CHALLENGE BRIEF

How to rejuvenate Nova KBM’s client structure and keep them in the long run?

1 | Who we are

Nova KBM is a universal bank with the longest tradition of banking in Slovenia and with sound reputation at home and abroad. Our principal objective is to provide good quality, modern, safe and profitable financial solutions for accomplishing personal and business objectives.

The mission of Nova KBM, as the parent member of the Group, is to operate as a modern and reliable bank with a tradition of understanding and supporting its customers, following its development objectives, and living with the community. Together with other Nova KBM Group members we offer a full range of financial services.

2 | Define the users, people affected by your product/service

Nova KBM with its broad range of financial services covers the entire population, from the youngest who are mainly savers to older clients who choose more complex products such as loans, modern banking channels (online bank, mobile bank, payment cards...).

3 | Define the problem

The bank tries to rejuvenate its client structure and to keep the clients in the long run.

4 | What are the current solutions to it (if any)

Three years ago the bank introduced its special trade mark for the youth “Sveta vladar” (Ruler of the World) through which it tries to communicate banking services to the young in an innovative and interesting manner. In addition to the personal account, we
focus on modern banking services which are closer to the young (mobile banking, prepayment card, create your card, Moneta....).

Besides major promotional campaigns directed to the youth, the bank has created a special website www.svetavladar.si, where different advice for the young directly or indirectly linked to finance is published (purchase of car or apartment, how to get a scholarship, how to apply for a room in a student dormitory, what is required for a placement abroad etc.). The bank has also focused on social media and set up a special FB profile entitled Sveta vladar (content: products, campaigns, advice, lifestyle).

5 | The challenge

The communication has been adapted to the young, we work a lot on modern banking products which are especially important for the young who are increasingly mobile. In this way we succeed in attracting them, however it is a lot more difficult to keep them. What else can be done to attract more youth and to keep the existing young clients. With what type of institution would you as a young person like to bank with in the future? By what range of products, communication methods, distribution channels etc. would you as a young person be convinced to such extent to decide to become a client of our bank and to remain loyal to it in the long run.
SCHEDULE

1. DESCRIPTION OF THE “SVETA VLADAR” TRADEMARK FOR THE YOUTH

In order to approach the youth, to improve the bank's recognisability and to position itself as a favourable, modern and youth-oriented bank, Nova KBM has developed the first banking trademark for the youth in Slovenia, the so-called “Sveta vladar”. The trademark is based on a communication story which addresses the young in those moments of life which are of key importance when joining a bank, and it tries to bring the world of finance closer to them in a simple and amusing way so as to increase their interest in financial products. With the trademark we communicate to them that with it they can have MORE FROM LIFE – the main slogan of the trademark. This refers not only to providing good banking services helping the young in fulfilling their financial wishes and goals. The trademark also assists the young in their “conquest of the world”, it listens to them and it enables them to obtain new, modern and relevant experience outside the world of banking.

“Sveta vladar” addresses the young in the age group from 10 to 32 years, the existing as well as potential Nova KBM clients. The target group was defined on the basis of three existing Nova KBM packages for the young – i.e. in terms of their lifestyle and use of media (Source: TGI (Target Group Index, Mediana), 2010, NRB (national readership survey), 2010):
- **Primary and secondary school pupils over 10 years of age** with periodical incoming payments of ca. 100 €/month (SKUL package). They want to manage their own finances. They like going to bars, their peer’s opinion is very important to them. They have high career goals – in their career they want to get to the top. They live for today and they like trying out new things. They avoid traditional advertising, most frequently they can be found in the cinema or online. Frequently they participate in prize competitions, they buy magazines and they notice advertisements on buses.
- **Students from 18 to 29 years of age** with regular or periodic monthly incoming payments of ca. 200-500 € (INDEKS package). They want to manage their own finances. They like going to bars, it is important to them to stand out from the crowd. They have high career goals and are quite business-minded. Usually you find them online or in the cinema, they notice advertisements on buses and roadside billboards.
- **Young employees of up to 32 years of age** (KARIERA package). They have just finished the study and have embarked on their career path. They are the real “internet generation”, they have high career goals, they like to stand out from the crowd, they maintain influence over people and sources, they are interested in art. Usually you find them online or in the cinema, they also notice advertisements on buses.

Despite the fact that the three defined target segments differ a lot in terms of their thinking, priorities, hobbies, interests etc., in designing the trademark we had to take
account of optimising the funds invested to achieve the maximum sale potential. In Slovenia all three segments of the young combined account for only 550,000 individuals, therefore it made sense to design a uniform communication strategy despite all the diversity, which was an additional challenge.

2. PRODUCTS FOR THE YOUNG

a) PACKAGE SKUL
Package of banking services for primary school school pupils from age 10 and for secondary school pupils.

