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SUNIL GUPTA
JOSEPH DAVIES-GAVIN

BBVA Compass: Marketing Resource Allocation

In December 2010, Frank Sottosanti, chief marketing officer of BBVA Compass, was discussing the allocation of the bank's marketing budget with Sheiludis Moyett, director of brand and corporate advertising, and Chris Armstrong, advertising manager, along with Sharon Bernstein, director of insights, and Robert Galietti, group account director, both from the bank's media agency Media Contacts, the interactive arm of Havas, a global advertising and communications services group.

BBVA Compass was the fifteenth-largest bank in the U.S., with a predominant presence in the Sunbelt region stretching from California to Florida. It was part of the BBVA Group from Spain, a financial service provider with $755 billion in assets and operations in more than 30 countries. "The current economy and the recent financial crisis have put a lot of stress on every bank," said Sottosanti, after welcoming everyone. "We are fortunate to have BBVA as a profitable and stable parent company. However, in each of our markets, we compete with large U.S. banks such as Bank of America (BoA) and JPMorgan Chase, so we need to ensure that our marketing dollars are being used effectively. The goal of this meeting is to review our current performance and allocate our next year's marketing budget across various offline and online channels."

U.S. Banking Industry[1]

In 2010, the U.S. banking market remained fragmented, with more than 15,000 banks and credit unions vying for $10 trillion in deposits. The financial crisis had fueled growth in consumer savings rates as consumers reined in spending and banks fought fiercely for deposits to meet funding needs and increase wallet share. In 2009, the 10 largest banks accounted for 46.4% of total deposits, with the largest bank being BoA, followed by JPMorgan Chase, Citigroup, and Wells Fargo.

Revenues in retail banking were expected to remain weak due to limited growth in loans. Regulatory changes put a further strain on margins by restricting overdraft fees and debit card charges. The overdraft regulation alone was estimated to reduce fee revenues in the banking industry by $6 billion to $15 billion.

Professor Sunil Gupta and doctoral student Joseph Davies-Gavin prepared this case. Data in the case have been disguised to protect the confidentiality of the company. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Company Background

In 2010, Banco Bilbao Vizcaya Argentaria, S.A. (BBVA), was the second-largest bank in Spain, with 48 million customers and 104,000 employees in over 30 countries.[2] It had a large international presence and generated 49% of its income in the Americas, split across Central America, South America, and the U.S. It operated the fifth-largest financial services company in Puerto Rico, the largest bank in Mexico, and handled over 45% of money transfers between the U.S. and Mexico.[3]

BBVA had entered the U.S. market in 2004 through the acquisition of Valley Bank, with banking services targeted at Mexican immigrants. Through a series of acquisitions, including Compass Bank in 2007 and the FDIC-assisted acquisition of Guaranty Bank in 2009, BBVA's U.S. operation under the trade name of BBVA Compass established itself as the fifteenth-largest commercial U.S. bank by deposit market share and a significant regional player in the Sunbelt region of the U.S. (see **Exhibit 1** for branches and deposits).[4] With over 700 branches and $49 billion in deposits across seven states, BBVA Compass was small compared to BoA, which had over 5,900 branches and $916 billion in assets.[5]

Sottosanti explained the bank's goal and its position in the banking market:

> Our goal is to become one of the top-10 banks in the U.S. We plan to stay within our current geographical footprint in the Sunbelt area where we see significant population growth. We are positioned as a regional bank between large banks like BoA and Wells Fargo, and local credit unions. We can offer personal banking like a credit union while maintaining economies of scale. In essence, we are small enough to offer customized solutions while big enough to offer breakthrough innovations.

BBVA Compass had three primary lines of business units: retail banking for individual consumers and small to medium-sized businesses with less than $5 million in revenue; corporate and commercial banking for businesses with more than $5 million in revenue; and wealth management for individuals with more than $1 million in investable assets. For retail consumers, the bank offered deposit (e.g., checking and savings), lending (e.g., loans, mortgages, credit cards), and third-party insurance products.

BBVA Compass Customers

Target

In its early days, the bank had focused on Mexican immigrants, but the target demographics became more mainstream with the acquisitions of Compass Bank and Guaranty Bank. Armstrong described the customer target:

> We aim for consumers identified as "strivers" who are both aggressive and anxious when it comes to their money. These consumers want a partner who thinks about them and their needs as individuals. While checking accounts are a mass-market product, our ideal targets are consumers 25 to 54 years old, with annual household income of more than $75,000, and financial needs that extend to other products like loans and investments.

Customer Acquisition

According to a study conducted in September 2010, the top-three criteria U.S. consumers used to choose their bank were free checking services, convenient branch locations, and easy online banking services (see **Exhibit 2**).[6]

BBVA Compass acquired customers through its branches, website, telephone, and direct mail. "About 5% of our new checking accounts come from the online channel, 80% through our branches, and the remaining through telephone and direct mail," said Sottosanti. "In the banking industry, the lifetime value of a new checking account over its five-year expected life is about $800. We aim to keep our customer acquisition cost below $200 per new account. An acquisition cost between $100 and $150 is good, and below $100 is great."

