



Opportunity Analysis: Fact-Based Planning Tool

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Presenters



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First Financial Bank NA

Agenda

- Harland Clarke National Banking Industry Database and Benchmarking Overview
- Using Opportunity Analysis for Marketing Planning
- First Financial Bank NA Case Study

Stacking Up Against the Challenges

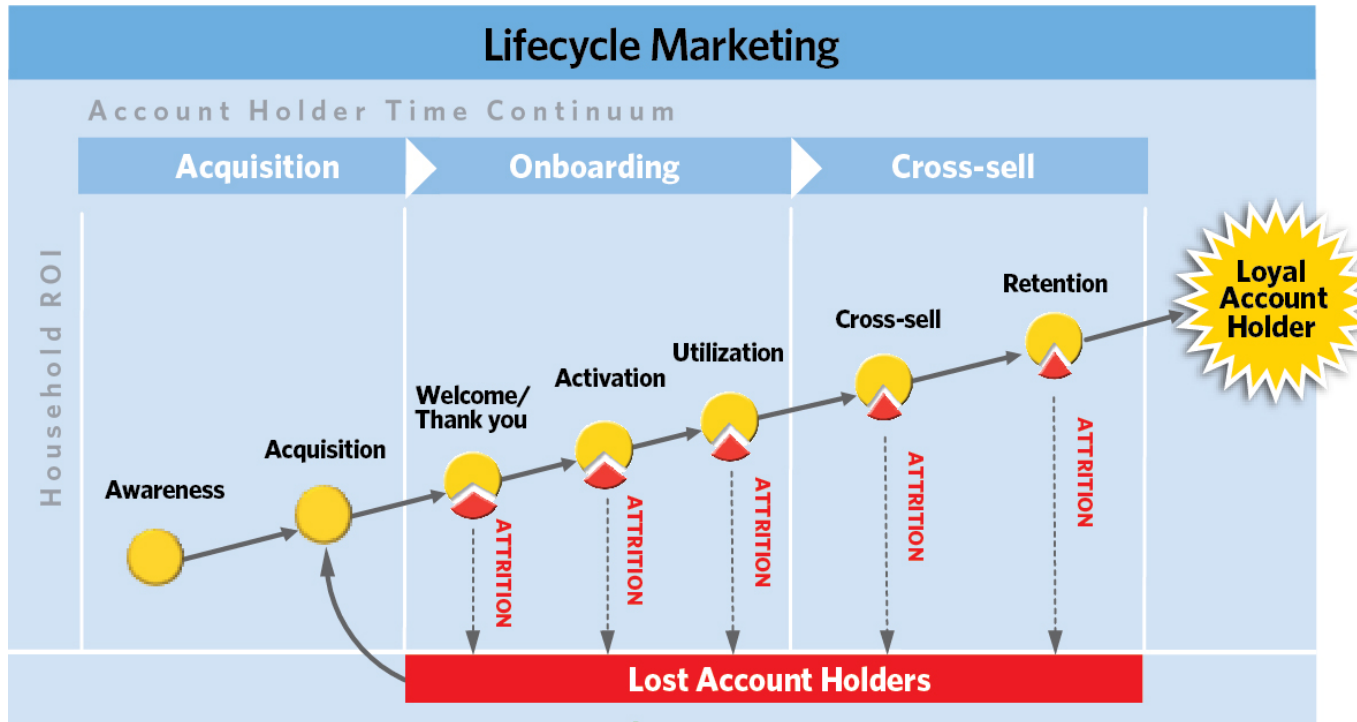
- Acquiring and retaining account holders
- Addressing declining spread
- Growing a quality loan portfolio
- Meeting regulatory demands
- Operating within technical restraints

**. . . All while focusing marketing dollars on the most efficient,
cost-effective and measurable marketing plans**

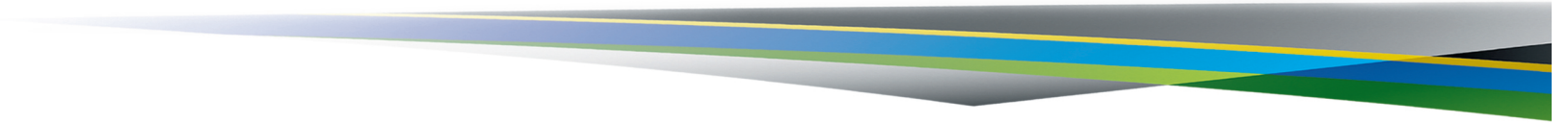
Top Marketing Priorities

- Acquiring new account holders
- Deepening account holder relationships
- Increasing wallet share
- Growing loan portfolio
- Encouraging channel shift

