




Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel  – we'll field them as we go and during the Q&A recap at the end of the call.

Big Data. Better Results. How to Use Account Holder Data to Achieve Maximum Marketing Performance

February 22, 2017

Today's Presenter

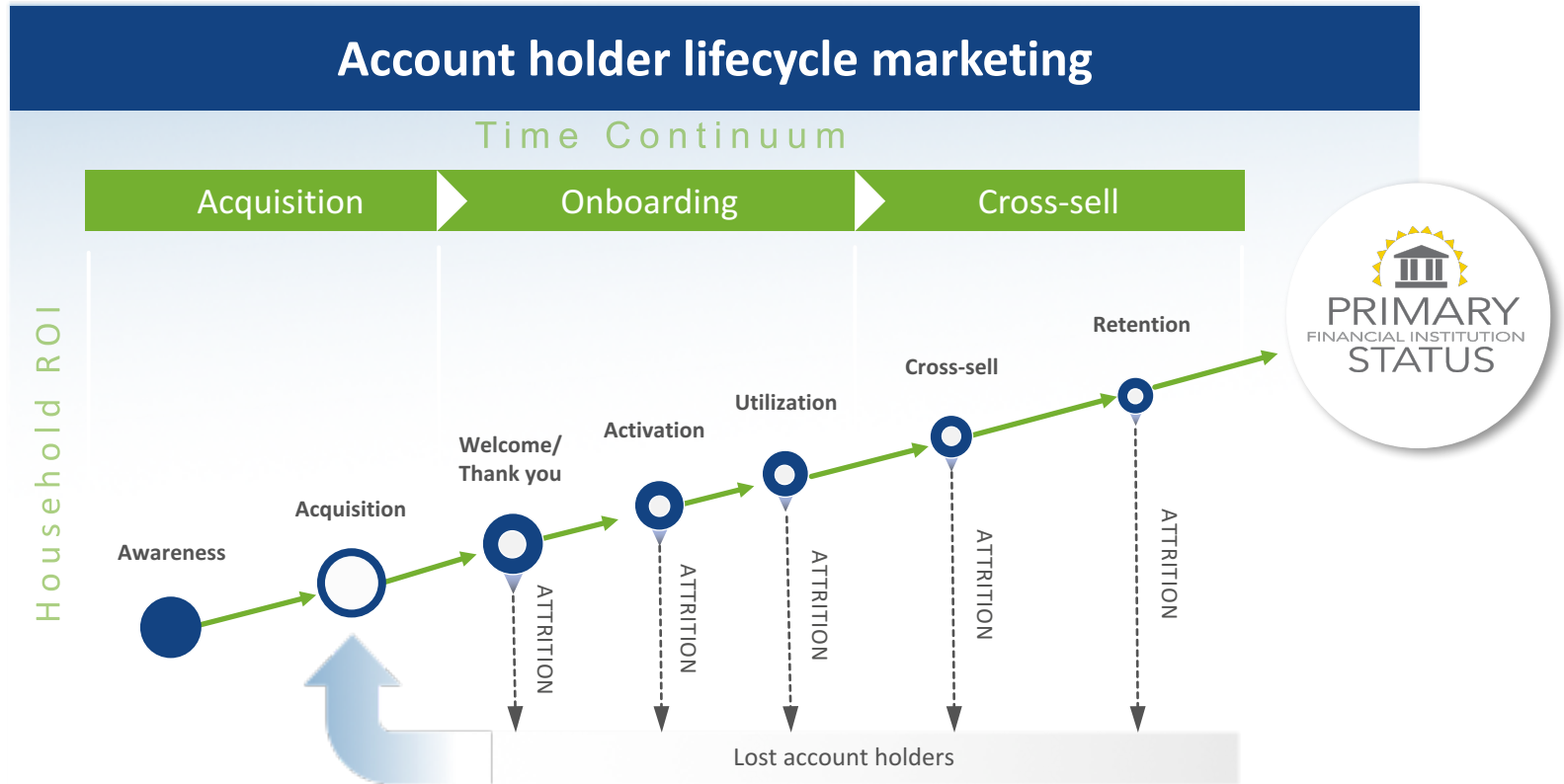


**Stephen Nikitas,
Senior Strategy Director**

Agenda

- Industry View
- Using Data to Boost Marketing Strategies
- Turning Big Data Into Action
- Q&A

