



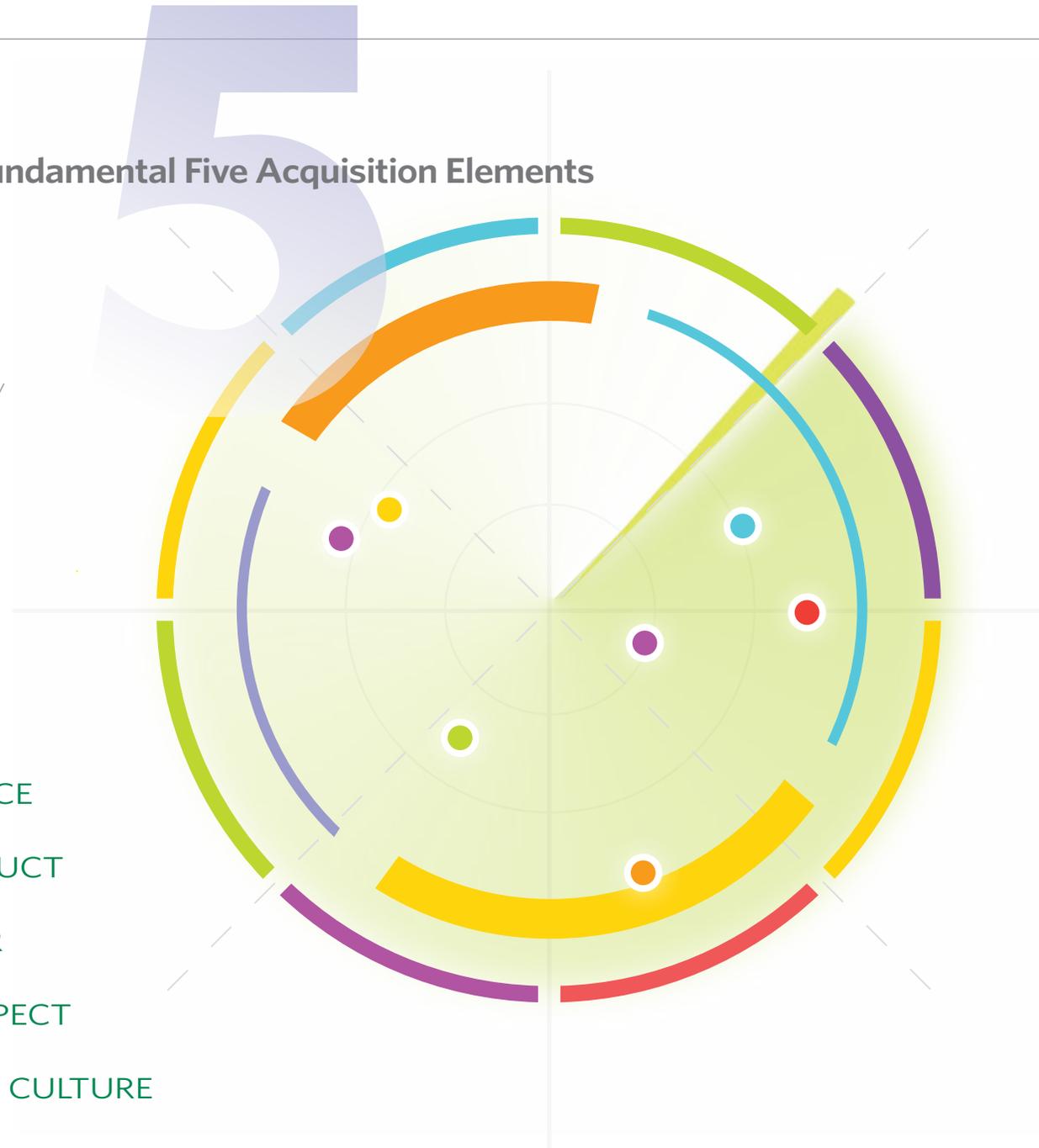
The Fundamental Five

Best Practices For Successful Customer Acquisition Strategies

The Fundamental Five Acquisition Elements

What is the difference between an acquisition strategy that makes the grade and one that is barely passing? Check out these five best practices essential for successful account holder acquisition.