To understand its customer acquisition efforts and the types of customers acquired through bank branches versus those acquired online, the bank tracked new accounts opened from July 2007 to September 2010. Armstrong highlighted the key results from this study:

> There are significant differences in customers who open new accounts in our branches compared to those who apply online. The average annual retention rate of our customers acquired online is about 55% compared to a 65% retention rate for those acquired through branches. Online customers have lower balances and end up paying higher fees. The net annual income from online customers is therefore slightly higher than that from branch customers. However, new regulations imposed by the government after the recent financial crisis may change our fee income significantly.

Marketing Resource Allocation

Goals

Sottosanti explained how marketing had to achieve multiple objectives:

> We have multiple goals, and our biggest challenge is to allocate our limited resources in such a way that we can balance these different objectives. First and foremost, we need to build awareness and trust in our brand. This is especially important in the current economic environment when consumers have lost faith in the financial system. At the same time, we need to support various lines of business such as checking, savings, mortgage, commercial banking, etc. Marketing is also responsible for bringing in new customers and increasing the total number of accounts at the bank. Finally, we want to improve satisfaction and retention of our current customers and cross-sell to them.

The bank's strategy of growing by acquiring other banks made the marketing task even more challenging, since it required merging different cultures and practices, aligning various customer databases, and supporting new geographical regions covered by acquired banks.

Budget Allocation Process

"Budget allocation is a combination of art and science," noted Sottosanti. "We look at our overall sales goals and corporate objectives, assess the growth potential of various channels and markets, and review our past performance. For example, only 5% of our overall sales come from the Internet, but we allocate more than 5% of our budget to this channel since we view it as a growth opportunity."

Moyett elaborated, "Our allocation also varies by market. We spend more resources in our biggest and most important markets where we have a significant number of bank branches. Birmingham, Dallas, and Houston continue to be our most important markets."

Armstrong highlighted the trade-off between online and offline advertising: "We can accurately track online activity and, therefore, have a good sense of return on investment (ROI) on our online advertising. In contrast, it is difficult to measure the effectiveness of offline advertising. As a result, offline channels can lose budget even though they are critical to our overall success."

Marketing Budget

BBVA Compass's marketing budget was significantly smaller than the budget of large national banks such as BoA and JPMorgan Chase (see **Table A**). Banks typically spent about 25% to 30% of their budget on *measured* media (i.e., media spending tracked by third parties) such as television, print, and Internet ads, and the remaining budget on *unmeasured* media that included direct marketing and promotions.

Table A U.S. Marketing Spending by Major Banks ($ millions)

Year	BoA	Chase	Wells Fargo	Citi	BBVA Compass	Industry
2008	2,111	1,852	525	971	56	6,930
2009	1,588	1,341	572	560	50	8,067

Source: Adapted from *Advertising Age* data center and company documents.

Note: Industry includes banks and credit cards.

"Our marketing budget has decreased over the years," said Moyett. "Our total budget in 2009 was about $50 million, and in 2010 it is significantly lower. So we have to do more with less." Armstrong elaborated: "[The] major part of our budget goes for supporting branches, direct mail, and other promotional activities. Our discretionary budget for advertising and creative development is a relatively small part of our total budget." **Table B** shows the 2010 advertising budget allocation by media. About 50% of the offline advertising budget was spent on brand building, and the remaining was used for various product lines (e.g., savings and mortgage) and for regional initiatives.

Table B BBVA Compass's Advertising Budget by Media, 2010

	Newspaper	Magazine	Outdoor	Online	TV	Radio	Total
Budget (%)	4%	1%	7%	21%	53%	14%	100%

Source: Company documents.

Offline Marketing

Brand Building

The major goal of offline advertising was to build brand awareness and improve consideration among potential bank customers (see **Exhibits 3a** and **3b**). Moyett explained: "In 2007 and 2008, aided awareness for the Compass Bank brand was over 80%. In 2009, to maximize the global awareness of the BBVA brand, we adopted the trade name BBVA Compass. Awareness for this new name dropped to 48% in 2009. Our goal in 2010 is to raise our brand awareness to 53%, and we are very close to achieving this goal."

The marketing group used brand-tracking studies to monitor brand health metrics, including awareness, consideration, and brand positioning.

Sponsorships

In September 2010, BBVA Group signed a multiyear sponsorship deal with the National Basketball Association (NBA) that would make it the official bank for the NBA, WNBA, and the NBA Development League in the U.S., Spain, and Puerto Rico.[7] In a press release, it stated, "This partnership enhances BBVA's overall commitment to sports—which includes its existing title sponsorship of La Liga BBVA, Spain's top professional soccer league—and fully identifies the bank with the values of passion, teamwork, and fair play inherent in both sports."[8]

In November 2010, BBVA Compass and ESPN Regional Television, Inc. (ERT), a subsidiary of ESPN, announced a multiyear marketing agreement to become the title sponsor of the former PapaJohns.com Bowl, a major college football event. The 2010 BBVA Compass Bowl, scheduled to take place in historic Legion Field in Birmingham, Alabama, on January 8, 2011, would feature bowl-eligible teams from the Southeastern Conference (SEC) and the Big East Conference. The agreement with ESPN also included associate sponsorship of the Texas Bowl in Houston, the Bell Helicopter Armed Forces Bowl in Fort Worth, and the New Mexico Bowl in Albuquerque.

