



The Informed Banker: The Marketer's Guide to Justifying Your Existence Series

Part Two

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Presenters



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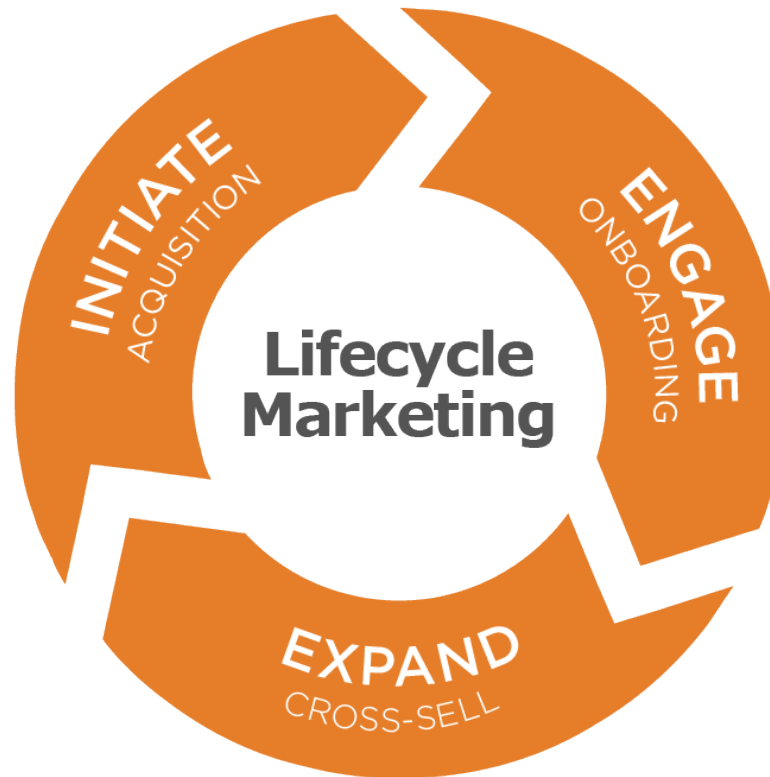
Community Banking Segment Marketing

Today, We'll Discuss ...

- Using lifecycle marketing to inform activation and engagement strategies
- Justifying the cost of these strategies
 - Cost per acquisition
 - Account holder retention

Lifecycle Marketing

Maximizing the Account Holder Relationship at Every Stage



Must-Know Marketing Metrics – Cost Per Acquisition

Benchmark	Performance
Percentage of profitable accounts	65%
Percentage of unprofitable accounts	35%
Average checking account balance	\$6,367
Average deposit balance per checking account holder	\$10,081
Average loan balance per checking account holder	\$9,563
Annual checking account service charges	\$8.92
Annual NSF fees	\$81
Annual miscellaneous fees	\$7.26
Average estimated debit card interchange income	\$50
Average monthly debit card swipes	12
Single product households	32%
Average age of checking account holder	51
Percent of checking account holders over age 50	51%

