



## Credit Union Reaps Millions in New Loans with Shopper Alert™ Program

### Background

Headquartered in Bridgewater, New Jersey, Financial Resources Federal Credit Union — formerly the Ethicon Employees Federal Credit Union and the Raritan Federal Credit Union — is a federally chartered credit union with a history dating back to 1933. The institution has total assets of \$400 million and almost 25,000 members. Despite a very competitive market, it is the institution's stated goal to be its members' primary financial institution and their first choice as a lender.

### Marketing Services

#### Success at a Glance ...

- **Nearly \$4.9 million** in new loans
- Borrower-to-member ratio up **nearly six percent**
- Loan growth rate **exceeds** peer average by **35 percent**

*"The Shopper Alert program has done a terrific job of providing us the opportunities to cross-sell loans to our members," said Marketing Director Dan Gontcharenko. "It not only worked quickly, it was an efficient use of our marketing dollars because it targeted members who were already in the market for loans and were therefore more open to our offer."*

### Challenge

To support its goal to be members' first choice when borrowing, Financial Resources Federal Credit Union was interested in launching a cross-sell program to fuel loan growth. To meet the credit union's need to augment its marketing plans, the program had to be streamlined and highly cost-effective.

### Solution

How does a smaller credit union with a limited marketing budget distinguish itself in a very competitive market? Harland Clarke's customized Shopper Alert program provided the perfect solution. Designed to capture the attention of the institution's loan "shoppers" precisely when they were most receptive to loan offers, the Shopper Alert program:

- Identified current Financial Resources Federal Credit Union members who were actively shopping for a new mortgage, auto or personal loan with a competitor
- Eliminated unqualified members who did not meet Financial Resources' credit criteria
- Generated a preselected loan offer within 24 hours of alert of an inquiry to any of the three leading credit bureaus



Within the first six months, the program identified nearly 2,800 Financial Resources Federal Credit Union members shopping for loans, and sent them personalized, preselected loan offers by mail. The credit union's call center made follow-up service calls to almost 70 percent of the leads and was able to reach 30 percent of the members contacted. Calls were to inform members of the credit union's loan programs and rates, as well as to reveal borrowing needs.

### **Results**

The Shopper Alert loan offers generated a 2.79 percent application rate. To date, nearly \$4.9 million in new loans are in process or are already closed. Since the program's start, the institution's borrower-to-member ratio has grown by nearly six percent, and its consumer loan portfolio has increased by 11 percent. The credit union's loan growth rate is now exceeding its peer average by 35 percent, and its loan-to-share ratio now exceeds the peer average as well.

## What this means for you ...

Selling new products to existing account holders is one of the most effective ways to lower attrition and increase loyalty. Plus, it's cost-effective: the cost of selling an existing customer a new product or service is about 10 percent of the cost of acquiring a new customer.<sup>1</sup>

Financial Resources Federal Credit Union is one of many U.S. financial institutions that has implemented Harland Clarke's Shopper Alert program with outstanding results.

Shopper Alert provides a highly efficient and timely way to reach customers when they are actively seeking loans. Shopper Alert helps financial institutions take advantage of several elements that are essential to loan cross-selling.

**Speed is key.** Data shows that 60 percent of loan shoppers will make a decision and commit their loan to a financial institution within one week of their credit bureau inquiry.<sup>2</sup> Shopper Alert enables you to act fast — within 24 hours of an alert of an inquiry to any of the three leading credit bureaus — so that you can take advantage of this short window of opportunity.

**More products = more loyalty.** Four to six percent of your account holders are shopping for a new loan every 30 days.<sup>3</sup> By capturing their business across multiple products and services, you can improve engagement and deepen customer relationships.

<sup>1</sup> Harland Clarke marketing campaign data

<sup>2</sup> Harland Clarke analysis of client data

<sup>3</sup> Harland Clarke analysis of client data

**Account holders like hearing from you.** Account holders want to hear from you about services that will benefit them. Communicating relevant offers makes them feel known and valued. Shopper Alert reaches your loan-shopping account holders with great news from you — a preselected loan offer — precisely at a critical decision-making point.

**Opportunity knocks.** Personal communication with account holders underscores your service philosophy, builds top-of-mind awareness, and gives you the perfect opportunity to assess — and meet — their additional needs.

Implementing Harland Clarke's Shopper Alert program takes the guesswork out of marketing mortgage, home equity, auto and personal loans to your account holders. Let us help you reach your account holders with good news — a preselected loan offer — just when they need it most.

*\* 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.*

To learn how Harland Clarke can help  
your financial institution connect with account holders,  
call **1.800.351.3843**,  
email us at **contactHC@harlandclarke.com**  
or visit **harlandclarke.com/ShopperAlert**.



*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