Account Holder Lifecycle Marketing



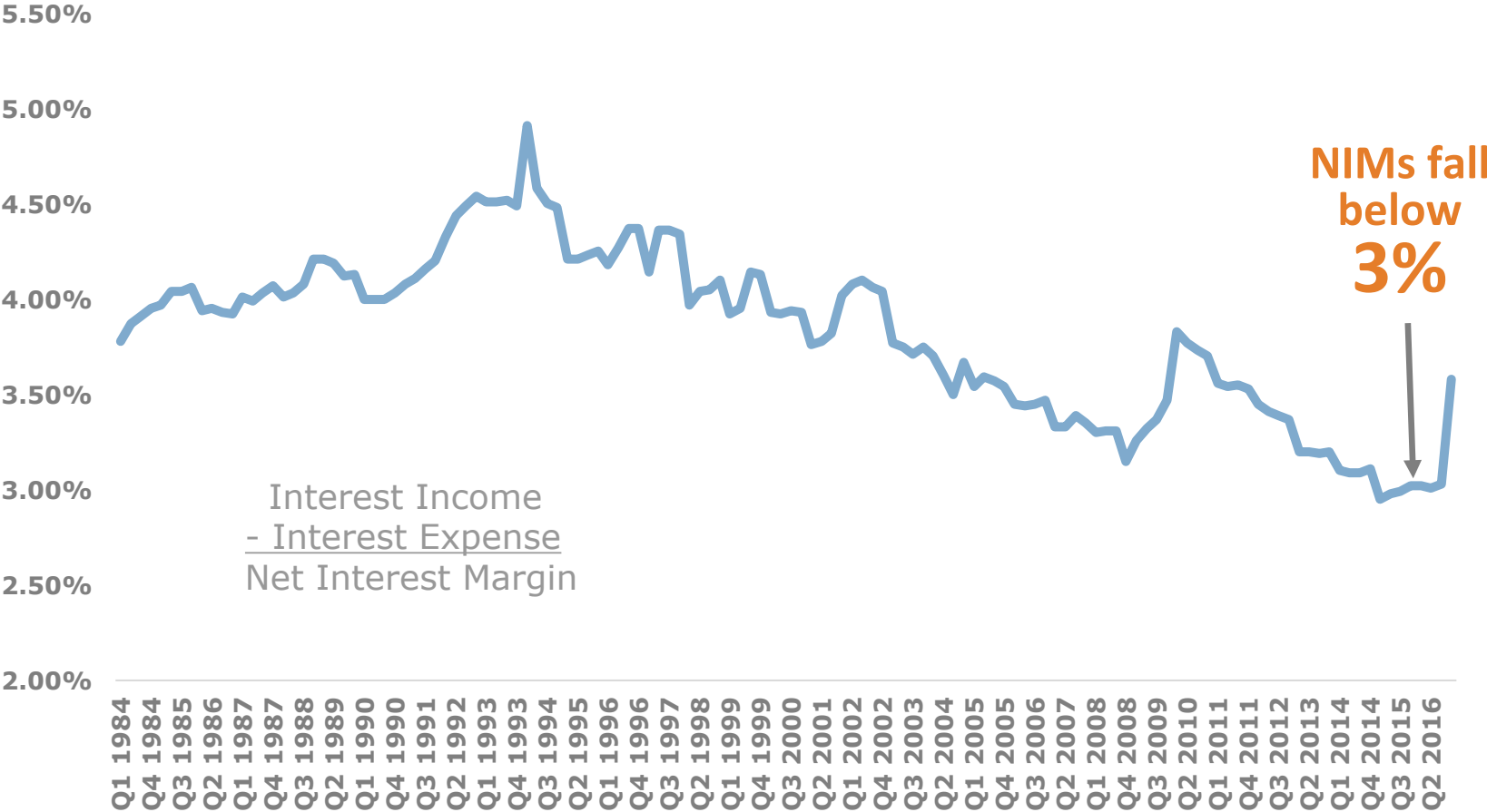
Connecting insights across the account holder lifecycle compounds the ROI benefits of any single program or campaign

Top Marketing Priorities

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

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

Historical Net Interest Margins



What Impacts Net Interest Margins?

