for retirement. It's the whole enchilada!

Focusing on CLV means you stop pouring money into a "leaky bucket". You know the one – where you spend a fortune on acquisition campaigns only to watch a huge chunk of those new customers walk out the door before you've even broken even on what you spent to get them.

If you need some numbers to convince your boss, chew on these:

BY THE NUMBERS



\$400-\$784
Acquisition Cost



Existing Account Holders
5-25X
More Likely to Buy



+25-95% Profit
More Likely to Buy



60-70% Cross Sell
Probability For Existing
Account Holders

The Cost is Crazy

Acquiring a new customer is 5 to 25 times more expensive than keeping an existing one. For credit unions, that's over \$400 per new member; for banks, it's a staggering \$784 on average.

The ROI is Ridiculous

A mere **5% increase in customer retention can boost profits by 25% to 95%**. Why? Because loyal customers trust you. The probability of selling a new product to an existing customer is **60-70%**. For a new prospect? A measly 5-20%.

Chasing new relationships is a high-cost, low-probability gamble. Nurturing the ones you have is a low-cost, high-reward investment. It's time to stop speed dating and start building something that lasts.

YOUR ACTION PLAN: 5 WAYS TO BUILD CLV RIGHT NOW

Ready to become a CLV champion? Here are some practical, workable tactics you can start using today, with a special focus on the device that's always in your account holders' hands: their phone.

01

Stop Botching the Onboarding

The first 90 days are make-or-break. Churn is at its absolute highest in the first year, as many as 25% of new credit union members leave in that window. A clunky, confusing, or impersonal onboarding process is like showing up to a first date and talking about your ex. It kills the vibe and makes people want to leave.

Mobile Tactic: Your mobile app is your welcome wagon. Send a **push notification** a day after they sign up: *"Welcome, [Name]! Tap here for a 60-second tour of the app's best features."* A week later, send a personalized **in-app message**: *"Just checking in! Have you set up your bill pay yet? We can help."*



02

Get Personal (Without Being a Creep)

Consumers expect you to know them. They share tons of data with you; use it to be helpful, not just to sell. A customer who just took out a mortgage doesn't want a generic ad for another mortgage. They want useful content that helps them with their new life stage.

Mobile Tactic: This is where a **personalized in-app news feed** shines. If a customer's transaction data shows they just had a baby (hello, [https://www.google.com/search?q=diapers.com purchase!](https://www.google.com/search?q=diapers.com+purchase!)), their feed could feature an article on "529 College Savings Plans." Use **push notifications** for life milestones: *"We see you just paid off your auto loan. Congratulations! Let us know if you're ready for your next adventure."*

03

Become Their Financial Guru

People are actively looking for help managing their money, and they want their financial institution to be the one to provide it. This is a massive opportunity to build trust. Community financial institutions have a natural advantage here, as members already believe you care about their financial well-being.

Mobile Tactic: Use data to send proactive alerts. A **push notification** could say: *"Heads up! Your checking account balance is lower than usual this time of month."* Or, celebrate wins: *"Nice work! You've increased your savings by 15% this quarter."* Use **in-app messages** to offer tools like budget trackers or credit score simulators.

04

Make Your Digital Experience Silky Smooth

A terrible website or mobile app is a silent relationship killer. If it's easier for a customer to download a competitor's app than to figure out how to transfer money in yours, you've already lost. Your digital platforms are your main branches now – they need to be clean, intuitive, and reliable.

Mobile Tactic: Use micro-surveys to get real-time feedback. After a user completes a task, trigger an **in-app message**: *"How easy was it to deposit that check? Give us a quick rating."* This shows you're listening and gives you priceless data to fix friction points before they cause someone to churn.

05

Turn Problems Into Loyalty Moments

No one is perfect. A customer will eventually have an issue, and how you handle it is a defining moment. A problem that's resolved quickly and with empathy doesn't just fix the issue; it can actually make the member more loyal than they were before.

Mobile Tactic: After a customer interacts with support through your in-app chat, follow up with a **push notification**: *"Thanks for chatting with our team. Please take 10 seconds to rate your experience so we can keep improving."* This closes the loop and shows that their feedback matters.

THE BOTTOM LINE IS SIMPLE



The endless chase for new account holders is a hamster wheel. It's expensive, inefficient, and ignores the goldmine of loyal, profitable relationships you're already sitting on. By shifting your focus to building CLV, you're not just making a smarter marketing decision – you're building a more stable, profitable, and resilient institution for the long haul.



[Schedule a call](#) to find out how Pulsate can help your financial institution recognize and act on growth opportunities.