Must-Know Marketing Metrics – Cost Per Acquisition

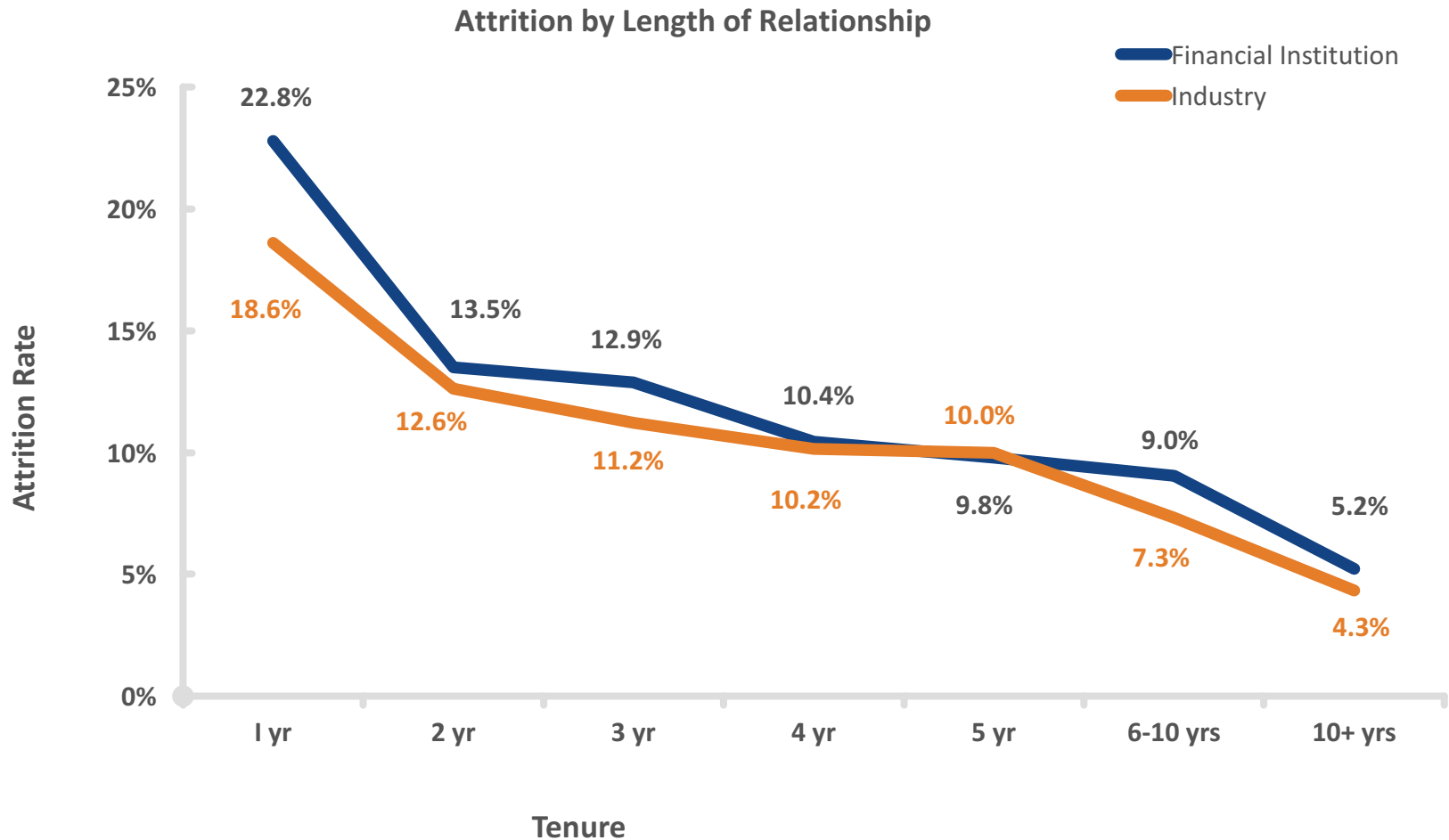
	ACCOUNT HOLDER	PROSPECT	TOTAL
Total Households Mailed	16,376	82,409	98,785
Households Responding	1,318	379	1,697
Household Response Rate	8.05%	0.46%	1.72%
Checking Accounts Acquired	176	194	370
Checking Account Response Rate	1.07%	0.24%	0.37%
Total Accounts Acquired	2,039	902	2,941
Total Account Response Rate	12.45%	1.09%	2.98%
Checking Balances Acquired	\$199,489	\$264,462	\$463,951
Total Balances Acquired	\$12,275,531	\$4,351,774	\$16,627,305
All-in Campaign Costs	\$5,103	\$25,680	\$30,783
Cost Per Household Response	\$3.87	\$67.76	\$18.14
Cost Per Checking Account Acquired	\$28.99	\$132.37	\$83.20
Cost Per Account Acquired*	\$2.50	\$28.47	\$10.47