Short-term interest rates

Geography

- Less competitive areas means banks may offer low deposit rates and charge high loan rates

Accountholder growth

- Deeper relationships

Loan demand

- Strong loan demand can improve NIMs due to Loan Yields

Top Performers:
Using Data to Stack the Deck > > >

Robust analytics should be embedded in all processes within the financial institution's marketing initiatives

Financial institutions should become far more account holder-driven, instead of product-driven, making decisions to improve their offerings and proactively meet customer needs

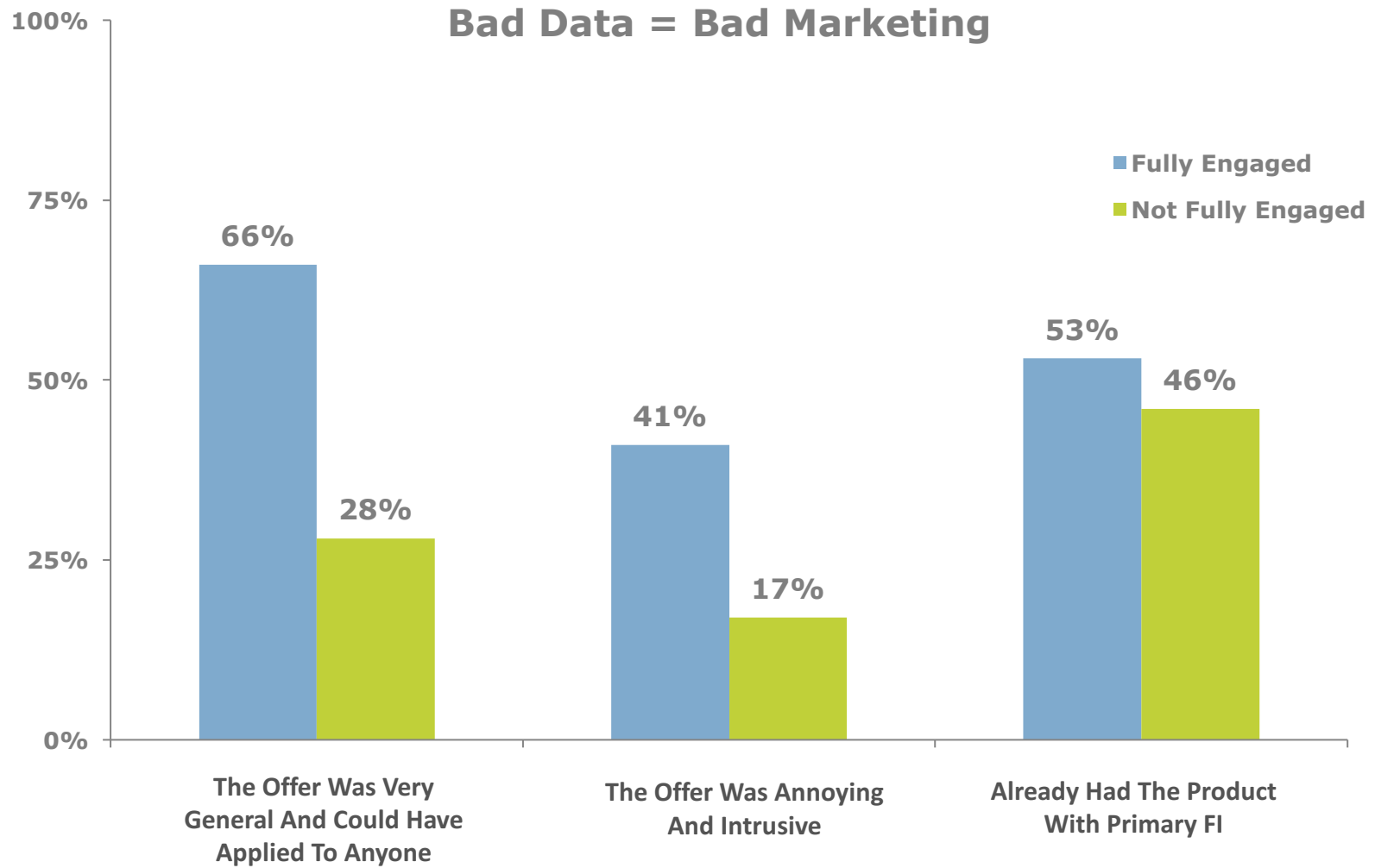
Evolving/ Emerging Channels

Fragmenting Customer Audiences

Proliferating Data Streams

Rapid Technological Change

The Data



Diagnostic Evaluation Components

Value Segmentation

- Segments account holders by purchase potential and attrition propensity and includes detailed profiles on each segment (size, usage, opportunity, and marketing strategy)