"The agreement with ESPN will allow us a channel where we can connect with our customers' passion," said Manolo Sanchez, president and CEO of BBVA Compass.[9] Sottosanti added, "These bowl games help supplement the NBA sponsorship, particularly in markets that do not have NBA team affiliations."

Online Marketing

The goals of online marketing were to build online brand awareness and acquire new customers for various lines of the business (see **Exhibit 4a** for online brand campaigns). In 2010, almost half of the online budget was allocated for acquiring new checking account customers.

BBVA Compass used both search and display advertising, generally accompanied by a promotional offer to encourage customers to open a new checking account. Offers included an iPod Nano or iPod Touch, 5% cash back, or $100 or $150 in cash (see **Exhibit 4b** for examples). "We put certain conditions on the promotional offers, such as online bill payment or direct deposit," explained Armstrong. "Due to these conditions, not all newly acquired customers qualify. On average, the effective cost of these promotions is about $100 for each new online checking customer."

When consumers searched for a checking account on Google or encountered a display ad on AOL, they could click on the ad, which took them to the bank's landing page where they could complete an application for a new checking account. Sottosanti explained the typical process for how the bank acquired a new customer for an online checking account:

> About 10% of online visitors who click on our paid search or display ads start an application; the others are probably curious about our offers but may find our branch locations inconvenient for them. Less than 50% of the people who start an application actually complete it. Those who abandon the application may simply be browsing to see what is required to open

> an account, or they may be unwilling to provide the necessary information. Once a consumer completes an application, it has to be approved by the bank to ensure that he or she meets a minimum credit score and therefore is able to pay any potential overdrafts and account service charges. About 80% of online applications are approved, compared to a 95% to 100% approval rate for applications that come from our branches. Once the bank approves an account, the consumer needs to fund this account by depositing money within a certain time period to avoid it being cancelled. Only about two-thirds of the online accounts approved actually fund [the account] within the required time frame.

BBVA Compass Bank's media-buying agency, Media Contacts, was responsible for online budget allocation across search and display advertising as well as for monitoring the results of these campaigns. Bernstein explained the process for allocating and optimizing the online budget:

> Our primary goal for the checking account is to get as many new customers as we can with our budget. We allocate roughly equal amounts to paid search and display ads since they serve different purposes and reach different audiences. We evaluate the performance of these campaigns based on a variety of factors, such as cost per application, the volume of applications, and the efficiency or speed of conversion.

Paid Search

Paid search advertising involved buying keywords on the three main search engines: Google, Yahoo!, and Bing. Bernstein described the process:

> Google has the largest share of search queries, so not surprisingly we spend the largest portion of our paid search budget on Google. We buy generic keywords such as *consumer checking*, *checking account,* and *free checking account*, as well as branded keywords such as *BBVA Compass* and *BBVA brand*. Our bid management tool helps us manage the buys for these keywords based on competitive prices, search volume, and share of voice for each keyword. We track how many clicks we get on the different engines, click-through rates, cost per click, and cost per application.

Media Contacts sent weekly performance reports with analysis and recommendations for campaign optimization to Armstrong and Moyett (see **Exhibit 5** for the performance of paid search marketing and **Exhibit 6** for the performance of sample paid search campaigns).

Display

Display advertising entailed buying advertising space on websites that the bank's prospects were likely to visit. Bernstein explained the process of planning the display campaign:

> For BBVA Compass, we look for high-reach placements within relevant content areas in the targeted geography. We typically work with advertising networks, as they can provide reach across multiple publishers and domains, sophisticated targeting, and efficient pricing. Currently, there are hundreds of ad networks, each with a different strength and optimization approach. We also work directly with publishers and portals, like AOL and Yahoo!, as Media Contacts also purchases local content placements.
>
> We provide a budget to the partners along with our goals and the profile of target customers. The networks use their algorithms and, in some cases, their proprietary data to identify sites where our ads are displayed. With networks, we typically do not know the exact

sites where our ads appear (cheaper pricing in exchange for transparency), but we get performance reports from them that help us ascertain the effectiveness of our ads.

Display ads generated fewer clicks than paid search ads but delivered a much higher number of impressions (see **Table C**). In general, display ads could be bought on the basis of either cost per thousand impressions (CPM) or cost per application (CPA). However, for online checking accounts, almost all display placements were bought based on both CPM and CPA.

Table C Online Marketing for Checking Accounts (January 2010–November 2010)

	Display	Search	Total Online
Annual budget for 2010	$677,000	$545,000	$1,222,000
Amount spent, Jan.–Nov. 2010	$637,000	$516,000	$1,153,000
Impressions	309,274,438	11,529,237	320,803,675
Clicks	139,474	472,433	611,907
Completed applications	7,209	7,107	14,316
Cost per application (CPA)	$88	$73	$81

Source: Company documents (budgets are approximate and disguised).