Harland Clarke's Core Marketing Philosophy: Customer Lifecycle Marketing



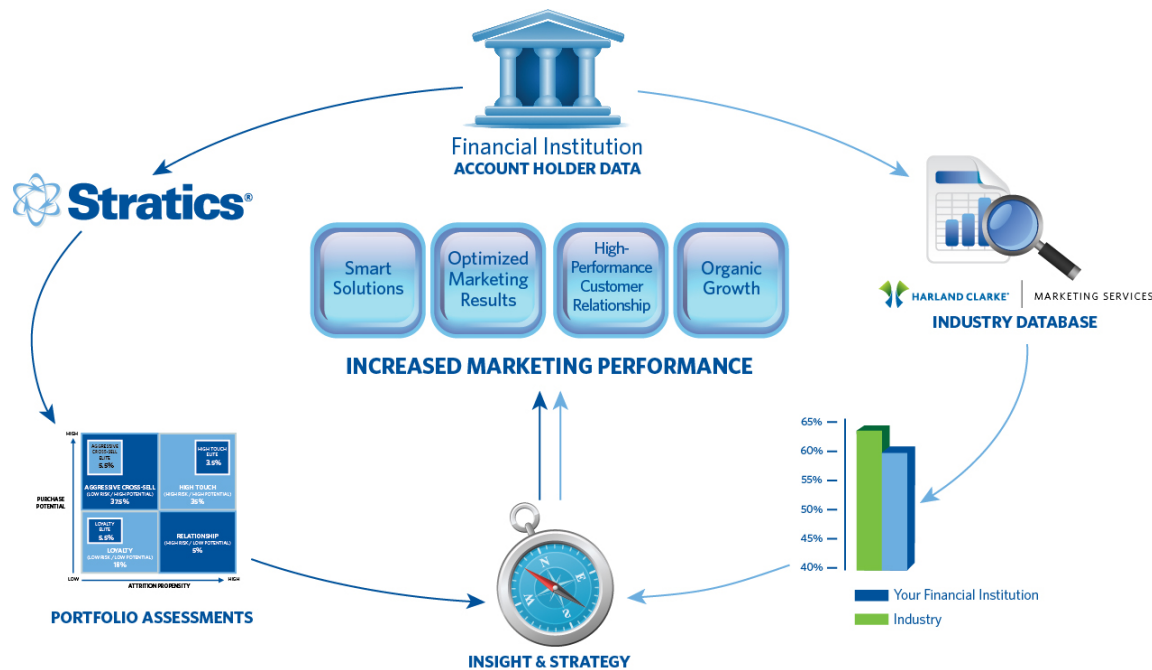
Connecting insights across the account holder lifecycle compounds the ROI benefits of any single program or campaign



The Data

The Opportunity Analysis: A Diagnostic Evaluation

- Provides key insight and information on client's portfolio
- Identifies significant opportunities and risks
- Includes product analysis and industry benchmarking
- Provides actionable recommendations and performance measurement



The Harland Clarke National Banking Industry Database



Proprietary and unique

55 million+ households
132 million+ accounts



Fresh and flexible

Continually refreshed
with new data
U.S. financial institutions
of all asset sizes



Protected and safe

Non-identifiable data



Opportunity Analysis Components

Value Segmentation	Attrition Measurement	Product Assessment	New Account Holder Assessment	Performance Benchmarking	Action Plan
<ul style="list-style-type: none">• Segments account holders by purchase potential and attrition propensity and includes detailed profiles on each segment (size, usage, opportunity, and marketing strategy)	<ul style="list-style-type: none">• Identifies attrition risk across various metrics, including attrition rates, attrition by number of products and attrition by tenure	<ul style="list-style-type: none">• Provides diagnostic information related to product penetration, performance over time and cross-sell ratios	<ul style="list-style-type: none">• Offers insight into your institution's account holder mix, including key behavior differences between new and existing account holders	<ul style="list-style-type: none">• Identifies financial institution performance versus the industry for product penetration, channel usage and balances	<ul style="list-style-type: none">• Recommends actionable strategies and tactics to achieve maximum marketing performance

