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Harland Clarke Shopper Alert™ and Shopper Alert™ Prospector Webcast 04/30/15

Close Loans With Your Account Holders Before Your Competition
TRANSCRIPT

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Presenter – Stephenie Williams, Senior Market Strategist, Lending Solutions

Matt: Good day and welcome to the webinar. Today's topic is shopper alert and shopper alert prospector. This webinar is being recorded, and will be provided to you along with the presentation deck in just a few days. I will now turn the call over to Steve Nikitas, Senior Strategy Director with Harland Clarke. Mr.Nikitas, you have the call.

Stephen: Thank you very much Matt, and good afternoon everybody. Welcome to yet another Harland Clarke webinar, and today we are going to talk about ways that you can grow your loan portfolio. In my never-ending travels around the country meeting with financial institutions, it seems like every corner of the US, loan growth is still tantamount with pretty much everybody out there. So financial institutions, whether you're a bank or a credit union, are looking for ways to strengthen the asset side of their balance sheet. So to that end today we are going to be talking about shopper alert, and shopper alert prospector.

So as Matt mentioned my name is Stephen Nikitas, I am a Senior Strategy Director with Harland Clarke, I have been with Harland Clarke now for almost five years. I have about 35 years of financial services experience, working in the strategic planning, marketing, retail operation areas. In my role at Harland Clarke I provide consultative advice to both banks and credit unions, with a focus on helping financial institutions to implement strategies and campaigns, that are focused on helping them to grow targeted portfolios. My partner in today's session is Stephenie Williams, and Stephenie would you take a moment to tell our audience about you?

Stephenie: Sure, thanks Steve. I come to Harland Clarke with more than 20 years of experience in direct marketing, as well as loan product management in the retail and financial services space, and a lot of focus on home equity and mortgage. I work with many of our clients, once we develop new loan solutions, and my focus is on our loan ecosystem.

Stephen: Great, thank you very much Stephenie. With that said let's take a look at today's agenda. So you folks who have been kind enough to call in, specifically what are we going to talk about today. These are the handful of topics that we'll be looking at. We'll start with the customer or member lifecycle marketing, we'll talk about Harland Clarke marketing loan ecosystem, that we call it. Then we'll drill down into shopper alert, and describe a lot about this solution for you. So then by the time this webinar ends you have pretty much everything and anything you need to know about shopper alert, and can use that information to help you make a decision on how further Harland Clarke can help you grow your portfolio. We'll share with you information on what you can expect once you implement shopper alerts.

We'll talk about results of about 100 or so financial institutions that are now up and running with shopper alert. We'll share with you results from several of them, so again you get a feel for the impact that shopper alert and shopper alert prospector can have on your financial institution. During today's presentation we will take time out here and there to answer any questions that may pop up. So with that said if you have a question during today's webinar, feel free to use the chat field on your webinar screen, and just make sure that you send it to the organizers. And again at certain points during today's session we will address those questions. So with that I am going to re-introduce or ask my colleague to come back on, and Stephenie I'm going to give you the reins of this presentation and let you take it from here.

Stephenie: Thanks Steve. As Steve mentioned we think it's important to kind of set the stage and give you a sense of Harland Clarkes view, and our core marketing philosophy about customer lifecycle marketing. What we believe is there are key times throughout the customer lifecycle that represent opportunities for our financial institution clients to be in contact, marketing conversations with each of their customers. Those key windows tend to be acquisition, bringing in new. Onboarding, kind of getting a relationship entrenched, and getting it active. And then cross sell/retention, want to make sure that those customers that you brought on are happy and continue to be happy, so they deliver the greatest result for your institution.

And when we're talking today about shopper alert and shopper alert prospector, those are focused in the areas of acquisition as well as cross sell.

Because what you'll learn as we walk through the presentation today, is if you have a customer that's out applying for a loan elsewhere, you want the opportunity to retain that business. Especially if they're out applying for a mortgage someplace else, that competitor institution's going to try to grab the checking account when they get the mortgage loan. So this is our general view of customer lifecycle marketing, now let's kind of get a little bit further into shopper alert. Shopper alert is just one of four primary solutions within Harland Clarke's loan marketing ecosystem.

What you'll find is each of the these solutions in the ecosystem delivers a slightly different result, and is pointed at serving maybe a little bit different of a target audience. Shopper alert that we're here to speak about today is really a trigger based program. It's focused on both customers and prospects, we have two flavors. Shopper alert when we call it shopper alert, is focused specifically on your customer base. Shopper alert prospector is focused on consumers at large, that are within your branch trade area. That solution generally, you know everybody wishes it was larger, but it's really a small population. Because it's driven based on consumer application behavior, not something we can really juice and try to increase, it's very market driven.

And the benefit of that being market driven I should say, is that there's a very high response rate. Customers that are already hand raisers in market, applying for loans, very much more likely to respond to your offer if you have a compelling interest rate, or based on the relationship. The second product within our ecosystem is a relatively new product to our offering, and it's Loan Engine. It is focused again on your existing customers, those that are credit qualified, or as we stated here loan eligible. It is based on a prescreen, and the population size is large, typically what our clients experience is between 30 and 35% of their existing customers to participate in Loan Engine. And Loan Engine, because it offers multiple credit products to each individual customer, we find that the response rate to that product is also high.