Free of charge
- Opening and maintenance of personal account and issue of Activa Maestro payment card,
- cash withdrawals from ATMs all over the world
- issue of Moneta for payments by mobile phone,
- joining and use of online bank Bank@Net and mobile bank mBank@Net
- approval of overdraft facility in the account (for secondary school pupils).

Additional advantages and benefits
- Identification card for performing transactions via online bank Bank@Net at half price
- SMS - Sporoči Mi Stanje (Tell me the balance) (message on balance and incoming payments to the account)
- deposits of over 6 months: 0.1% higher interest rate
- savings for teenagers: with 300 EUR saved in one year you are eligible for drawing of additional 150 EUR.
- annual tourist insurance for only 24 EUR
- taking out a student loan, deferred payment student loan or Mini loan at a more favourable interest rate (secondary school pupils of full age)

b) PACKAGE INDEKS
Package of banking services for students:

Free of charge
- Opening and maintenance of personal account and issue of Activa Maestro payment card,
- cash withdrawals from ATMs all over the world
- one-year membership for new deferred-payment payment card (Activa MasterCard or Activa Visa and Karanta),
- issue of Moneta for payments by mobile phone,
- joining and use of online bank Bank@Net and mobile bank mBank@Net
- approval of overdraft facility in the account.
Additional advantages and benefits
- Identification card for performing transactions via the online bank Bank@Net at half price
- SMS - Sporoči Mi Stanje (Tell me the balance) (message on balance and inflows to the account)
- deposits of over 6 months: 0.1% higher interest rate
- annual tourist insurance for only 24 EUR
- taking out a student loan, deferred payment student loan or Mini loan at a more favourable interest rate
- one hour of free investment consulting

C) PACKAGE KARIERA
Package of banking services for young graduates or post-graduate students and young employees (who are employed for less than 6 months):

Free of charge
- Opening and one-year maintenance of personal account and issue of Activa Maestro payment card,
- one-year membership for new deferred-payment payment card (Activa MasterCard or Activa Visa and Karanta),
- issue of Moneta for payments by mobile phone,
- joining and one-year use of online bank Bank@Net and mobile bank mBank@Net
- approval of overdraft facility in the account.

Additional advantages and benefits
- Identification card for performing transactions via the online bank Bank@Net and mobile bank mBank@Net at half price,
- SMS - Sporoči Mi Stanje (Tell me the balance) (message on balance and inflows to the account)
- one hour of free investment consulting
- at conclusion of residential savings account (gradual savings for 3, 5 or 10 years, after conclusion of the savings scheme a residential loan at a lower interest rate is available to the savers), the bank transfers an additional 30 EUR to the savings account,
- at conclusion of pension savings the bank pays the saver 25 EUR,
- more favourable borrowing of Mini kredit up to 3,000 EUR for up to 36 months
- option of conclusion of voluntary additional pension insurance with Moja naložba
- annual tourist insurance for only 24 EUR
- 15% discount at conclusion of property insurance for own property.
KEY MODERN BANKING PRODUCTS

a) MONETA

General information on Moneta:
- Slovene open mobile payment system,
- Moneta was developed by mobile operator Mobitel and Nova KBM
- Moneta is a handy and secure method of cashless payments by mobile phone (the service is similar to a deferred payment card)
- At Moneta points of sale you use your mobile phone instead of cash or payment card
- Payment of products and services at several thousand points of sale in Slovenia. The list of points of sale can be found at www.moneta.si

Who can use Moneta?
Moneta can be used by:
- **Users of almost all mobile operators in Slovenia (Mobitel, Simobil, Debitel) = Mobile Operator’s Moneta**
  - Moneta without PIN (which however can be enabled by user)
  - Costs of purchases done by Moneta are settled once per month via mobile operator’s account where all the purchases are specified in detail.

- **Clients of Nova KBM and Poštna banka Slovenije, who are also users of one of the aforementioned operators = Bank's Moneta**
  - Moneta of the user is linked to their account held with the bank.
  - At issue of Moneta the client receives a PIN security code for Moneta.
  - Costs of purchases are settled once per month directly from the client’s account held with Nova KBM or Poštna banka Slovenije. Bank’s Moneta allows higher overdrafts – depending on the financial abilities of the individual – similar as with deferred payment card, however, with Moneta there is no annual membership fee. It is issued by the bank free of charge.

Moneta can be used by over 90 % of the Slovene population.

How can payments by Moneta be done?
Openness to all types of payments by mobile phone at real and virtual points of sale. Different modes of payment: online, vending machines (parking, food/drink), in shops, phone sale, via SMS....
b) mBANK@NET

Advanced mobile bank mBank@Net provides for fast, simple and secure banking and other services, anywhere and anytime.