Value segmentation prioritizes account holders for marketing action

Defines relationship strategies for your account holders based on their contribution and attrition risk

Aggressive Cross-Sell

- High potential, low risk
- Prime for growth; upsell to feature-rich products
- Invest aggressively; use communications to capitalize on and reinforce relationship value

High Touch

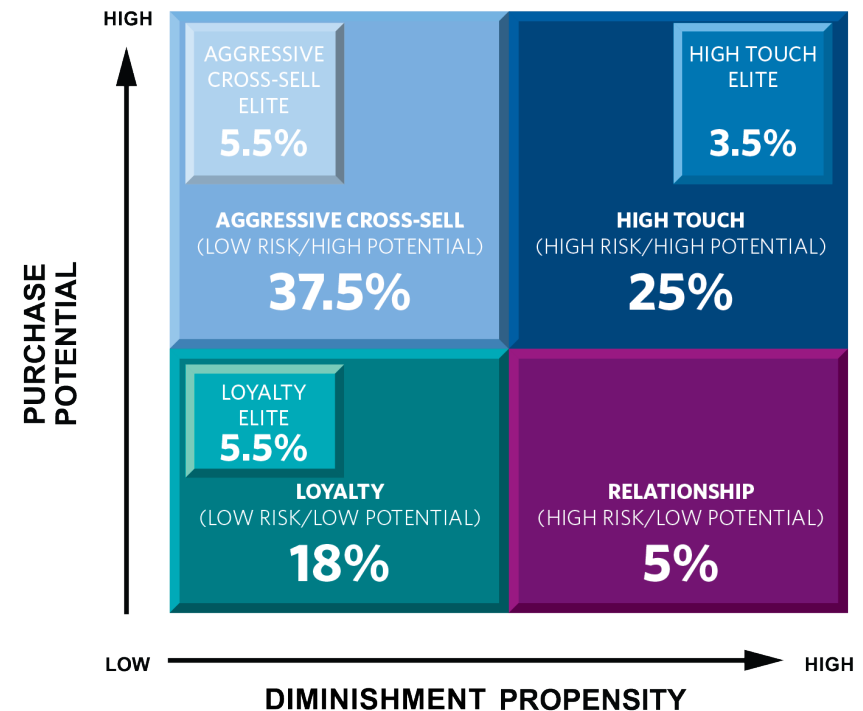
- High potential, high risk
- Proactive retention
- Invest aggressively; use offer-driven and educational communications

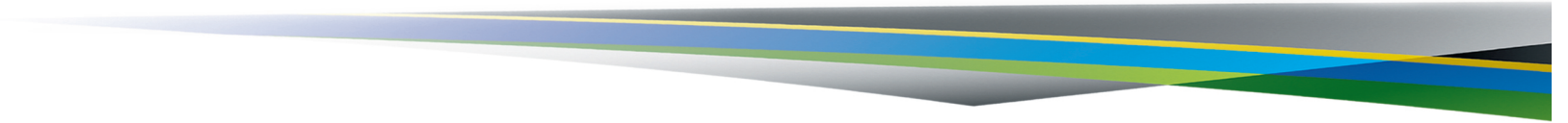
Loyalty

- Low potential, high risk
- High value, modest to little potential
- Must retain; invest wisely

Relationship

- Low potential, high risk
- Mixed value, very low potential; strain on infrastructure with little opportunity for incremental growth
- Low investment





Top Performers: Using Data to Stack the Deck

Six Things You Can Do to Stack the Deck in Your Favor

1

Use data — Increase overall marketing effectiveness

2

Prioritize — Go for strategic value and highest potential return with your marketing initiatives

3

Be account holder-centric — Deploy actionable and results-oriented marketing

4

Invest smarter — Focus on the right account holder with the right message

5

Grow wallet share — Increase cross-sell and improve retention

6

Align — Ensure all functional areas within your organization are coordinated with your retail environment

What Do the Top Performers Do?

