

## Coordinated Marketing Program Creates Huge Response for Credit Union

### Challenge

An East Coast credit union with more than 100,000 members and nearly \$1 billion in assets wanted to grow its loan portfolio and new checking accounts.

**\$34.3 million**  
in loans

**\$5.475 million**  
in deposits

**4.1% increase**  
in loan-to-shareholder ratio

### Solution

Harland Clarke worked closely with the credit union's marketing team to develop a comprehensive approach to meet the institution's objectives in an efficient, cost-effective manner.

The four-pronged strategy, included a combination of onboarding and cross-selling initiatives. It also included Harland Clarke's advanced analytics and targeted direct mail designed by its award-winning creative team.

**Onboarding.** Industry research has shown that 75 percent of cross-sells occur within the first 90 days after an account is opened.<sup>1</sup> Therefore, it was critical for the credit union to engage its new members during this initial three-month period.

Using a 30-60-90-day outreach program with a "welcome-engage-grow" focus, the credit union mailed 12,000 letters welcoming new members and offering them a variety of products including auto, mortgage, credit card and personal loans, as well as checking accounts.

**Loan Shopper Program.** Knowing that four to six percent of account holders are shopping for a new loan every 30 days<sup>2</sup>, the credit union implemented Harland Clarke's Shopper Alert™ solution. Shopper Alert identified members who met the institution's underwriting criteria and were actively shopping for loans, then sent them a message with a preselected offer within 24 hours of an inquiry alert from any of the three leading credit bureaus.

<sup>1</sup>Harland Clarke, Financial Industry Studies, 2011

<sup>2</sup>Harland Clarke, Aggregate Client Data

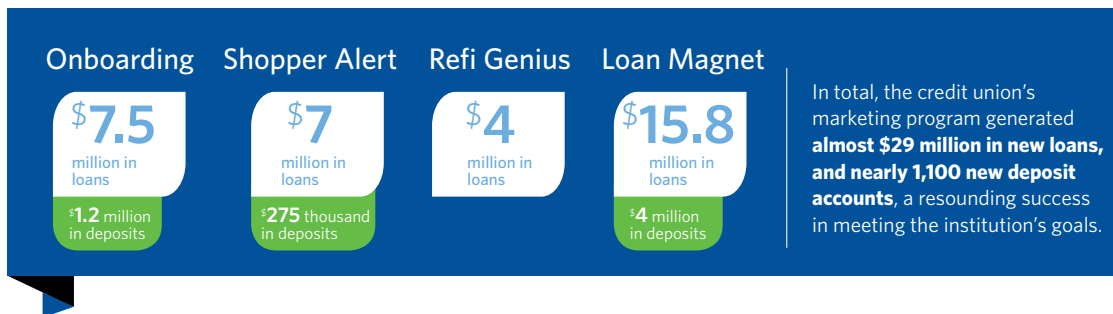


**Loan Recapture Program.** Harland Clarke's Refi Genius™ identified members with auto and mortgage loans at competing financial institutions, and targeted them with a personalized, preselected refinance offer that significantly lowered their monthly payment. Nearly 4,600 refinance offer letters were mailed to the credit union's members.

**Loan Cross-Sell Program.** Using proprietary predictive modeling, Harland Clarke's Loan Magnet™ identified credit-eligible members with the highest propensity to open specific types of new loans or checking accounts.

Approximately 29,000 auto, HELOC and mortgage loan, credit card and checking cross-sell letters were mailed to the credit union's members.

## Results



**Onboarding.** The overall response rate to the onboarding campaign was an impressive 7.03 percent, which generated **\$7.5 million in loans** and **\$1.2 million in deposits**. The onboarding letter offering a credit card did particularly well, achieving a 10.53 percent response.

**Shopper Alert™.** Over six months, the program generated responses as high as 12.5 percent, with **nearly \$7 million in loans being dispersed to members**.

**Refi Genius™.** With a response rate of 4.82 percent, the refinance recapture program yielded nearly **\$4 million in loans** and an incidental \$275,000 in deposits.

**Loan Magnet™.** The loan cross-sell program also performed extremely well, generating **\$15.8 million in loans and \$4 million in deposits**, with a very strong 5.6 percent response.

In total, the credit union's marketing program generated **almost \$29 million in new loans, and nearly 1,100 new deposit accounts**, a resounding success in meeting the institution's goals.

Moreover, since the program was implemented, in just one quarter the credit union grew its loan portfolio by 10 percent, compared with just 2.3 percent growth in the prior quarter.

The institution's loan-to-share ratio also improved dramatically, increasing by 4.1 percent in one quarter to 79.99 percent, which is markedly above the credit union's peer average of 73.3 percent.

In addition, despite growing its loan portfolio quickly and substantially, the credit union's delinquency ratio has remained below its peer average.

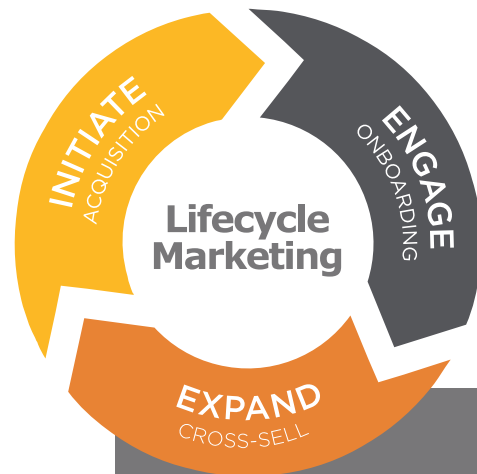
Because of its success, the credit union plans to continue its marketing program.

## What This Means to You ...

Selling new products to existing account holders is one of the most effective ways to reduce attrition and increase loyalty. It's also cost effective: the cost of selling an existing account holder a new product or service is about 10 percent of the cost of acquiring a new account holder.<sup>3</sup>

Implementing a comprehensive marketing program is the best way to meet your institutional growth goals. Let us help you reach account holders with personalized communication that underscores your service philosophy, builds top-of-mind awareness, and meets their needs. Call **1.800.351.3843**, email us at [contactHC@harlandclarke.com](mailto:contactHC@harlandclarke.com) or visit [harlandclarke.com/LoanMarketing](http://harlandclarke.com/LoanMarketing).

*Institution size, assets, campaign results and statistics based on client data. 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's Lifecycle Marketing Solutions — powered by advanced analytics, insightful data and award-winning creative designs — drive engagement and profitability at every stage of the account holder relationship.*

*Through effective acquisition, onboarding and cross-selling strategies, we help our clients achieve primary financial institution status with their account holders.*

### **Acquisition**

Reach prospects with targeted, effective communications that encourage new account openings and set the foundation for strong relationships

### **Onboarding**

Use relevant account holder data to deploy multichannel communications that effectively transition new account holders into satisfied, loyal customers

### **Cross-sell**

Increase the number of household products to capture full profit potential

<sup>3</sup>Harland Clarke Marketing Campaign Data