

[PERSADO]

From Finance Pioneer to Digital Disruptor: How Ally Financial Leveraged Persado to Drive B2C Growth

Ally Financial partnered with Persado, the only motivation AI platform that enables personalized communications at scale, to capture cross-selling opportunities within its growing consumer finance business.

A 100-year old company embraces a digital-first diversified business model

Ally Financial is known today as a customer-focused, innovative FinTech firm, though its origins date back to 1919. The firm expanded over decades to offer retail financial products and transformed into a digital-only bank. Today it operates as Ally Financial, a diversified financial services institution offering retail banking, credit, insurance, and investment products.

Despite its long history, Ally Financial behaves like a digital-native organization in terms of its embrace of a flexible, customer-first service model enabled by technological innovation and creative problem solving. Its evolution from a legacy finance corporation into a digital, diversified financial institution was fueled by the idea that the world didn't need another bank, but rather a better one. The company has no traditional brick-and-mortar branches, relying exclusively on digital channels to engage new and existing customers.



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We are all charged with fostering an environment of innovation, and that comes straight from my boss's boss—the CEO of the company. There's an appetite to foster that culture. There is an expense involved, obviously, and none of us want to fail. But we also have a culture where failure is okay if you've innovated and learned along the way.

David Hixon

Executive Director of CRM & Marketing Analytics at Ally

The automotive finance and insurance areas of Ally represent the lions' share of the business, accounting for about \$7 billion of Ally's more than \$8 billion in 2021 revenue. Yet the company has continued to invest in diversifying its retail financial product set through acquisitions of smaller firms specializing in credit cards and wealth management.

The challenge: Deepening customer relationships through data-driven innovation

During its first two decades as a digital-only financial institution, Ally largely focused on growing its brand and acquiring new retail banking customers. Over time, it has grown its customer base through deposit accounts, auto insurance, an Ally Bank credit card, an Ally Invest account, or personal and business credit. More recently, the firm has expanded its focus to take advantage of the opportunities within its large customer base to cross-sell financial products and deepen relationships through strong, personally relevant relationship management.

The challenge of unlocking opportunities within Ally's existing pool of retail clients falls to David Hixon, Executive Director of CRM & Marketing Analytics at Ally. A strategic thinker with a known passion for analytics and data-driven insights, Hixon first learned about the potential of motivation AI for driving customer engagement in late-2019, when JPMorgan Chase Bank finished its successful pilot with Persado and announced it was entering a multi-year relationship.

"Cross-sell is a foundational strategy for this company," says Hixon. "In fact, if you were to look at the six key initiatives of our CEO for the year, one of them is to expand the number of multiline customers that we have. I was reading a press release about how Chase was using Persado and thought the technology might also help Ally with our cross-sell strategy. Interestingly enough, my boss saw the same release, and then the president of our bank saw it, and then a few different people saw it, and all of them sent it to me with a comment that they were interested in the possibilities. I knew we had to check it out."



The solution: AI-generated language and insights to increase cross-selling

In late 2020, the Ally CRM & Market Analytics team began a pilot with Persado to understand the impact of motivation AI for generating language for cross-selling campaigns. Between September 2020 and February 2021, Ally and Persado ran three language experiments for the mortgage business across two channels: email and web. The pilot experiments produced at least 25% and as much as 58% improvement in customer engagement above what Ally would have achieved with its control message.

For each experiment, Ally's creative team produced a message that was consistent with the company's brand voice and approach. Persado's Motivation AI platform analyzed and interpreted the message and what it aimed to say, and generated 16 variations that reflected the same intent using different narratives, emotions, punctuation, images, formats, and other elements. Persado then tested those variations in real marketing contexts

with real customers. The performance results fed to the Persado Motivation AI machine learning algorithm, which identified the combination of elements that produced the highest customer response. Finally, Persado validated the final message, rolled out the campaign, and worked with Ally to capture real-world results.

Integrating Persado's Motivation AI platform with Ally's marketing technology stack went particularly quickly and with few challenges, which allowed Persado to quickly access the needed data to teach its language generation platform to "speak" in Ally's voice and develop the first campaign experiments.