Use purchase models to identify

Deposits

- Checking accounts
- Saving accounts
- Money market accounts
- CDs

Brokerage/Investment Services

- IRAs
- Annuities
- Mutual funds
- Equities
- Bonds

Loans

- Consumer loans
- Credit cards
- Mortgages
- Home equity loans/lines

Electronic Services

- Debit cards
- Online banking
- Bill pay service
- eStatements
- Mobile banking

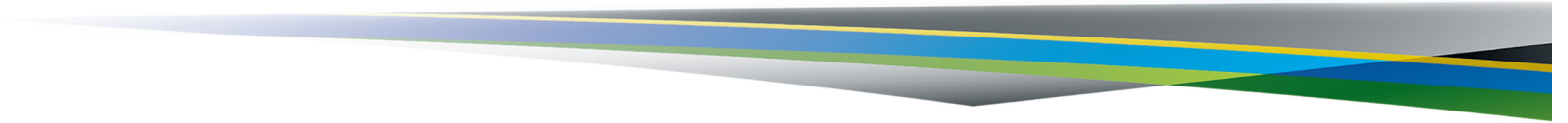
Sample Marketing Plan

Opportunity Analysis lends itself to a comprehensive plan backed by a solid foundation of data and facts

Timing	Method	Products
Day 1	P.O.S	Disclosures and account opening kit
Day 1-3	Welcome Card	Branch-based, hand-written card
Day 10	Welcome Call	Service-oriented: "How was your in-branch experience? Tell me how I can help you with any financial needs you may have."
Day 30	Mail	Checking, engagement services and loans
Day 40	Courtesy Call and/or Email	Follow up – "Any questions about the mailing you received? Tell me how I can help you with any financial needs you may have."
Day 60	Mail	Checking, engagement services and loans
Day 70	Courtesy Call and/or Email	Follow up – "Questions about the mailing you received? Apply online."
Day 90	Mail	Checking, engagement services and loans
Day 100	Courtesy Call and/or Email	Follow up – "Questions about the mailing you received? Apply online."

Sample Marketing Plan

Direct Marketing Calendar													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Onboarding													
Welcome letter w/email	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	12,300
30 day letter w/email		1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	11,275
60 day letter w/email			1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	10,250
90 day letter w/email				1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	9,225
Onboarding Totals	1,025	2,050	3,075	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	43,050
Cross-sell													
Cross-sell - Four Products/ Based on Propensity (3,000 each product)	12,000		12,000		12,000		12,000		12,000		12,000		72,000
Recapture													
Recapture - 25 percent of account holder base		30,550			30,550			30,550			30,550		122,200
Shopper Alert													
Shopper Alert - 5% of account holder base	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	62,400
CD Maturity													
CD Maturity - 4,700 CDs	345	345	345	345	345	345	345	345	345	345	345	345	4,140
Retention													
Retention - High Touch Elite, Aggressive Cross-sell Elite and 10% of Relationship			8,500						8,500				17,000
Home Equity Activation and Utilization													
HELOC Activation/Utilization - 50% of Call Report total - 2,257		1,130		1,130		1,130		1,130		1,130		1,130	6,780



Case Study: First Financial Bank NA



Amanda Swift

Vice President- Retail Sales and Project Manager
First Financial Bank NA

- Designs, drives and measures the success of specific reporting initiatives in Retail business line
- Collaborates with branch staff, Regional Managers, Marketing and other departments to achieve desired results aligned with the bank's priorities and strategies
- 17 years with First Financial as Teller, CSR, Branch Supervisor and Regional Manager
- B.A., Mathematics, Indiana State University

First Financial Bank NA: A Quick Snapshot

- Headquarters: Terre Haute, IN
- Branches: 73
- Asset Size: \$3B
- Communities Served: 46 communities in Western Indiana and Eastern Illinois



First Financial Bank NA: Situation Analysis

- Previous marketing program not producing desired results for new growth and increased share of wallet with existing customers
- Diverse markets: well established legacy markets and new growth markets
- Sought consultative marketing strategy guidance

