

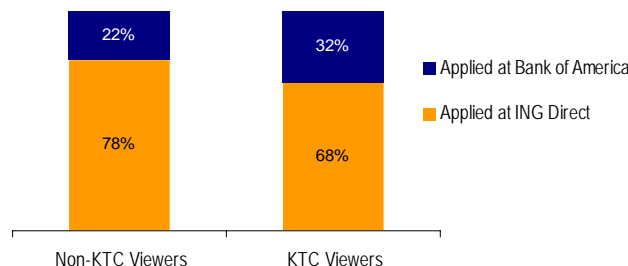
# FINANCIAL SERVICES ADVISOR™

Monthly insights from Compete for financial services executives

## “KEEPING THE CHANGE” HELPS KEEP BANK OF AMERICA CUSTOMERS FROM ING DIRECT

ING Direct has been on a tear, averaging 73,500 new *Orange Savings Account™* online applicants per month in 2006. Approximately 70% of these new account holders also actively manage a checking and/or savings account online with a traditional bank. The potential loss in deposit dollars and future cross-sell opportunities for traditional banks is growing fast. Unwilling to match ING Direct's rate, many banks are challenged by how to compete with this high-yield savings account provider. Recently, Bank of America has started experiencing some success through *Keep the Change™*.

Online Deposit Prospects at Both Bank of America and ING Direct (% of total submitted applications, November 2005 – January 2006)



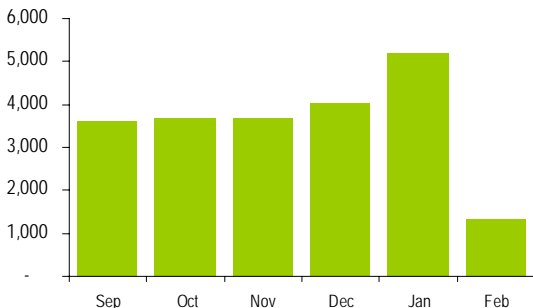
Compete looked at online deposit shoppers who visited both Bank of America and ING Direct in the same month. We found that consumers who saw the “Keep the Change” (KTC) information were almost 50% more likely to apply at Bank of America than consumers who did not see KTC. In February, Bank of America saw its highest volume of submitted deposit applications in recent months; the growth was driven primarily by the KTC program. Two-thirds of consumers still submitted an application with ING Direct, however, even after viewing the KTC promotion.

To learn more about how banks and high-yield savings account providers are trying to reach consumers, read Compete's new Spark!, at <http://www.compete.com/research/spark.xtp>.

## WAMU HAS CHECKING PRODUCT SITUATION

In late February, Washington Mutual (WaMu) began advertising a new free checking product on the homepage of its web site. The new product expands WaMu's existing free checking offering by granting free ATM withdrawals, free checks for life and waivers of overdraft and insufficient funds fees once a year. Compete assessed whether this campaign successfully increased applications.

Washington Mutual Online Deposit Applications (September 2005 – February 2006, unique applications)



In February, Compete found that approximately 25,000 of the 120,000 consumers who explored the free checking option on the website clicked to learn about applying for the account. These consumers were asked to visit their local branch or call an 800 number to apply and told that the online application was not in service. Compete data shows that WaMu's online

deposit applications fell 75% from January to February.

The situation continued in March when an advertising campaign was launched to grow product awareness. On the plus side, the campaign has increased prospect volume 25% since December.

The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

Compete's financial intelligence and targeting services measure application, enrollment and cross-sell opportunities across deposit, lending, investing and insurance business lines to help marketers hone strategies and deepen customer relationships.

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