Range of functions:
- Application mBank@Net provides for:
  - simple payment of money order forms using the function Scan and pay
  - checking of transactions in accounts, cards and Moneta
  - checking of loans, deposits and savings
  - search for nearest ATMs and bank branches
  - checking of current exchange rates
- checking of e-invoices and other messages in the mailbox and
- provision of other banking services
- The function Scan and pay is unique in the Slovene market and allows the users simpler payment of money order forms. The payments process is shortened because the user only has to scan the money order form.

Advantages
- time saving,
- ongoing control of the account balance,
- independence of opening time of bank branches,
- privacy,
- cheaper operations,
- application is free of charge,
- also for non-users of online bank and for non-clients.
- Simple payment of money order forms (data need not be manually copied, less possibility of mistakes),
- Simple and fast search for nearest ATMs and bank branches (only Nova KBM, PBS and Pošta Slovenije, where there is no commission for cash withdrawal at ATM)

c) PREPAYMENT VISA

Who is it for?
Prepayment Visa is for everybody who wants to make purchases in a secure and comfortable manner and have control over their consumption.

Advantages of prepayment card
- the card is suitable for those without regular receipts of payments and for non-clients
- it ensures simple control over consumption and funds available in the prepayment account
- prepayment account can be loaded in a simple manner by transfers between accounts via online bank Bank@Net or by universal payment order (UPN) via
  - online bank or
  - cashier’s desk
- the card can be designed with own photo in the application Create your card!
- it can be used at all Visa points of sale at home, abroad and online, in also allows cash withdrawal at ATMs and POS terminals
- immediate debiting of account as with traditional debit card
- no payment of annual membership fee, you only pay a one-off card issuing fee
- in addition to the traditional card, there is also a virtual card which can be
  - used for phone sale or online purchases: the money is loaded and paid only when the user decides to make an online purchase – no more worries about potential future card abuse
  - it is comfortable, secure and provides for control because the user spends only the funds that have been loaded.

d) CREATE YOUR CARD
Who is it for?
For all who want a bank card with a photo according to their wishes – different, identifiable and eye-catching. The design of the card is simple and amusing.

Characteristics
- the card is designed with a photo according to the wishes of the card holder
- it is recognisable and facilitates distinguishing between cards
- designing is available for prepayment Visa as well as business prepayment Visa
- the service is available to clients and non-clients
3. COMMUNICATION ACTIVITIES

In order for the young Slovene consumers to notice, understand and accept the new “Sveta vladar” banking trademark, we have used modern communication channels to which the young are susceptible and which amuse and involve them.

**Major communication activities in the last years:**

a) **Stand-up tour:** With the objective of bringing Nova KBM’s trade mark Sveta vladar and the world of finance closer to the young in a noticeable and attractive manner, we have created SVETA VLADAR stand-up comedy with financial content together with three young Slovene stand-up comedians. With a ruler-like set and costumes, we sent them on a tour of several months where they visited Slovene schools, faculties and youth meeting places. The stand-up comedy which was partly adjusted to the listener’s segment (primary and secondary school pupils/students/young employees) showed to the young in an amusing manner in which sort of situation financial products are an obligatory “resource”.

b) **Rhyming with Zlatko:** This was a campaign in cooperation with the famous Slovene rapper Zlatko. The young were participating in the creation of music. Together with the rapper they wrote a song on the theme “More from life” (main slogan of the Sveta vladar trademark). The young participated with their rhymes and voted for the best line. The campaign included a large number of the young, and the final song became a hit of the summer 2012 and is currently a part of Zlatko’s repertoire at all his concerts.

c) **Move you life:** The campaign incorporated key modern banking products (Moneta, online bank). The campaign underlines that the bank has modern and technologically sophisticated products, and it was communicated to them in a modern and technologically sophisticated manner – via the first kinetic game played by moving your body. By playing the game and answering financial questions, the individual could win money which was transferred to his/her newly opened account with Nova KBM.

d) **Ruler’s holiday work:** The young were asked to compete for ruler’s holiday work – to become ambassador of the “Sveta vladar” trademark, to promote banking packages and to compete in an attractive prize competition. The young who actually use banking services promoted these to other young people. The selected ambassadors promoted the trademark and banking services during summer on the Slovene coast and larger bathing sites across Slovenia, where young spend their holidays.

e) **Plastic is fantastic:** Prepayment Visa card is a new product custom-made for the young. The product was communicated via “Sveta vladar” trademark so as to bring it even closer to them.
To sign up for the product, the young have to visit the bank branch, which they rarely do. That is why we prepared a campaign how to attract the young to our branches. We distributed a large number of leaflets in the form of cards to the young of which 60 were winning (they receive 100 EUR credited to their prepayment card). To check if the card is winning they have to visit the branch.

**Permanent communication channels**

- Website: [www.svetavladar.si](http://www.svetavladar.si)
- FB profile of Sveta vladar [https://www.facebook.com/SvetaVladar](https://www.facebook.com/SvetaVladar)