

In 2009, Leumi launched its digital' strategy, which it has been expanding and diversifying ever since to provide customers with accessible service at any time and from any location in Israel and around the world

In 2009, Leumi launched Leumi Digital – a strategic move involving expansion of activities in the bank's direct channels, as well as the addition of an array of services and products tailored to meet customer needs. The move was designed to improve the customers' experience and provide them with access to the bank at any time and from any location both in Israel and overseas. The strategy was accompanied by comprehensive marketing designed to establish the bank's status as innovator and leader in tomorrow's banking arena.

The Marketing Challenge

Leumi is currently coping with two main challenges: the first – attracting new customers and the second – retaining its current customer base. In order to cope with these challenges, which also met the competitors, Leumi chose to focus on digital banking, to use it to reinforce its brand status and create differentiation in a market in which consumers perceive all banks as being more or less the same.

The challenge required that Leumi focus its marketing efforts towards market education, in directing customers to use digital channels and to cope

with obstacles involved in the transition to using these channels. At the same time, tremendous resources were invested in the development of products and services that would provide a solution to a range of customer needs while increasing their satisfaction. The launching of the Leumi Digital brand therefore coordinated an integrative effort of all bank areas to develop the digital banking arena while maintaining Leumi's marketing strategy as an Enabler. The message the bank wanted to broadcast in the marketing campaigns is that it is a state-of-the-art, innovative bank that provides digital services to save customers time and money.

The Creative Solutions

The main anchor of the Leumi Digital strategy in 2009 was the launching of the Digital Account, which allows customers to receive an expanded basket of services, at high accessibility, while receiving significant discounts on bank fees in direct channels, and funds reimbursement for increased activity. In the first quarter of 2009, Leumi activities were launched in the social media, which broadcasts a message of transparency and



information sharing between channels:

Leumi Blog: the blog site of Leumi executives designed to expand the dialogue of Leumi staff with customers and surfers, and provide them with real value in bank account management and in various banking areas. This channel allows surfers to respond to statements made by bank executives, to maintain a dialogue with them and to even criticize them.

Leumi on Twitter: a channel that allows surfers to obtain real time updates on bank innovations, perks, offers and sales. In addition, this channel serves as a platform for customer service at Leumi.

Leumi on Facebook: a Facebook page that contains an interactive landing page and several applications, including customer service applications and a career application.

At the beginning of 2010, Leumi added another layer to its direct relationship with the public when it set up **Leumi Labs** service on its website that allows customers to gain experience in products and services currently being developed in the bank, to express their opinions and to offer ideas for new products and services.

In 2010, Leumi launched other state-of-the-art services to increase availability and accessibility to customers:

Leumi's Cash via SMS – an exclusive service that enables Leumi customers to carry out money transfers through their cell phone to anywhere they choose. Without having to use a credit card or ATM.

iLeumi – application for iPhone – through which customers can remain updated about their bank account information and carry out transactions in their account; and **iCleumi** – GPS-based application to locate bank branches.

Encrypted Leumi Mail – service that allows secured emails to be sent from the bank to customers in an encrypted manner and with an electronic signature to the customer's private mailbox.





www.leumi.co.il

Results of the Move

The strategic move in the digital arena successfully changed bank customer habits and made digital banking a busy arena:

Among Leumi customers, the internet has become the main channel for transactions execution, alongside the branch.

Approximately 500,000 customers have made Leumi Digital their 'bank branch'.

Approximately 70% of digital account customers have increased the amount of their digital activities.

30% of all Leumi customers increased their activities in digital channels.

Leumi customers have submitted to date approximately 700 ideas for new products and services to Leumi Labs, two of which are in advanced development stages.

44% of bank transactions by Leumi customers are currently executed through direct channels.

Thousands of transactions a month are carried out through Cash via SMS.

The sharp increase in digital transactions has been reflected in reduced workload in branches and increased customer satisfaction in this channel as well.

In the Future

Leumi's marketing strategy is based on insight that the modern customer expects the bank to be attentive to its needs, available and accessible 24/7, to work with transparency and to adapt the products and services to their changing needs. Leumi will continue to expand the multi-channel service experience for

Things You Didn't Know About Leumi

- Leumi was founded in 1902 inspired by the Visionary of the State, Binyamin Zeev Herzl.
- The first bank notes issued upon establishment of the State was printed by Bank Leumi.
- Leumi employs a staff of 13,342 in 257 branches across the country and 78 offices in 18 countries overseas.

its customers, adapt it to their needs and to work with customers anywhere and at any time.



1902

The Anglo-Palestine Company was registered in London.

1903-07

The bank's first branches were opened in Jaffa, Jerusalem, Beirut and Hebron.

1923

The first branch was opened in Tel-Aviv.

1950

The Anglo-Palestine Bank became Bank Leumi le Israel.

1971

Bank Leumi launches for the first time in Israel an Automatic Teller Machine – the ATM.

2001

Leumi forms a new corporate identity and launches a new logo.

2009

Leumi launches its Leumi Digital strategy.