Ad networks differed in their performance (see **Exhibit 7**), and their reach (see **Exhibit 8**). Networks also had substantial duplication, since many of them partnered with the same content websites and reached the same set of consumers (see **Exhibit 9**). Bernstein highlighted additional complexity involved in assessing the performance of display ads:

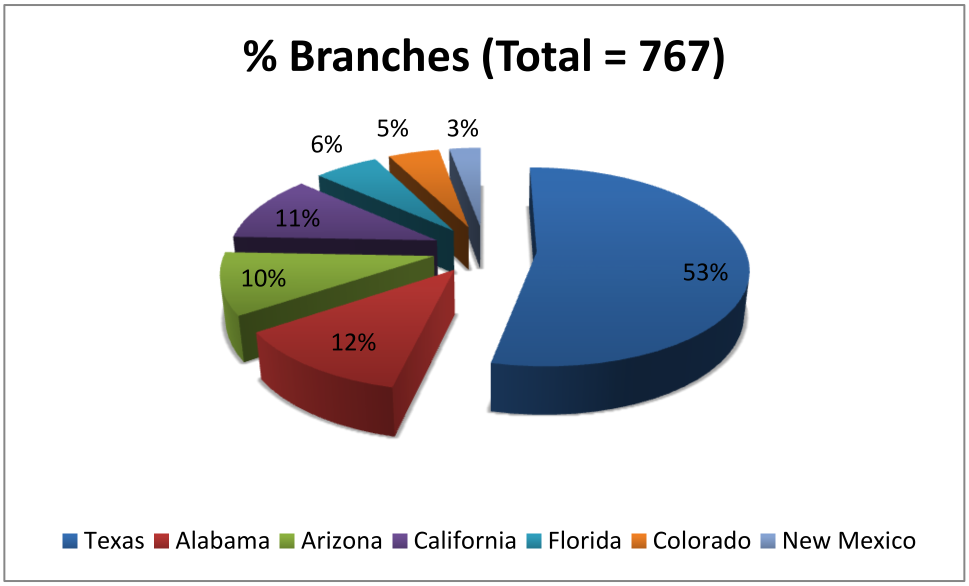
> In the first 11 months of this year, we generated 7,209 applications when consumers clicked on a display ad. However, the consumer decision-making process is quite complex, and consumers go through multiple exposures before opening an account. For example, a consumer may see a display ad on site A, another display ad on site B, do a search on Google, see more display ads on several sites, and finally click on a paid search term in Yahoo! to open an account. In such a case, we just give credit to the last click on Yahoo! without taking into account the journey that may have led this consumer to the final click.

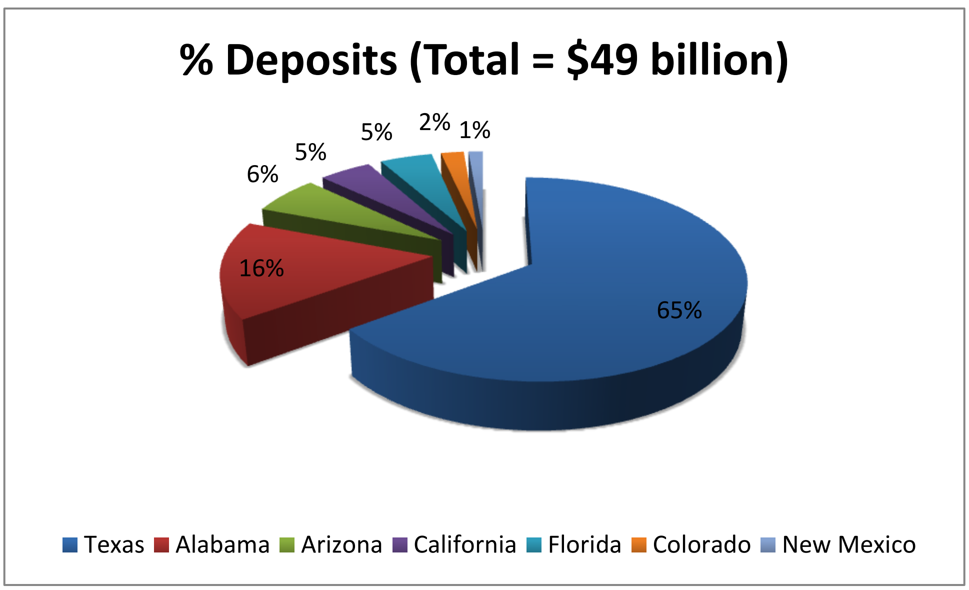
To better understand a consumer's journey and the indirect effects of display, Bernstein used consumers' cookie data to chart typical paths from exposure to conversion and summarized this information by ad networks (see **Exhibit 10**).

Looking Ahead

After reviewing the performance of the bank's offline and online marketing efforts, Sottosanti said, "Next year will bring a new set of challenges. Although we will benefit from the NBA and the BBVA Compass Bowl sponsorships, our next year's marketing budget is likely to be the same or less than the budget for 2010. What is the best way for us to allocate this limited budget most effectively?"