*Including checking and all other account types

Source: Harland Clarke customer data, 2017

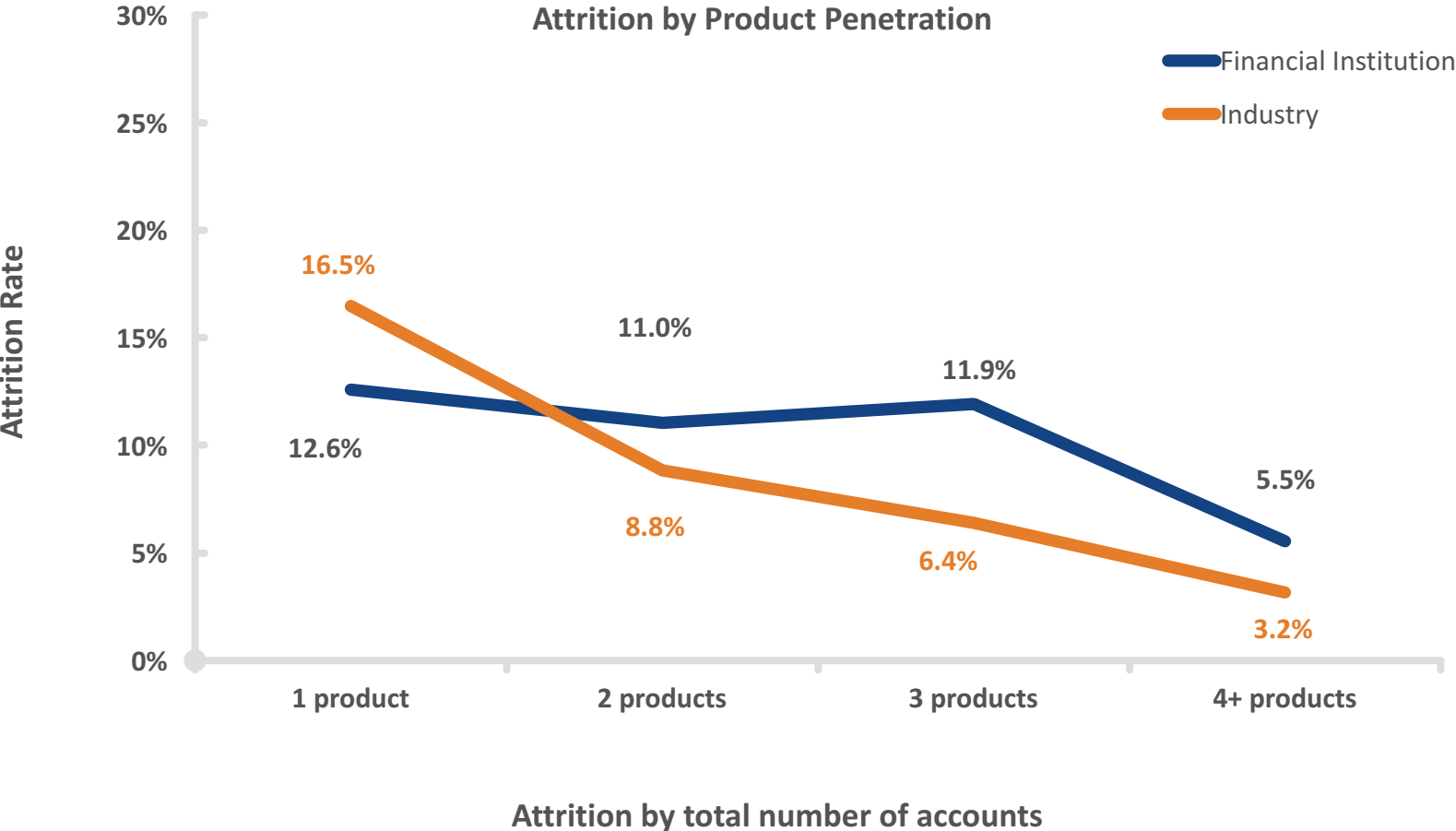
Many variables impact campaign success. The information on earnings or percentage increases that is contained within this case study is provided for demonstrative purposes only. Harland Clarke does not guarantee or warrant earnings or a particular level of success with a campaign.

Must-Know Marketing Metrics – Account Holder Retention



Source: Harland Clarke Opportunity Analysis benchmark data

Must-Know Marketing Metrics – Account Holder Retention



Source: Harland Clarke benchmark data from Opportunity Analysis

Must-Know Marketing Metrics – Account Holder Retention

Case Study: The Benefits of Account Holder Retention

Decreased single- and two-account households from 219,600 to 197,640 households

- Just a 10% reduction

Increased balances by \$35,300 when shifting from one or two accounts to three+ accounts

- \$22,888 balances in one- or two-account households to \$58,208 in households that have, on average, three or more accounts