Our third product is Refi Genius, and that is focused primarily on auto and home equity customers. And you can do to customers or prospects, but what the offering is, it's looking at their current payment on either the auto or the home equity loan, and looking for opportunities to reduce that payment, either by a better rate, or adjustment to term. We find that because it's very targeted with a one to one message about their particular loan situation, that that too has a high response rate. Although the audience eligible, because of running the savings calculations we find the universe for that offering is medium size. And our final product that we offer is Loan Magnet. This is a campaign based product offering, many of you are familiar with doing maybe a spring and a fall home equity campaign, or auto campaign in the spring.

Loan Magnet would be a great tool for performing that. It applies credit criteria, provides prescreen offer, and it's either based on an individual's demographics, or other propensity information for a particular loan type. That population is large because you can apply is to existing customers, or a lot of our clients supply that to prospects. And the response rate, because you don't know exactly whether consumers in market, that response rates generally medium. So now let's talk about our shopper alert solution. When we talk with clients, clients like to understand how does shopper alert work. Well when we start out with shopper alert, we gather from you what your credit criteria are, and what products you would like to promote.

So if you want to be sure that you're on top of any of your customers shopping for a mortgage, or shopping for an auto loan, those might be the products that you're promoting. This solution does offer mortgage, auto, credit card, and personal loan triggers. Most of our clients find great success with the mortgage and the auto triggers, they find success with the other triggers, but in terms of prioritizing their marketing dollars, each institution approach is slightly different. So first we'll capture the products that you want to target, and the credit criteria associated with approving consumers for those products. We'll also collect from you the list of consumers you want to monitor. Most typically our clients provide us with their full MCIS. So with taking that information in we setup the consumers you want to target, along with all of your credit criteria.

Then on a daily basis based on consumer buying behavior, you'll have consumers that are applying for mortgages, applying for auto loans, applying for credit cards and personal loans. Those individuals that represent the desired behavior are then run across your credit criteria. Those passing your credit criteria are then sent an immediate communication within 24 hours, we send out mail as well as email, we have the ability to conduct phone calls on your behalf. We also have clients that take a list in, and perform those phone calls daily within their own call centers. That in general is how the shopper alert process is setup and how it works. And we find as we deal with clients, and Steve feel free to chime in, but most of our clients really like shopper alert because of the higher response rates, and the fact that those high response rates drive a lower loan acquisition cost.

In some cases it can be as low as $75.00 dollars to acquire a new loan. And the reason for this is it's very targeted, between four and six percent of your account holders are shopping for a loan in any given month. And when they're shopping, more than half of them will make a decision on a loan within one week of starting their shopping process. You have a really tight window to contact these customers.

Stephen: And Stephenie if I could add to that point. Low acquisition rate, strong response rate. And what I also hear from financial institutions who have implemented shopper alert, is that their account holders tell them that they are building up a sense of awareness, that the financial institution has the credit products that the customer may or may not have known that the bank or credit union offered in the past. So reaching out to them real time, not only helps to generate the credit activity from an acquisition perspective, but also goes a long way toward helping to generate a strong top of mind awareness if you will, that the financial institution can help the customer or member with any of their credit needs.

Stephenie: Great point. And one of the things that many clients experience is, when you're doing a program like this you don't want to be receiving all the triggers. You want to be receiving the triggers that you know you can make an offer too. This is a consumer at that zero moment of truth, they're wanting to purchase that next home, or purchase that aspirational auto. The last thing you want to do is send the solicitation to them and then not be able to originate the loan. So the prescreen aspect of this program provides a really strong result. And one of the things that makes shopper alert different, I know in my past individual bureaus would come to me and offer their trigger products and very solid programs. But ultimately they're limited by the view that that individual bureau has of credit triggers in the market place.

So this diagram gives you a good sampling of why shopper alert incrementally provides you more opportunity. The blue bar is when you are looking at doing a program like this with a single credit bureau. And then when you look at adding a second bureau, we find from a volume perspective there's about a 45% lift in the number of triggers provided. And then when you add the third bureau over a single bureau, you see about a 75% lift in the number of triggers provided. So going with a tri-bureau solution such as shopper alert, you're really maximizing the opportunity to retain your customers business, or capture a market share through shopper alert prospector. And really as Steve and I have mentioned, the key benefits that we get feedback on from our clients are definitely that it's a tri-bureau program, it's different than things they might have tried in the past.

It hits customers really at that zero moment of truth, when they're considering competitive offers because they're shopping. Because it's a comprehensive solution where we're taking in the triggers and we're sending out within 24 hours that direct mail piece, it's a very efficient marketing program in terms of time investment from your marketing resources at the bank. The other thing that is very beneficial that our clients appreciate is either monthly, semimonthly, based on your requirements, we provide ROI reporting. So we take a look at all the triggers that have come up, that we've mailed to, maybe you've tele-marketed to, we've emailed to. We monitor those over a 90 day period, and provide you with a return on investment.