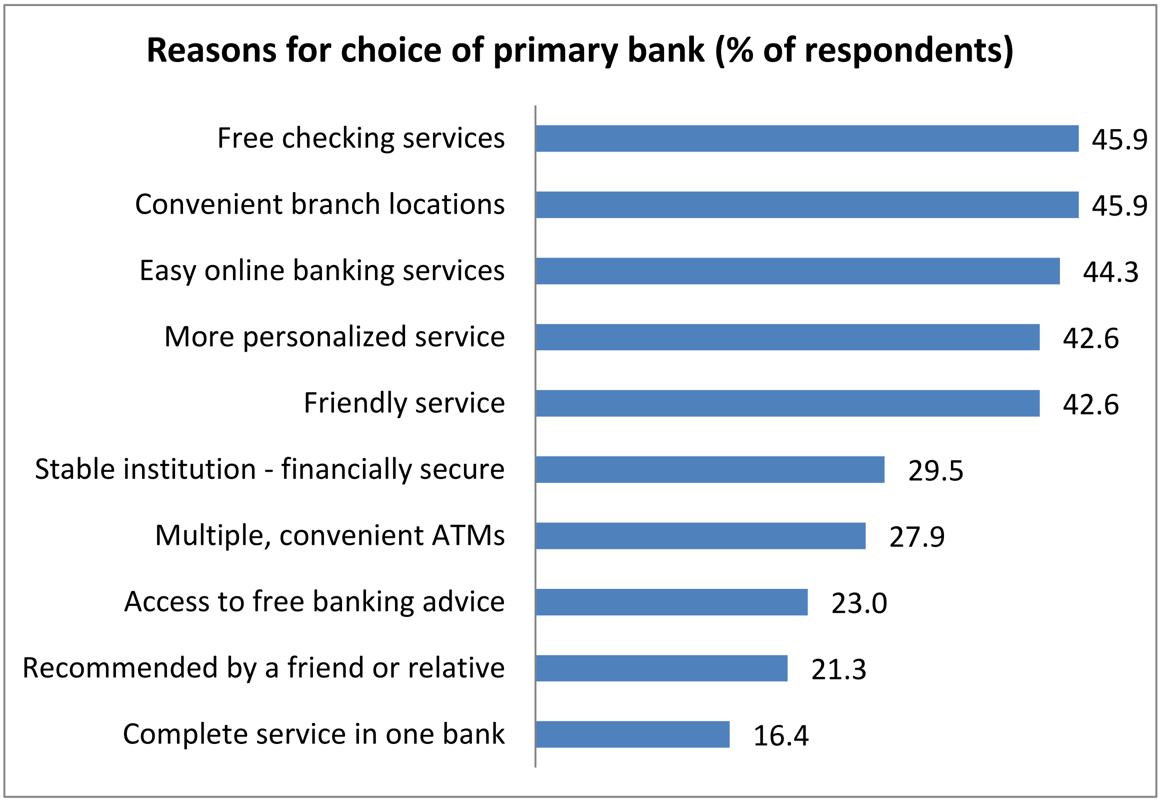
Exhibit 1 BBVA Compass Branches and Deposits by States





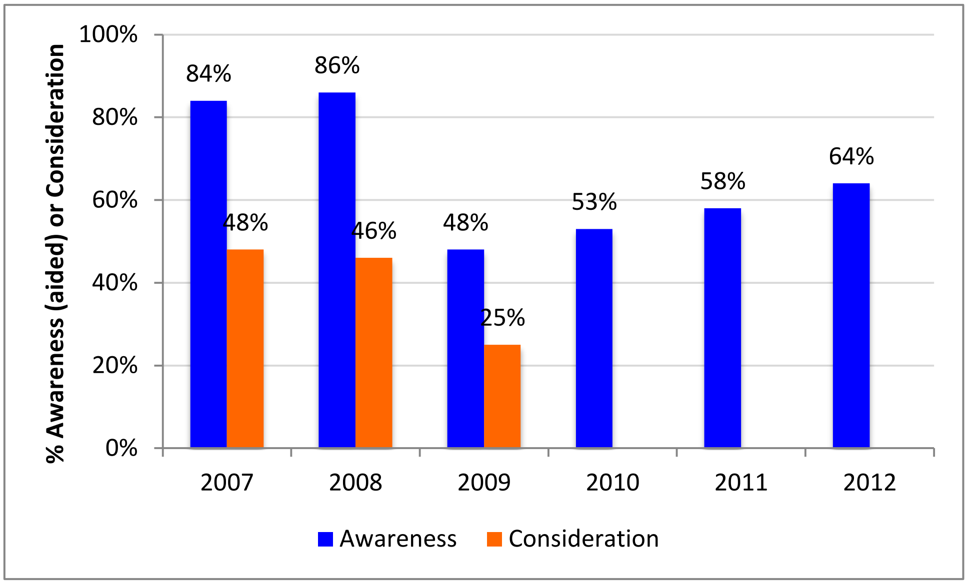
Source: "BBVA Compass FDIC Assisted Acquisition of Guaranty Bank," BBVA company presentation, August 21, 2009.

