

CASE STUDY: BBVA COMPASS

Mobility Bundle Featuring Galaxy Tab 3 Provides Big Business Productivity Tools for the Smallest Companies

OVERVIEW

Customer Need

BBVA Compass, which operates 688 bank branches throughout the Sunbelt, wanted to attract more customers that run “micro-businesses”—startups or small firms with less than \$500,000 in sales. With surveys indicating that micro-businesses believe most bank services don’t address their needs, BBVA Compass decided to introduce a new value proposition: a bundled product to provide these small businesses with a mobility solution to better satisfy their unique online and mobile banking needs.

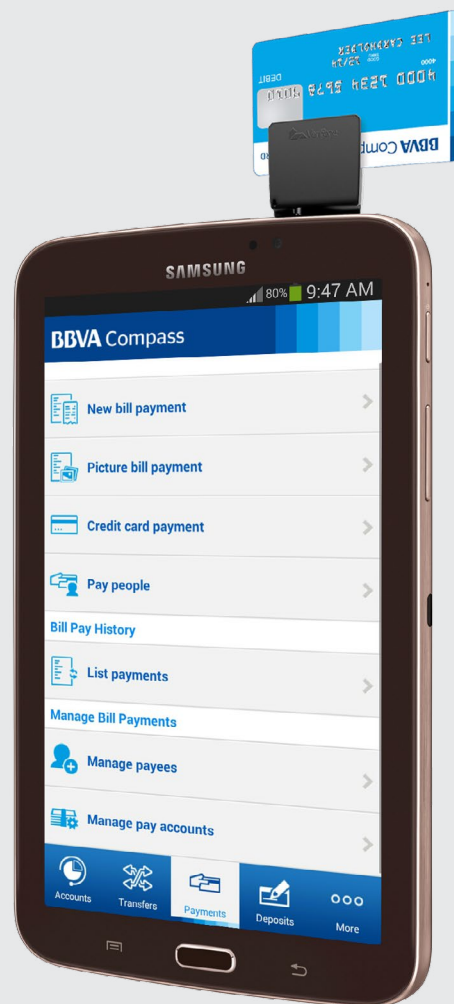
Samsung Solution

BBVA Compass launched its Mobility Bundle for businesses in conjunction with the 7-inch Samsung Galaxy Tab 3 in August and September 2013. A compact, versatile and secure tablet solution for small businesses, the Galaxy Tab 3 was combined with a merchant mobility solution featuring a secured card reader for processing debit and credit card payments. The device offered business customers quick and easy access to BBVA Compass’ online banking services as well as a range of mobile productivity applications.

Results

The BBVA Compass promotion resulted in a 40 to 50 percent increase in new household acquisition and checking accounts opened. In a survey of 300 micro-businesses, about 70 percent identified the promotion as “appealing and unique.” Owners of micro-businesses who used the Galaxy Tab 3 said it allowed them to more easily accept credit-card payments and save time in accessing banking services, while generating countless spinoff benefits in productivity and customer engagement.

BBVA Compass



THE CUSTOMER

BBVA Compass

BBVA Compass ranks among the 25 largest U.S. commercial banks, with 688 branches in Alabama, Arizona, California, Colorado, Florida, New Mexico, and Texas. Founded in 1964, BBVA Compass is the second largest bank in Alabama, the fourth largest in Texas, and the fifth-largest in Arizona.

The banking franchise has been noted for its special relationship with small businesses, being recognized as one of the nation's leading Small Business Administration (SBA) lenders. The company is divided into two major business units—Commercial Banking, and Wealth & Retail Banking—each of which provides specially-crafted services designed for the busy lives of the customers it serves.

These include commercial and wholesale banking, treasury management, SBA loans, international services, merchant processing, retail banking services, consumer loans, mortgages, home equity lines and loans, credit cards, personalized Visa Check Cards, securities brokerage, mutual funds and annuities, financial counseling, wealth management, pension plan management, and insurance.



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– Lance Gibson,
BBVA Compass

THE CUSTOMER NEED

Provide Mobile Productivity Tools for Micro-Businesses

The U.S. Census Bureau reports that nearly 28 million micro-businesses operate in the U.S., with 36 percent of them in BBVA Compass' seven-state Sunbelt footprint.

“Small businesses with less than \$500,000 in sales are a huge marketplace and represent about 90 percent of the businesses in the areas we serve,” says Lance Gibson, director of small business products for BBVA Compass. “And they are underserved, as many banks have chosen to focus solely on larger businesses with sales greater than \$10 million.”

Micro-businesses include startups and SOHO businesses such as landscapers, photographers, and service consultants. They generally have basic banking needs and generate low monthly transaction volumes, but are highly mobile and need flexible productivity tools.