Generated \$775,188,000 in total incremental balances

- 21,960 households X \$35,300 incremental balances

Contributed approximately \$20,930,076 in bottom-line opportunity

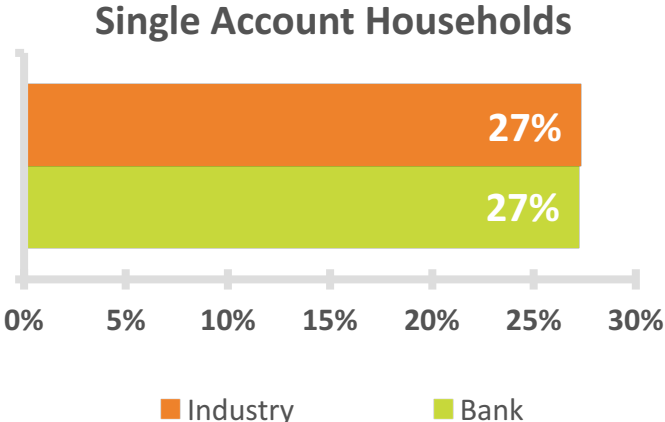
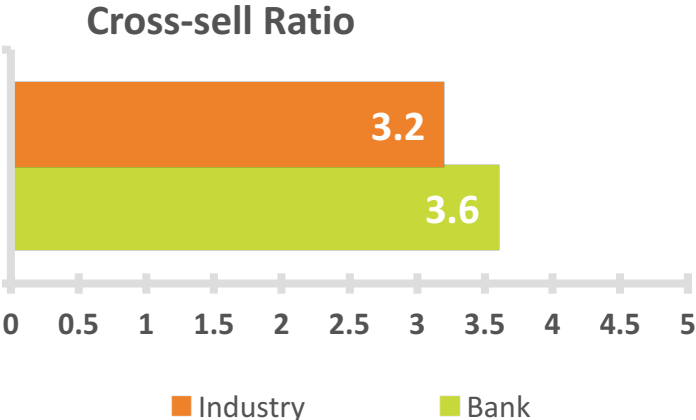
- \$775,188,000 X 2.70% NIM

Source: Harland Clarke client data

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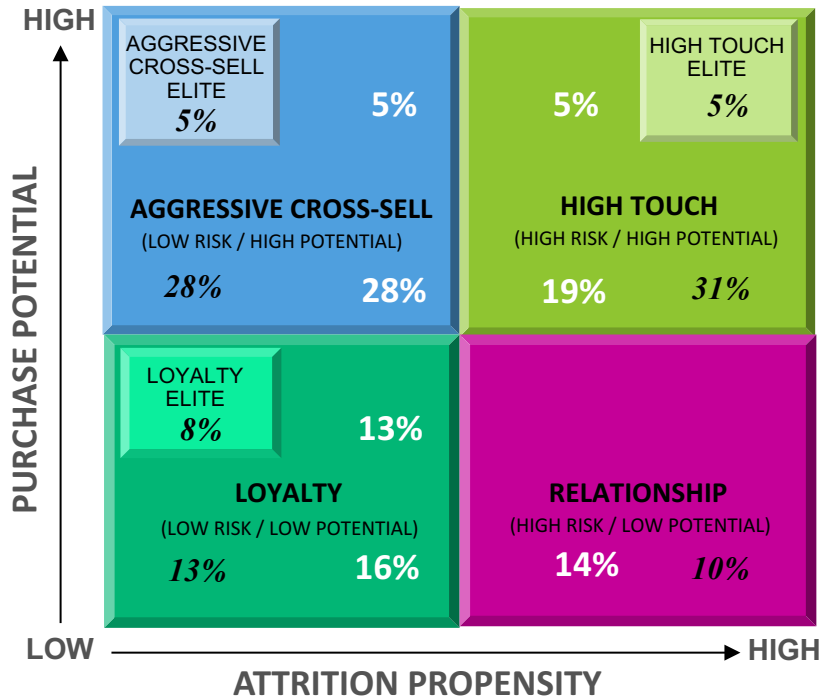
Must-Know Marketing Metrics — Account Holder Retention

Measuring Account Holder Engagement



Source: Harland Clarke benchmark data from Opportunity Analysis

Must Know Marketing Metrics — Account Holder Retention



- **High-Touch** segment has potential to be cross-sold, but is also at risk for attrition or diminishment of balances
- **Aggressive Cross-Sell** segment is likely to purchase additional products, and attrition is much less of a concern
- **Relationship** segment has a low likelihood of purchasing additional products, but is likely to attrite
- **Loyalty** segment has a low propensity to purchase additional products, and you are not likely to lose the existing relationship
- **Elite** segments will be used to optimize channel and touchpoints. In the case of the financial institution's cross-sell initiatives, we will use the elite segments to provide call lists to its call centers or individual stores

Q&A

Type your question in the questions panel 

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Thank You