Exhibit 2 Reasons for Choice of Primary Bank, August 2010 (n = 2,800)



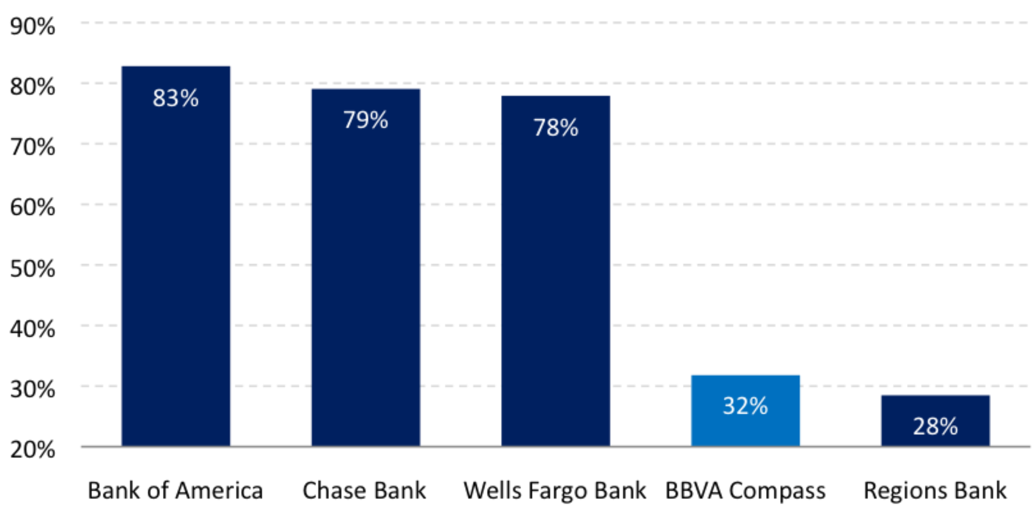
Source: "Reasons US consumers chose their primary bank," *eMarketer*, September 9, 2010.

Exhibit 3a Bank's Brand Awareness and Consideration



Note: Awareness numbers for 2010–2012 reflect the company goals.

Exhibit 3b Online Brand Awareness of BBVA Compass and Its Competitors, 2010



Source: Company documents.

Exhibit 4a Examples of Online Brand Campaigns

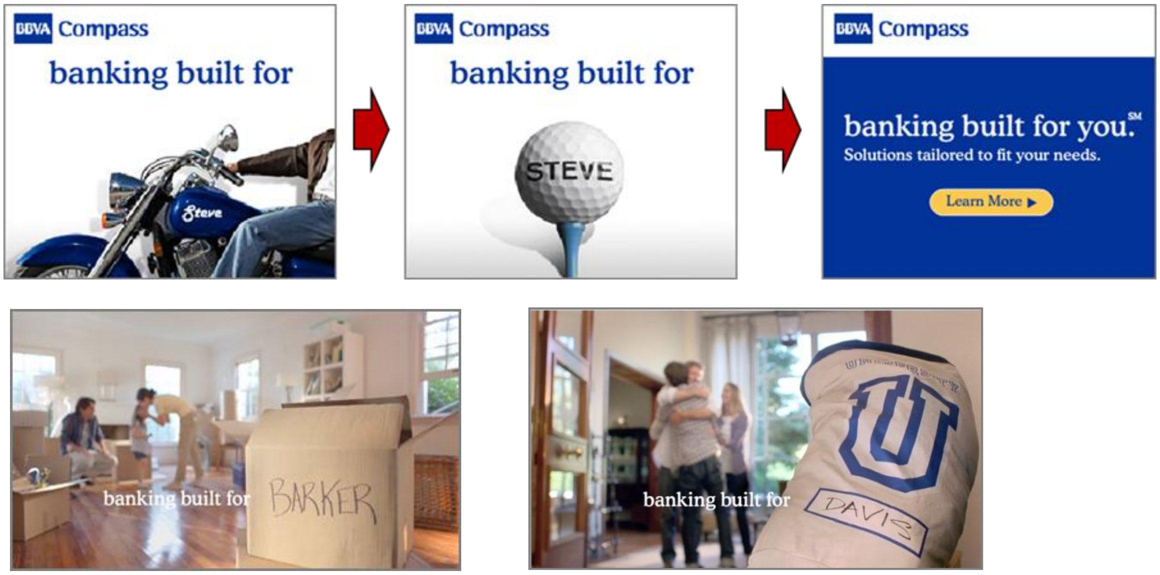


Exhibit 4b Examples of Paid Search and Display Ads for Checking Account

$150 Cash - Limited Time
Open a BBVA Compass Checking
Account Online. Apply Now.
BBVACompass.com

Earn $150 Cash When You
Open A BBVA Compass Bank Checking
Account. Apply Online Now.
BBVACompass.com

Source: Company documents.

Exhibit 5 Paid Search Marketing Metrics for Checking Campaign (January 2010–November 2010)

Site	Media Spend	Impressions	Clicks	Applications Started	Applications Completed	Cost per Application
Google	$288,000	5,575,637	234,963	19,571	3,717	$77
MSN	$37,000	897,406	50,242	3,101	663	$56
SuperPages	$70	116,922	1,410	103	16	$4
Yahoo!	$177,000	4,435,709	165,166	16,246	2,419	$73
Unified Marketplace	$14,000	503,563	20,652	1,632	292	$48
Total	$516,000	11,529,237	472,433	40,653	7,107	$73

Source: Company estimates (budgets are approximate and may not add up due to rounding).