Attrition Measurement

- Identifies attrition risk across various metrics, including attrition rates, attrition by number of products and attrition by tenure

Product Assessment

- Provides diagnostic information related to product penetration, performance over time and cross-sell ratios

New Account Holder Assessment

- Offers insight into your financial institution's account holder mix, including key behavior differences between new and existing customers

Performance Benchmarking

- Identifies financial institution performance versus the industry for product penetration, channel usage and balances

Action Plan

- Recommends actionable strategies and tactics to achieve maximum marketing performance

Account Holder Segmentation Prioritizes Target Markets

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

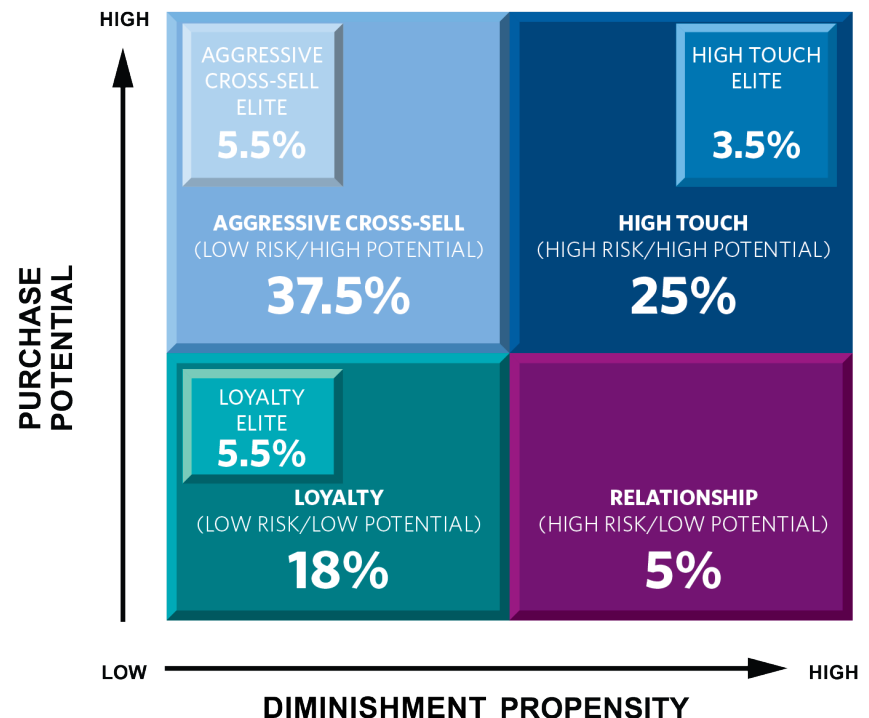
- High potential, high risk
- Proactive retention
- Invest aggressively; use offer-driven and educational communications