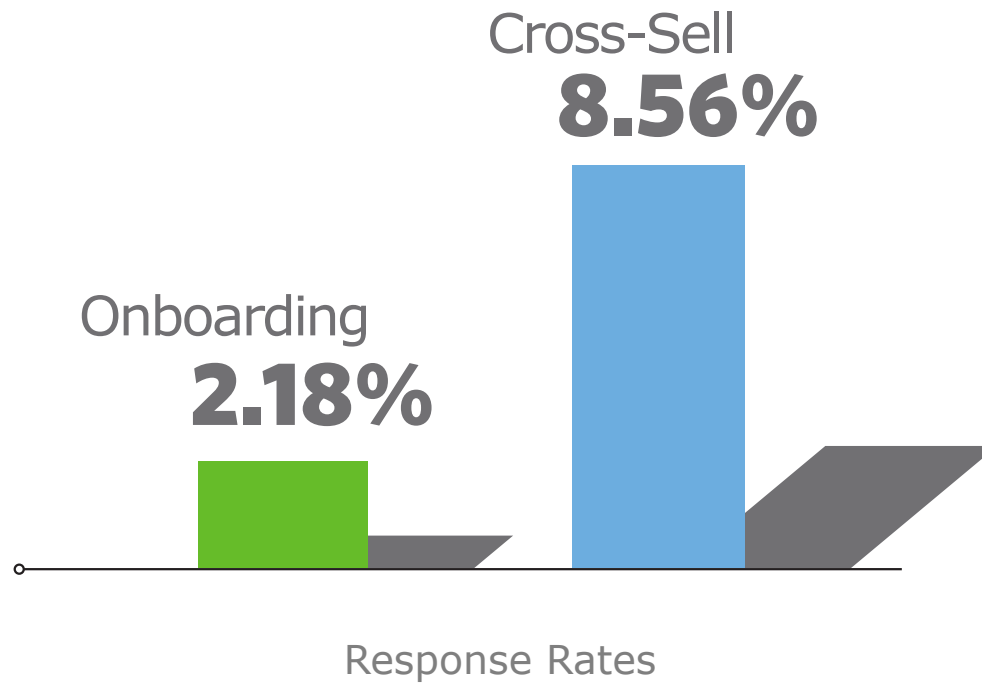
First Financial Bank NA: Opportunity Analysis Findings

- Opportunity Analysis delivered November 2012
- Identified cross-sell, onboarding and small business acquisition opportunities
- Springboard for changing planning process, leading to creation of yearly marketing planning calendar

First Financial Bank NA: Marketing Calendar

- Based on the Opportunity Analysis, implemented direct mail supported with email
- Kicked off Onboarding program July 2013
 - Welcome Letter, followed by 30-60-90 day product letters
 - Follow up email
- Initiated quarterly Cross-Sell campaign beginning 2013
 - Three mailings, with letters focused on Checking, Auto, Home Equity and Mortgage
 - Follow up email
- Implemented Small Business Acquisition direct mail campaign April 2013
 - Three mailings, spaced two weeks apart, to the same business customers
 - Follow up phone calls
- Mailed three HELOC check letters throughout 2013 to low utilization customers

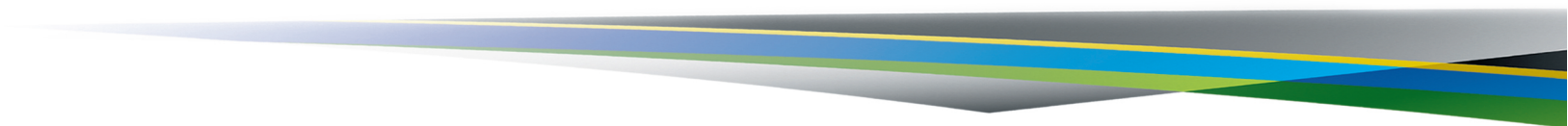
First Financial Bank NA: 2013 Campaign Results



23 Campaign results and statistics are based on client data. Many variables impact campaign success. Information on earnings or percentage increases that is contained within is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

First Financial Bank NA: Marketing Calendar

- Continuing Onboarding program with Harland Clarke in 2014
 - Welcome Letter, followed by 30-60-90 day product letters
 - Follow up email
- Continuing quarterly Cross-Sell campaign with legacy markets in 2014
 - Checking, Auto, Home Equity and Mortgage Letters
 - Sending follow up email
- Currently in Creative and Design stages for following programs
 - Brand Awareness campaign to growth markets
 - Shopper Alert - Mortgage, Auto and Personal Loans
 - Refi Genius - Mortgage and Auto



Q&A



Thank You

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with a link to a recording of this webcast and a copy of the presentation

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