

UNDERSTANDING GOOGLE COMPARISON ADS

by [Steve Brown](#)

One new development that all bankers should be aware of is Google's latest foray into bank shopping. Since last year, Google introduced "Comparison Ads" for financial institutions. This application has now grown and pulls in data off bank's websites into a database and publishes their rates and terms for a variety of accounts. It then allows users to search and compare products across financial intuitions. Enter "Compare Checking Account" into the search dialog box and click the first link and you get a list of some 78 financial institution offerings depending on your zip code and targeted account balance. From there, you can click and compare accounts side by side to include minimum balances, fees and features. The search comparison does the same for savings accounts, CDs credit cards and mortgages.

There are a couple points of analysis that we would like to point out, as if you are a retail bank this could work for you or against you depending on your objectives. First, as of now, this is a free service by Google, but presumably there will be ads and upgrades that banks can purchase to either get highlighted or move higher in the rankings. Given the past rollout timelines, we estimate that banks have about another 18 months to take advantage of this service without charge and a level playing field. Even after Google starts charging, this may prove to be very valuable functionality. Optimizing your site for this comparative search would expose your bank to more than 1.5mm searches per month (135k on mobile devices alone). If you are more interested in a local footprint, searches for those targeted products range from a couple hundred searches in a small city to 90k per month in a metro area. This is a lot of free traffic, particularly given the fact that very few community banks are represented so your bank can stand out.

To get noticed by this application, it appears only banks that allow an online account opening get searched. For banks thinking of having online account opening, the potential inclusion into the worlds largest search engine should be factored into your decision positively or negatively depending on what your online objectives are. Since we have long been advocates of online account opening, this is yet another reason why your bank should make this functionality a priority.

For banks that already advertise on Google, consider that this application reduces some of the value of paid advertising. If you are purchasing AdWords, this application ranks ahead of your findings thus siphoning off more traffic. However, that said, this application gives users more functionality to search, sort and rank so this might be more to some bank's liking (especially if you have high rates).

If you are serious about leveraging this application, understanding what fields are being "scraped" will be helpful to avoid errors and may give you an advantage in conveying the information you would like conveyed. As of now, the default ranking is according to rate, but that might change in the future as functionality is built out. It is unclear at this time if traditional organic tricks that banks use to get their website high in the rankings (like cross-linking, meta tagging or keywording) work but presumably this might help in the future.

Google Comparison Ads is an application that should be at least monitored, as it will no doubt become a powerful source of lead generation for banks in the very near future. In the meantime, it will also be helpful for your bank to proactively decide if Google's effort is conducive to your bank's

philosophy. Either you are supportive that Google is "good" by allowing users a trusted source to assist in shopping, or "evil" that Google looks to teach users how to more efficiently rate shop. Just know that what you decide, may have a big impact on the future marketing efforts of the bank.

BANK NEWS

BIG Banks

FDIC Chair Sheila Bair spoke at a Future Face of Finance summit and said international banks will have to restructure and downsize their operations now, unless they can prove they will be easy to dismantle in another financial crisis. This means that multinational banks will be forced to set up more US subs with capital and legal structures that make them easier to liquidate if needed.

PNC Free Checking

Bucking the trend, PNC announced that it will keep its basic checking account product free. However, PNC is removing some features from its checking products in order to make them less of a money loser.

State Chartered

Roughly 73% of financial institutions (5,605) in the US are state chartered.

Risk Appetite

A survey by US Bank found the following risk profile of high net worth customers - 45% were being conservative, 8% were investing aggressively and 47% had unchanged targets from 2008.

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