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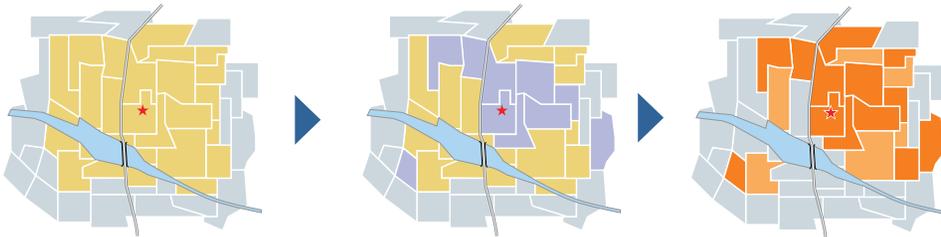


1

THE SCIENCE

The traditional and most effective medium for recruiting new account holders is direct mail marketing.¹ But for direct mail to have maximum impact, it must be targeted to reach the best prospects. Here's how to get the most out of targeted direct mail.

How Targeting Works



Map Your Branches

This basic radius map gives a rough area of where to prospect. Unfortunately, some marketing models stop here and start mailing.

Overlay Your Account Holders

This often surprises clients. The overlay shows where a financial institution's account holders live. Combined with prospect data, the targeting picture becomes clearer.

Target the Best Neighborhoods

In-depth statistical modeling tells us more than just the obvious places to mail. It points to areas most likely to increase the financial institution's market share.

2

THE PRODUCT

Analysis of historic data shows that account holders will open an additional 2.8 transactional accounts per household within 18 months of opening a checking account.² This makes those account holders ideal targets for cross-selling. Those are also profitable relationships because the average checking account remains open for 8 to 10 years.

There's another advantage to promoting checking accounts as a customer-acquisition product. In most markets, from 18 to 22 percent of retail checking account holders are prepared to transition to another account, given the right marketing message.³ By seeking out and contacting eager prospects with a message about checking accounts, a financial institution can effectively reach up to 75 percent of these transitioning account holders in their market.

Free checking accounts are the most attractive product for capturing consumers' attention, especially in these days when many financial institutions have dropped free accounts.

¹ Direct Marketing Association Response Rate Report, April 2012

² ACTON Marketing proprietary historic campaign results, updated 2012

³ Original research for High Performance Checking strategy, updated 2012

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THE OFFER

Some marketers assume the product is the offer, but the product is never the offer. The offer is the “extra” incentive that helps convince and motivate the consumer. It’s like a sale at the department store, an early bird discount for an oil change, or free shipping with an online purchase.

The offer is sometimes called a tiebreaker. Many consumers believe all banking products are much the same, so simply advertising that your financial institution has checking accounts doesn’t motivate those individuals, even though they’re in the market for a new account.

But make an offer — such as a premium, a gift card or cash — and the individual becomes motivated, not only to change accounts but to come to your financial institution specifically. It distinguishes your financial institution from your competitors.