According to a recent study by the consulting firm ath Power, owners of micro-businesses view a significant proportion of the services provided by banks as largely irrelevant to their business needs. The study reports that

nearly two out of three micro-business owners use their personal checking accounts for business purposes, while nearly half fund business purchases with their personal credit cards.

BBVA Compass saw an opportunity to provide micro-businesses with a new e-business checking account supported by a tailored mobile productivity bundle that would meet their unique needs. The bundle would allow micro-businesses to conduct their business over the Internet, catering to their desire to be productive on the go and not spend time waiting in bank branches. In addition, the e-business checking account would allow them to conduct a limited number of transactions each month at no cost.

“This new account was built with the needs of the micro-business in mind, and that truly sets it apart,” Gibson says. “It offers banking anywhere and anytime.”

First, though, the bank needed to find the right mobile device to provide a centerpiece for the bundle and help businesses to maximize the benefits of the mobile banking services provided.

THE SAMSUNG SOLUTION

Samsung Galaxy Tab 3 Perfect Fit for Micro-Business Mobility Bundle

The 7-inch Samsung Galaxy Tab 3 was the perfect complement to the new Business Mobility Bundle targeting micro-businesses. Qualifying customers who opened a new e-business checking account received the device together with a merchant mobility solution with a secured card reader for processing debit and credit card payments.

Samsung's Galaxy Tab 3 offers a compact, powerful, and secure mobility solution for small businesses, including access to a wealth of productivity applications.

"The Galaxy Tab 3 is compatible with the entire bundle," Gibson says. "Not all tablets or smartphones allow you to swipe a credit card transaction. The Galaxy Tab 3 was able to handle every function we needed."

The device is thin, light and, because of its narrow bezel, can fit into a jacket pocket despite its spacious 7" touchscreen. Micro-businesses are extremely mobile, with many of their financial transactions occurring away from owners' homes or offices, so the balance between portability and screen size is critical.

"We sent some of the Galaxy Tab 3 devices out to the field, so our bankers could

hold it, touch it and feel it," says Elizabeth Dobers, BBVA Compass' director of the small and micro enterprise segment. "At branch meetings, they really got a sense of what the experience would be like for the customers, so that increased their enthusiasm."

The 1.2 GHz Dual Core Processor has the power for key mobile productivity tasks, from emails, schedules, documents and spreadsheets, to utilizing the thousands of apps available on Google Play. It comes equipped with a rear-facing 3 MP camera for photography, as well as front-facing 1.3 MP camera for video conferences.

"Owners of micro-businesses often have no employees and very little time to visit bank branches, even for routine transactions like making deposits," Gibson says. "We saw an opportunity to provide a much-needed solution designed with their unique needs in mind."

He says the timing was perfect because the launch of the e-business checking accounts coincided with the release of the Galaxy Tab 3. "We were launching the latest, greatest value proposition, so we needed the latest, greatest device to work in tandem with it," he says.

QUICK PROFILE

As used by BBVA COMPASS



GALAXY TAB 3™ 7.0

PROCESSOR: 1.2GHz Dual Core

DISPLAY: 7" WSVGA TFT (1024 x 600 pixels)

OS: Android™ 4.1.2 Jelly Bean

CONNECTIVITY: WI-FI

DIMENSIONS: 4.37" X 7.4" X 0.39"

WEIGHT: 10.72 OZ.