Exhibit 6 Performance of Sample Paid Search Campaigns (January 2010–February 2010)

Campaign	Impressions	Clicks	CTR	CPC	Position	Share of Voice
Consumer Checking	306,043	9,586	3.13%	$7.39	2.7	39.57%
Free Checking	30,911	721	2.33%	$9.11	2.9	66.78%
Free Checking KWs[a]	43,969	1,776	4.04%	$9.02	2.9	77.22%
Checking Account	150,623	2,123	1.41%	$6.45	3.7	22.75%
Free Checking Account	4,757	120	2.52%	$9.67	5.5	63.21%
BBVA Brand Geo	52,617	3,142	5.97%	$0.77	1.2	62.83%
BBVA Brand	609,245	60,696	9.96%	$0.20	1.1	74.37%
BBVA Compass Brand	355,574	29,408	8.27%	$0.46	1.1	18.43%
BBVA Compass Brand Geo	115,854	6,978	6.02%	$0.82	1.2	22.38%

Source: Company documents.

Notes: **CTR** or click-through rate is equal to the number of clicks divided by the number of impressions. **CPC** or cost per click is the total cost of a campaign divided by the number of clicks. **Position** is the average position of the search-engine-sponsored ad link. **Share of voice** of an ad shows how often that ad appears as compared to the total impressions available for the specific keyword groups (only available from Google).

[a] **KWs** stands for keywords in search ads.

Exhibit 7 Display Marketing Metrics for Checking Campaign (January 2010–November 2010)

Ad Network	Media Spend	Impressions	Clicks	Applications Started	Applications Completed	Cost per Application
AOL	$176,000	97,466,342	34,777	7,350	2,934	$60
Tribal Fusion	$107,000	38,780,477	21,861	2,730	1,002	$107
Casale	$90,000	64,222,377	38,450	2,283	881	$102
Revenue Science	$74,000	30,949,214	11,572	2,244	862	$86
24/7 Real Media	$62,000	13,979,255	4,635	1,366	577	$107
InterClick	$38,000	12,678,327	9,643	1,090	411	$92
Yahoo	$30,000	9,878,699	3,875	457	174	$172
Traffic Marketplace	$29,000	28,285,629	8,730	563	207	$140
Datran Media	$15,000	5,672,167	3,394	167	63	$238
ValueClick	$10,000	3,753,083	1,151	158	64	$156
AdBrite	$3,000	3,113,646	1,088	56	15	$200
Total	$637,000	309,274,438	139,474	18,520	7,209	$88

Source: Company estimates (budgets are approximate and may not add up due to rounding).

Exhibit 8 Reach of Display Sites and Ad Networks (January 2010–February 2010)

Site/Ad Network	Reach[a]	% Reach[b]	Exclusive Reach[c]	% Exclusive Reach[d]	Duplicate Reach[e]	% Duplicate Reach[f]
24/7 Real Media	1,767,393	4%	786,307	3%	981,086	56%
AdBrite	1,217,595	3%	675,568	3%	542,027	45%
AOL	9,165,496	21%	5,811,658	23%	3,353,838	37%
Casale	5,152,497	12%	2,946,104	11%	2,206,393	43%
Datran Media	1,772,829	4%	1,204,341	4%	748,488	42%
InterClick	3,568,891	8%	1,847,802	7%	1,721,089	48%
Revenue Science	4,992,957	11%	2,765,169	11%	2,227,788	45%
Yahoo!	3,017,113	7%	1,774,526	7%	1,242,587	41%
Traffic Marketplace	6,637,292	15%	4,444,214	17%	2,193,078	33%
Tribal Fusion	5,051,966	12%	2,980,939	12%	2,071,027	41%
ValueClick	1,398,327	3%	644,979	2%	753,348	54%
Yellow Pages	156,771	0.4%	102,265	0.4%	54,506	35%
Total campaign	43,899,127	100%	25,803,872	100%	18,095,255	41%

Source: Company documents.

[a] **Reach** of a site is the total number of unique users exposed to the campaign on that site.

[b] **Percent reach** of a site is the reach of that site divided by the total reach of the entire campaign.

[c] **Exclusive reach** of a site is the number of unique users exposed on that site only.

[d] **Percent exclusive reach** of a site is exclusive reach of that site divided by the total exclusive reach of the entire campaign.

[e] **Duplicate reach** of a site is the number of unique users exposed on that site and any of the other sites in the campaign.

[f] **Percent duplicate reach** of a site is its duplicate reach divided by its total campaign reach.