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



6 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

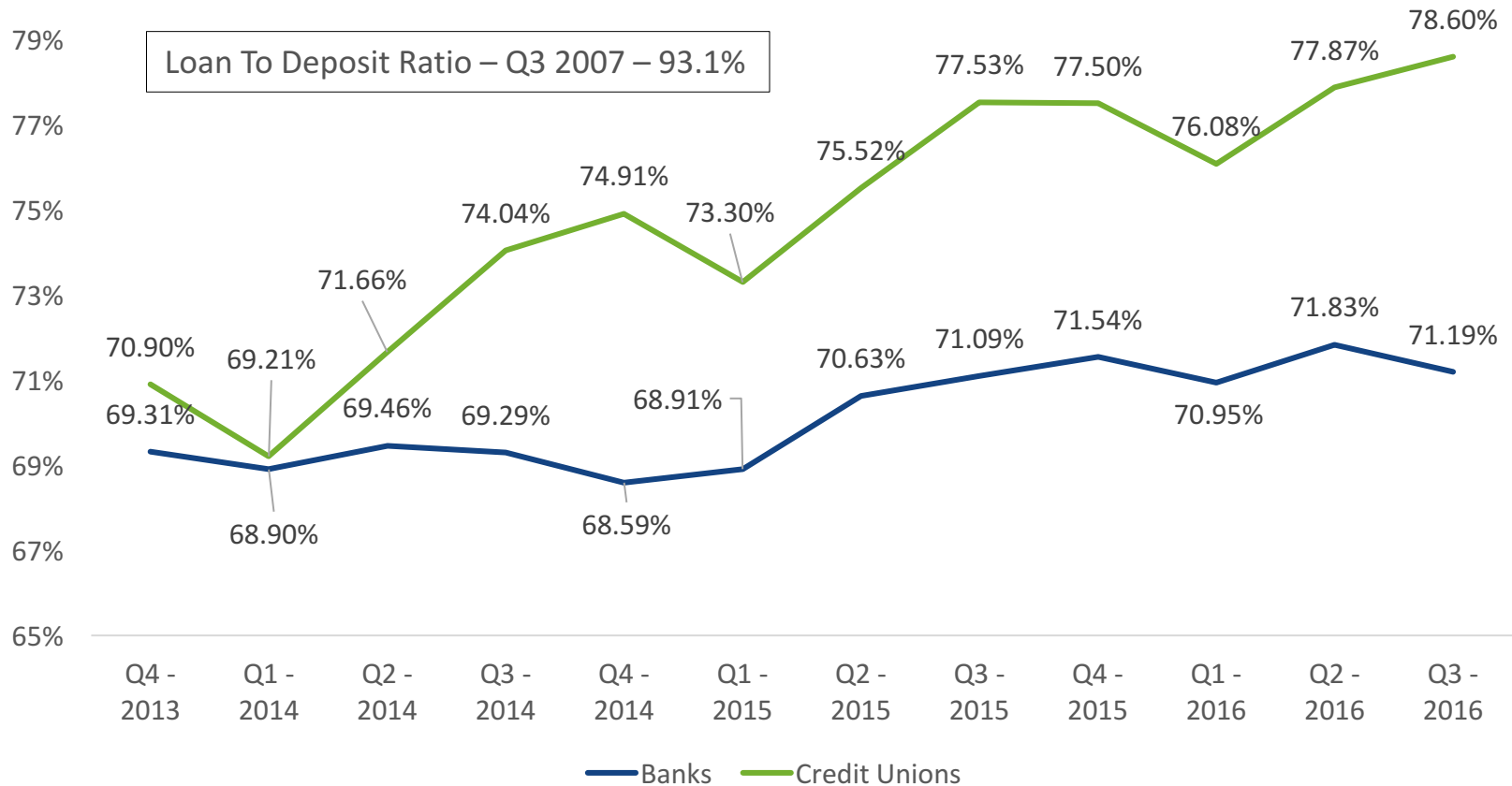
Electronic Services

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

Turning Big Data Into Action > > >

Loan Growth is a Challenge

Loan To Deposit/Share Ratios – Banks and Credit Unions



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
Trigger Program													
Trigger Program - 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

Q&A Wrap Up

Type your question in the questions panel 

Stephen Nikitas
Senior Strategy Director

**Presentation materials and video replay
will be provided within one week.**

**Visit harlandclarke.com/webcasts for this
and previous events.**

www.harlandclarke.com/webcasts



harlandclarke.com/LinkedIn



harlandclarke.com/Twitter

Thank You

