

Opportunity Analysis Drives Big Balances in Just Three Months



Background

Since 1955, a midsize mid-Atlantic financial institution has served the financial needs of families in the community. With \$200 million in assets and 20,000 account holders, the financial institution has been recognized for its outstanding service and community involvement.

Challenge

As they met to discuss the business plan for the coming year, the financial institution's active and forward-thinking board sensed that it had growth opportunities within in its account holder base — valuable opportunities to expand services, increase wallet share and maximize organic growth.

The board was interested in uncovering and assessing these opportunities so that the financial institution could spend its marketing dollars more efficiently.

Solution

To gain insight into the opportunities — and risks — facing the financial institution, it engaged Harland Clarke to perform an Opportunity Analysis™ comparing it's account holder data to Harland Clarke's proprietary National Banking Industry Database. The database is comprised of account holder information from nearly 100 financial institutions throughout the United States. Based on account holder banking behavior relative to industry benchmarks, the Opportunity Analysis illuminated attrition risks and uncovered opportunities to increase balance and product penetration by cross-selling products and services to new and existing segments of the financial institution's account holder base.

The analysis highlighted some good news and some better news. The good news was that the financial institution's overall attrition levels were low compared with industry benchmarks. Customers liked doing business with it, which bode well for cross-selling products and services to them. In addition, for new account holders, the organization had high product penetration in key loan segments such as auto and home equity loans. For existing account holders, the number of products and services per household exceeded the industry average.

The better news was that there were definite opportunities to deepen relationships among certain account holder segments with specific products.

What this means to you ...

When it comes to marketing planning, financial institutions often lack the internal resources, benchmarking information, expertise and time to analyze their account holder data to identify risks and opportunities for growth. It's often more productive for an outside advisor to look at an institution's situation and provide insight. Harland Clarke's Opportunity Analysis can help financial institutions:

- **Be proactive.** There are business opportunities within your account holder base. With Harland Clarke's Opportunity Analysis, you can identify them and pursue them.
- **Be efficient.** A Harland Clarke Opportunity Analysis identifies the products and services account holders are most likely to purchase, enabling financial institutions to spend their marketing dollars more efficiently.
- **Be relevant.** Account holders want to hear from you about services that will benefit them.

For example, there were excellent opportunities for balance and unit penetration growth among new and existing account holders in checking, consumer loans, mortgages and debit cards.

At the board's request, Harland Clarke presented a plan to capture these opportunities with efficient and cost-effective direct marketing. "Our analysis pinpointed the financial institution's best opportunities, and from there we created a customized marketing plan designed to stretch the organization's marketing dollars and help it grow in key metric areas," explained Harland Clarke Senior Marketing Strategist Steve Nikitas. "The plan included onboarding, recapture, cross-sell and shoppers alert campaigns, all of which were recently launched."

Results

The financial institution's direct marketing program is in its early stages, however even in three short months, the results are impressive:

- **Nearly \$1 million in loans and deposits.** In the first quarter of 2012, direct mail resulted in approximately \$725,000 in new loans and \$108,000 in new deposits.
- **35 new services opened.** Account holders signed up for ATM and debit cards, and Freddie Mac® mortgages.
- **Outstanding response rates.** The Direct Marketing Association® cites 3.4 percent as an average response rate for financial direct mail to existing customers. The financial institution's campaigns beat that number across the board, with a high of 7.6 percent response to mailers cross-selling checking accounts and a low of 4.8 percent for auto loans.
- **Exceptional ROI.** In only three months, the Opportunity Analysis paid for itself three times over in net interest.

With additional campaigns still to be launched, it is expected that the results will continue to exceed expectations moving forward.

Harland Clarke's Opportunity Analysis pays off by providing valuable insights and actionable information.



Harland Clarke

Lifecycle Marketing

Harland Clarke provides best-in-class solutions throughout the entire customer lifecycle — 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.