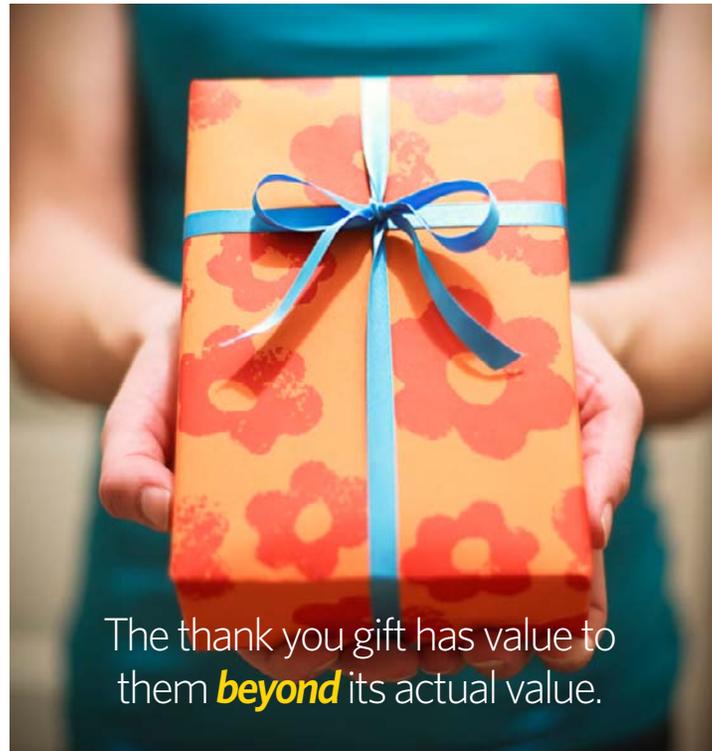
The offer, presented to the prospect as a thank you gift, is more important than in the past. Today, consumers face low savings rates and low interest rates for checking balances. Many believe they’re loaning money to the bank and getting nothing in return.

At the same time, these consumers see they’re paying higher fees to use their own money in an account. They expect the financial institution to show at least some appreciation for the business they bring to it. The psychological element of the gift comes into play with these individuals. The thank you gift has value to them beyond its actual value.

In the same way that the product is not the offer, a feature of the product should not be turned into an offer. The offer must be separate and distinguishable from the account and its features.

Another important aspect of the gift is immediacy. Instant gratification — the ability to take the gift home when the new account holder walks out of the branch after opening the account — has a far greater impact and influence than delayed gratification. Therefore, for the

greatest impact to both influence the desire to open the account and to reinforce the decision as correct, offer a thank you gift that gives immediate satisfaction as soon as the account is opened.



4

THE PROSPECT

“It’s not just the product, it’s also the prospect.”

The quote comes from Marti Barletta, a leading researcher and proponent of marketing to women.

Women are the primary prospects any financial institution wants to reach with its marketing message. Here are a few numbers, compiled by independent researchers that show why it’s true.

89% of all **financial account openings** are made or influenced by women⁴

85% of women **handle the checkbook** in the home⁵

86% of women **read the mail**⁶

It’s a fact. Women and men analyze and shop differently. They consider different elements and want different information before they make a purchase, or in the case of finances, open an account. Overall, women want more information. Men use less information. By using marketing-to-women techniques, the promotions appeal to what women want from the message, while men also find what they need and ignore the rest.

Marketing-to-Women Elements

- *People photos women can relate to*
- *Storytelling elements*
- *Convenience and lifestyle*
- *Social halo*



⁴ Martha Barletta, *Marketing to Women*, p. xiii

⁵ Martha Barletta, *Marketing to Women*, p. 142

⁶ *Direct Marketing News* article reporting on Vertis Communications’ 2007 Customer Focus: Direct Mail study

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THE SALES CULTURE

Your marketing campaign can be successful and bring hundreds, even thousands, of potential new account holders through the doors of your branches. But that's not the measure of success. Your financial institution's campaign succeeds only if you turn those prospects into account holders. The entire staff should understand that they are all, in some way, involved in sales.

Training your staff in the correct methods of opening accounts is as crucial as any other element in your acquisition campaign. A good training program begins early with mystery shopping. Mystery shoppers report on what a potential new customer would experience when inside a branch. Initial results set a benchmark against which to measure future performance.

Mystery shopping results give employees valuable feedback and show them how well they're applying their new training skills.

When it comes to executing an effective customer acquisition strategy, these fundamental principles are essential to getting off to a good start. Incorporate them, and you'll begin see your efforts pay off as the number of account openings increase for your financial institution.

For more information on how to acquire the right account holders for your financial institution, call **1.800.351.3843**, email us at **contacthc@harlandclarke.com** or visit **harlandclarke.com/acquisition**.

