



Direct Marketing Delivers Deposits in a Competitive Marketplace

Background

In a challenging economic cycle, a large western regional bank was looking to acquire new deposit relationships with existing and prospective customers. The bank faced a tough challenge of growing its deposit portfolio when the market was filled with other institutions competing for low-cost deposits.

Challenge

The bank wanted to maximize the deposit growth of new customers and prospects by enhancing customer appeal through alignment and product offerings.

Solution

Harland Clarke Marketing Services developed a behavior-based approach including:

- Custom audience selection driven by customer needs, attitudes, product propensity and branch proximity
- Multiple product set offerings designed to appeal to specific segments
- Segment driven creative designed to speak specifically to each audience's transactional hot buttons

A custom geo-targeting tool was developed to select prospects while giving special consideration to specific branch locations as identified by the bank. Next, Harland Clarke leveraged proprietary demographic-based information and applied micro-segmentation to group customers and prospects.

Based on an in-depth analysis of audience behavioral and demographic segmentation, several offer sets were created in a direct mail communication. The offer sets included:

- Existing Checking Customers - Savings or CD product
- Non-Checking Customers - A combination of Checking, Savings, Money Market or CD
- Consumer Prospects - A combination of Checking, Savings, Money Market or CD
- New Movers - Free Checking
- Primary Market Area (PMA) Prospects - Free Checking

What this means to you ...

- Rethink a single product acquisition campaign with a program that reaches out to individual customer segments.
- Utilize customized messaging based on banking behaviors and demographics.
- Understand what motivates your audience to develop effective segmentation and offer strategies.
- Develop various approaches to test how you speak to your market and track effectiveness.
- Gather feedback from local management as to why something did or did not work.



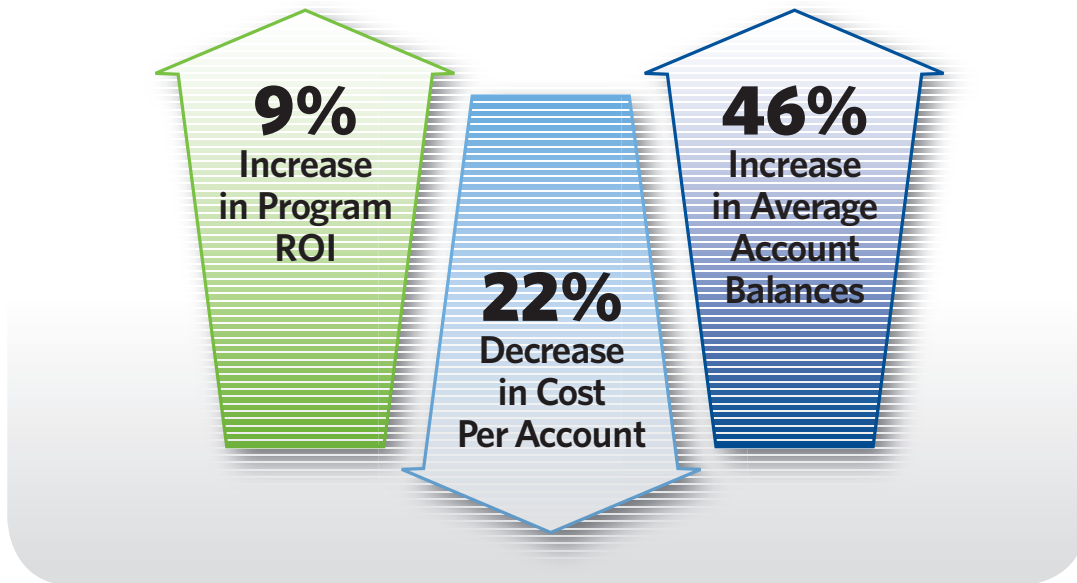
Results

The result of the segmentation and offer selection criteria was a program that leveraged five demographic templates combined with one to three offers based on the customer's or prospect's modeled financial behavior. The product emphasized in the mailing was also based on demographic and behavioral modeling resulting in more than 30 combinations of template, offer and product focus for a more personalized message in a very efficient self-mailer format.

Based on a one-year post-campaign analysis:

- 407 percent return on investment (ROI) was delivered (a 9 percent improvement over the bank's previous agency partner)
- Cost per account decreased to \$67
- Average balance increased to \$10,809

Since then, Harland Clarke Marketing Services and the client have continued testing and modifying the program to optimize results.



To maintain the privacy of our client, the name of the company involved in this case study has been purposely omitted.

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.