That ease of doing business, coupled with the results from the pilot experiments, were sufficiently promising to convince Ally to enter a full-service contract in May 2021.



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I feel like the folks that we work with are true partners to what we're trying to do. We deal with a lot of vendors where the relationship is very transactional. 'You bought my widget, here's our widget'. With Persado, we're working together to try and solve these problems day-to-day, which is a big deal to me.

David Hixon

The results: Improving new product adoption by 57% with AI-generated language

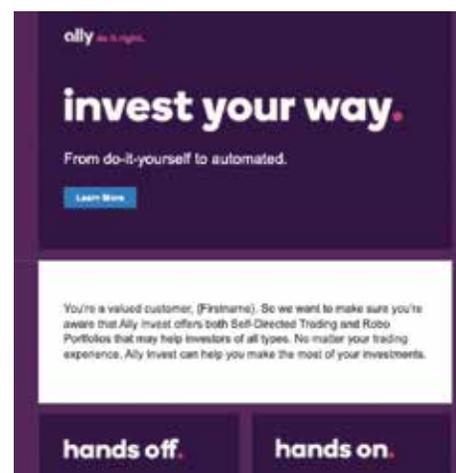
Between May 2021 and March 2022, Ally and Persado launched an additional nine language experiments geared at cross-selling mortgage and investment products to existing customers, and increasing engagement for deposit account and automotive account holders.

One notable experiment aimed to leverage an email campaign to raise awareness about Ally's new Invest product. Ally's control message with the subject line "Build out your portfolio with Ally Invest" used Encouragement to motivate customers to take action. Persado's Motivation AI platform generated and then tested a set of alternatives, and found that the winning subject line included an introductory phrase, followed by a secondary sentence focused on Excitement: "Please consider: We think you'll like Ally Invest." That coupled with a powerful Call to Action (CTA) in the email body drove a 57% increase in new Ally Invest accounts above what was achieved by Ally's original message.

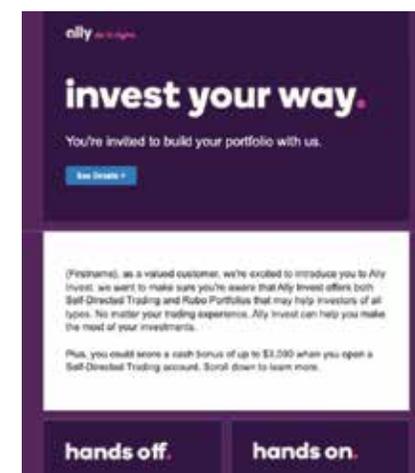
Across the diverse array of campaigns run thus far, Persado's Motivation AI has enabled Ally to double click-through rates above the engagement achieved by control messages, and increase conversions—based on the purpose of the campaign—by an average of 16%.

"One of the things that provides the most value are my conversations with Persado about the why," says David Hixon. "So when Persado says a subject line had a 25% increase in open rates as compared to our original, I want to talk about why. Why did people open that one and not this one? What is motivating our customers to engage? We have a lot of really thoughtful and insightful conversations, which I think helps us understand our customers and figure out what makes them want to engage."

ALLY'S CONTROL MESSAGE



PERSADO'S MESSAGE





Persado + financial services

Some of the world's largest and most innovative financial services institutions rely on Persado throughout the entire customer journey. From increasing brand awareness and loyalty to boosting cross-selling and digital adoption, Persado AI generated language deepens customer engagement to foster more profitable relationships.



About Persado

Persado is the only Motivation AI platform that enables personalized communications at scale to immediately inspire each individual to engage and act. The world's biggest brands including J.P. Morgan Chase, Michaels, Gap, Marks and Spencer, Dropbox, Audible, and Verizon rely on Persado to generate hyper-personalized communications. Organizations that use Persado reach a tipping point in their ability to understand their customer, generating powerful, on-brand content and communications, and drive tectonic value with the world's most powerful machine learning optimization and personalization capabilities.

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