CAMERA: 3.0 MP rear-facing; 1.3 MP front-facing

BATTERY LIFE: Up to 8 hours*

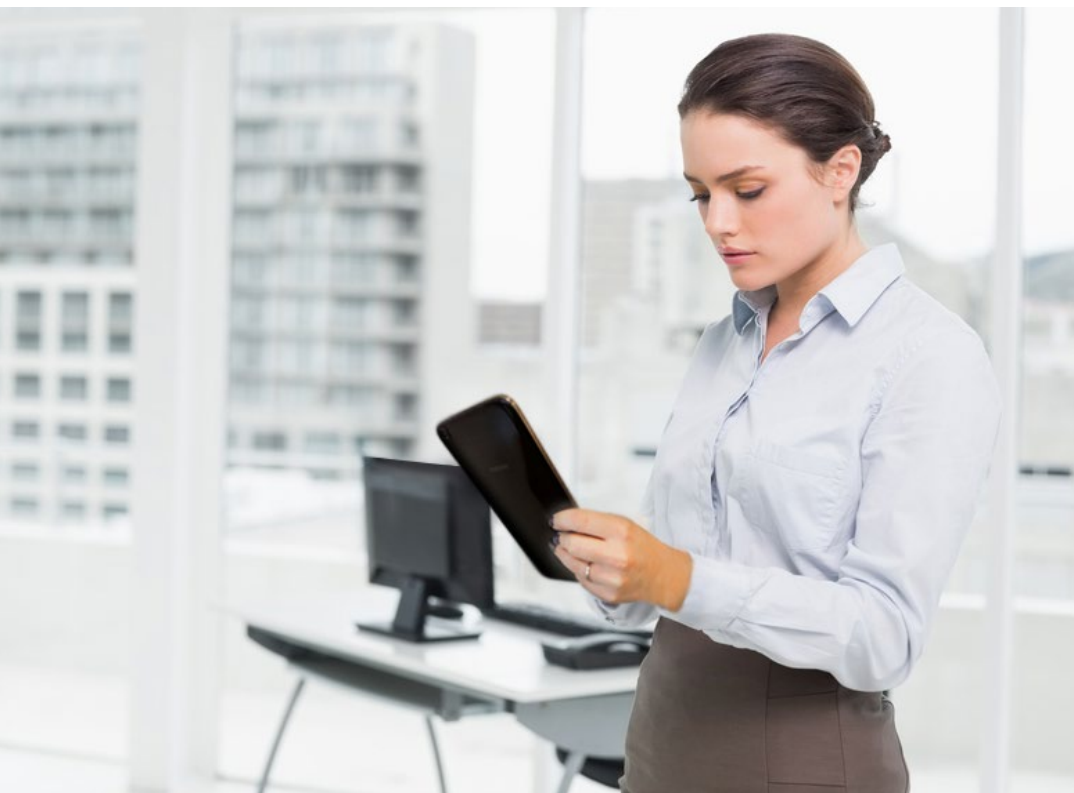
MEMORY: 1 RAM, 8GB ROM expandable to 64GB

BUSINESS FEATURES: SAFE™ compliant with AES 256-bit On-Device Encryption; Corporate E-mail/Calendar/Contacts; Mobile Device Management; Virtual Private Network

ALSO AVAILABLE:

GALAXY TAB 3® SERIES
(8" and 10.1")

GALAXY NOTE® SERIES
(8" and 10.1")



THE RESULTS

Big Boost of Satisfied Customers

The Business Mobility Bundle featuring the Galaxy Tab 3 resulted in a 40 to 50 percent increase in the number of new household acquisition and checking accounts opened at BBVA Compass.

“When we’ve done promotions in the past, we usually see a lift at the start of the promotion and then a leveling off,” Gibson says. “In this case, the results stayed strong through the entire two months, showing that the mobility bundle and Samsung technology were a really strong offer that kept our bankers excited.”

This was affirmed by online interviews that BBVA Compass conducted with 300 micro-business owners. Seven out of 10 of the respondents identified the promotion as “appealing and unique.” Gibson notes the promotion also generated a large amount of press. “That surprised us, but it indicates how underserved the micro-business market is,” he says.

Erin Crews, who operates a micro-business called AlphabetographyByErin, found the tablet helped her make sales at craft fairs. Her customized products are unique: photography and frames from assorted sources that are shaped like letters, and often given as gifts for new babies, wedding showers, or inspirational words or phrases. Her unique art is hard to describe, so at craft fairs she would use the Galaxy Tab 3 to log onto her website to show customers samples.

“That assured people they were getting a quality product, and it helped close the deal,” she says. “My cellphone would have been too small to display the site, especially for older clients. The tablet has a larger screen, different brightness settings, and an intuitive feel.”

She was also able to take credit card payments for her products, which cost

from \$20 to \$70. “About a quarter of my sales are now with credit cards,” she says. “In the past, I would occasionally lose sales, because people didn’t have enough cash on them.”

A cosmetics sales rep who received the business mobility bundle says the Galaxy Tab 3 is a time saver on many levels. In the past, before she could take mobile credit card payments, she would often make a sale but have to go back to the customer a second time to collect payment because they didn’t have enough cash on them initially. “Being able to take credit card payments made me feel more current and progressive,” she says. “I have cut down the number of trips I make to the bank each week by half, giving me more time to devote to my business.”

Because the device is small enough to slip into her purse, she can process orders immediately with customers rather than waiting until she gets home. A laptop would have been too cumbersome to carry, she says. “On occasion, in the past, life would happen, and I wouldn’t be able to get an order in,” she says. “Now I can submit it immediately. So many places have Wi-Fi today, so it’s easy to check my banking accounts. All of this has saved me a lot of time and reduced a lot of stress.”

For many small businesses, the Galaxy Tab offered other unexpected benefits beyond processing credit card payments. A health center owner in Salado, Texas, for example, uses the tablet to store and play the music that his instructors use during fitness classes.

When parents come into his gym for training sessions, he will often give the tablet to their children, who can play games on it while waiting. “It holds their attention much better than the coloring books we used to use,” he says.

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