Exhibit 9 Display Site Overlap, Percent (January 2010–February 2010)

Site	%Reach	24/7 Real Media	AdBrite	AOL	Casale	Datran Media	Inter Click	Revenue Science	Yahoo	Traffic Market	Tribal Fusion	Value Click	Yellow Pages
24/7 Real Media	4%		4%	34%	21%	4%	17%	19%	10%	14%	17%	9%	0.3%
AdBrite	3%	6%		15%	13%	4%	10%	13%	4%	15%	12%	7%	0.2%
AOL	21%	7%	2%		10%	2%	8%	10%	7%	11%	10%	3%	0.2%
Casale	12%	7%	3%	17%		3%	11%	13%	5%	13%	13%	6%	0.3%
Datran Media	4%	4%	3%	13%	10%		8%	18%	8%	8%	10%	4%	0.5%
InterClick	8%	9%	3%	21%	16%	4%		16%	9%	15%	12%	9%	0.2%
Revenue Science	11%	7%	3%	18%	13%	6%	12%		8%	12%	11%	5%	0.4%
Yahoo!	7%	6%	2%	21%	9%	5%	10%	13%		9%	9%	3%	0.2%
Traffic Marketplace	15%	4%	3%	15%	10%	2%	8%	9%	4%		8%	3%	0.2%
Tribal Fusion	12%	6%	3%	18%	13%	4%	9%	11%	5%	10%		5%	0.3%
Value Click	3%	11%	6%	23%	21%	5%	17%	19%	7%	14%	17%		0.4%
Yellow Pages	0.4%	3%	2%	12%	9%	5%	5%	14%	5%	7%	9%	4%	

Source: Company documents.

Note: To be read as: Of the total users reached by the display checking campaign in January 2010–February 2010, 24/7 Real Media reached 4% of unique consumers. However, 4% of its users overlapped with users of AdBrite, 34% of its users overlapped with AOL, and so on.

Exhibit 10 Display Advertising's Effect on Paid Search Clicks and Conversions (January 2010–February 2010)

Display Site	Paid Search Clicks	Conversions	Conversion Rate
Not exposed[a]	87,152	1,095	1.26%
Datran Media[b]	2,870	95	3.31%
Yellow Pages	734	18	2.45%
Tribal Fusion	12,024	261	2.17%
Yahoo!	10,441	165	1.58%
Real Media	15,489	208	1.34%
AOL	25,513	337	1.32%
AdBrite	2,379	31	1.30%
Revenue Science	21,071	227	1.08%
Traffic Marketplace	12,187	131	1.07%
Casale	16,001	162	1.01%
ValueClick	7,111	67	0.94%
InterClick	17,291	160	0.93%
Total exposed[c]	49,504	734	1.48%

Source: Company documents.

[a] During January 2010–February 2010, users who were not exposed to any display ads clicked on a paid search ad 87,152 times; 1,095 of those users converted by completing a checking account application, resulting in a conversion rate of 1,095/87,152 or 1.26%.

[b] During January 2010–February 2010, users who were exposed to a display ad through the ad network Datran Media clicked on a *paid search ad* 2,870 times within 14 days of display ad exposure, which resulted in 95 completed applications and a conversion rate of 3.31%.

[c] During January 2010–February 2010, users who were exposed to a display ad through *any one* of the ad networks clicked on a *paid search ad* 49,504 times within 14 days, which resulted in 734 completed applications and a conversion rate of 1.48%. The number of paid search clicks and conversions for "total exposed" is not equal to the sum of clicks and conversions of individual ad networks due to duplication among networks.

Endnotes

[1] This section draws heavily from "US Retail Banking," Mintel Report, October 2010.

[2] "BBVA, facing the future with strength," company presentation, Barcelona, September 2010, http://inversores.bbva.com/TLBB/fbin/20092010_AHORRO_CORP_Conf_tcm240-233146.pdf#tcm:240-76670-64, accessed December 2010.

[3] "BBVA concludes the acquisition of Laredo National Bancshares," press release, April 28, 2005, http://www.bbva.com/TLBB/tlbb/jsp/ing/relinver/noticias/RILa4447.jsp, accessed December 2010.

[4] "BBVA Compass FDIC assisted acquisition of Guaranty Bank," BBVA company presentation, August 21, 2009, http://inversores.bbva.com/TLBB/fbin/200809_Guaranty_adquisition_tcm240-200524.pdf#tcm:24076670-64, accessed December 2010.

[5] Company reports; FDIC, "Top 50 Commercial Banks and Savings Institutions by Total Domestic Deposits as of June 2010," http://www2.fdic.gov/sod/sodSummary.asp?barItem=3, accessed December 2010.

[6] "Reasons U.S. consumers chose their primary bank," *eMarketer*, September 9, 2010.

[7] Ken Belson, "N.B.A. has sponsorship deal with global bank," *New York Times*, September 12, 2010, http://www.nytimes.com/2010/09/13/sports/basketball/13nba.html, accessed December 2010.

[8] "BBVA Signs Multiyear Marketing Partnership with the NBA," company press release, September 13, 2010, http://investors.compassbank.com/phoenix.zhtml?c=77589&p=irol-newsArticle&ID=1470455&highlight=, accessed December 2010.

[9] "ESPN and BBVA Compass Announce Title Sponsorship of Major College Football Bowl Game," company press release, November 4, 2010, http://investors.compassbank.com/phoenix.zhtml?c=77589&p=irolnews Article&ID=1492219&highlight=, accessed December 2010.