



Retention and Growth: Building Stronger Account Relationships with Onboarding

Background

In 2007, a regional bank with more than 130 branches in two Western states began offering consumers the ability to open accounts online. However, the bank encountered challenges in terms of creating a centralized, automated mechanism for communicating with these new online customers in a reliable, efficient and relevant fashion. In addition, the bank saw a need to reduce overall new account attrition for all account holders, whether online or in-branch. The bank realized the importance of establishing a strong relationship with all account holders, especially at the start of the customer life cycle and within the critical first 60 days.

Challenge

The bank, a long-term client of Harland Clarke, asked for a solution to help decrease overall new account attrition. At the same time, this solution needed to improve existing communication with new online customers, beginning with thanking them for their business, and with the ultimate goal of better understanding and meeting each new customer's banking needs. Finally, this solution needed to facilitate the procurement of necessary print documentation, such as a signature card, for internet-based accounts.

Solution

Harland Clarke recommended implementation of its Intelligent Onboarding™ solution, an ongoing integrated process that builds long-term relationships by engaging new account holders and growing them into profitable and loyal customers. Intelligent Onboarding™ allows for a multi-dimensional strategy that connects financial institutions with their account holders through multiple channels, with the right message at the right time.

Harland Clarke targeted both internet- and branch-based account holders with deposit-related accounts such as checking, money market and savings. The next step was to devise a communications strategy based on the products each customer opened, the goals of which were to thank

What this means to you ...

- **An automated, reliable method of providing timely communication with new account holders is key to building relationships.** This solution provides a worry-free, secure mechanism for reaching account holders at the right time with the right message.
- **A method that reinforces purchase decisions and engages account holders in the products and services they've acquired will prove most effective.** This process helps mitigate the typically high attrition rate of new accounts and improves long-term retention.
- **Onboarding is a first-step to a long-term approach that can continue through the life cycle of an account.** Onboarding sets a foundation for additional cross-sell activities, opening an ongoing dialog with account holders that strengthens the customer relationship.

customers for their business, to educate them about using their new accounts and to suggest complementary products. For example, a new checking account holder might be told about the benefits of adding a debit card, direct deposit or mobile banking. New online account holders received a signature card that had to be signed and returned.

The onboarding program was launched in 2009 and consisted of three separate direct mail communications . A welcome packet thanking the new customer was mailed within seven days of an account opening and included a signature card for online account holders. This package was followed by two more mailings — one after 30 days and another at the 60-day mark. The content of each was highly relevant and engaging, and was tied directly to the type of account the customer opened.

The welcome letter came with a tear-off side coupon that offered products to complement the account. At 30 days and again at 60 days a letter arrived in a standard business-sized envelope with a tear-off coupon at the bottom offering services to further engage the customer. The content for each was similar, with the 60-day letter communicating a somewhat stronger cross-sell message.

Results

Harland Clarke's onboarding program produced a statistically significant household retention lift of 2.5 percent compared to a control group, as well as a projected \$25 million in incremental balances. In addition, the program is generating longer-term retention of accounts and balances, averaging 95 percent for new account holders. From July 2009 through April 2010 the program delivered statistically significant retention lifts of 6.7 percent and 6.4 percent in accounts and balances, respectively.

The bank continues to aggressively support this program and is very pleased with the results and with its close collaboration with Harland Clarke. Plans call for expanding the onboarding effort to other lines of business, for example, to new credit card holders and new small business accounts.

Many variables impact marketing campaign success. Information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.



Harland Clarke provides best-in-class solutions throughout the entire customer life cycle — from acquisition to onboarding to cross-sell. We utilize insight-driven strategies across multiple channels to help you maximize the value of each account holder relationship.