This programs for the clients that I'm working with, is in the 200 to a 1000% return on investment. Definitely you see higher returns on investment for your customer programs, but the prospect programs also deliver a solid ROI, better than say prospect single product direct mail. And shopper prospector, well the process that I've described in some of the results have focused primarily on our shopper customer program, our shopper prospector program has some nuances that you should be aware of. As we deploy with different clients they experience that the prospector program delivers a very high volume of triggers. So we work through product prioritization and trigger prioritization. And we have some clients that alter the credit criteria for prospects compared to their customer program, just so that they can get

We also have other clients that want to maximize, they want to turn the faucets on all the way. And they've asked us to come in and help so that they can contact those prospects, and get through all the leads, they leverage our call center offering to help them do that. But as we all know, we all have budget constraints, so we'll talk through with you as a part of a look back process, we'll go and look at each of your markets where your branches are located, and look at that for the last 30 days, and give you a sense of how many prospects might be triggering in a particular market. The other benefit of the prospector program is you can message differently to those prospects than you do to your customers. And perhaps even mentioning additional products within your letter, so that you're making a relationship play as opposed to just a single product push. Steve from some of the clients that you deal with on the prospector side, are there any other nuances that you would call out?

Stephen: Well generating that level of awareness certainly goes a long way. Again you're putting the financial institution into a situation where the customer or the member may not simply have known that the product was out there. You know Stephenie you mentioned something earlier about budget, and we'll talk a little bit about resources, and how shopper alert can really take a lot off of the marketing and the retail departments shoulders, when it comes time to look at growing the loan portfolio. But I'll talk more about that in a little bit.

Stephenie: Okay, great. And how does shopper fit in, what we find in dealing with our customers is that there are three primary pools that you want to target to maximize your high ROI on a marketing campaign. Those pools that you want to address include credit qualified shopping customers, which is that top part of the pyramid. The center part of the pyramid which is credit qualified shopping prospects. And then the last piece is credit qualified non shoppers, both customers and prospects. That third segment is really covered by some of the other product we talked about in the ecosystem, things like Loan Engine, Refi Genius, and Loan Magnet. But the only reason most of our clients we find go to that third segment, is because they just can't get enough volume to feed the beast if you will, the application pipeline beast, with the segments in one and two, they wish they could get more out of one and two.

So when we begin working with a client, there are a lot of considerations. You have to get your arms around who should I include in this process to successfully execute a program like shopper alert. There are regulatory issues involved, so definitely you want to get your legal and or compliance team members at the table. Because this is a FCRA [Fair Credit Reporting Act] environment, because we're offering preselected offers, we have to develop a firm rate offer for the products that we're including, along with minimum dollar amount for each of the offers. And in order to set those offers and put those together, generally you need to be arm in arm with your product managers, and the credit underwriting folks that are a part of your lending department.

The last group that it may or may not-- the IT within your organization. It will be required that we have some data pulling resources involved, so that they can provide the customer MCIS file that we want to monitor. and that they can also provide a loan application file, so we have the ability to work with you and deliver a return on investment reporting. Those are the primary areas to get involved early and often upfront, so that you have a successful program. Steve there are nuances with each institution we deal with, I mean we also have marketing folks at the table. Are there any other segments that you might recommend?

Stephen: Yes, typically I'll see certainly marketing will be involved, because usually it is marketing that is driving the acquisition of the implementation of shopper alert. We'd want to have retail involved, because there will be some involvement by the branch folks, or by the lending folks, who might be positioned within a branch relative to outbound calling. But Stephenie as you said, we want to make sure that these entities within the organization are involved at the very outset. We also want to make sure that everyone is aware of the fact that during each and every implementation project, a financial institution will be assigned a project leader, a Harland Clarke project leader, who is very adept at rolling out shopper alert for financial institutions.

And will really hand hold the bank or the credit union through the implementation process. We'll make sure for example that relative to compliance issues, we will provide you not with a clean sheet of paper, but with our compliance terminology, compliance text, that other financial institutions use. So that you'll have a head start if you will, and that your compliance people won't have to work from scratch, and looking at the compliance copy that needs to accompany the components of shopper alert. So a lot of handholding, pretty painless process to get shopper alert up and running, and a relatively quick process to get the program up and running.

Stephenie: Great, those are some good additions Steve. When we look at the program and kind of getting into some of the brass tacks, or the nitty gritty, there are preselection requirements based on the approach that we use here with shopper alert, that it is again a trigger product that is credit prescreened. Part of the requirements are within the letter, or within the offers that we're making to consumers, that we indicate to them that they are preselected or prequalified for this offer of credit. We do have some customers that are leveraging the triggers for insurance products, but the majority really focus on credit products. Within that offer, we need to have a listing of the terms and conditions of the credit. Generally that's some boiler plate language that you would even use on your mass marketing of particular product types.

One nuance that that we run into sometimes people aren't as familiar with is the inclusion of a minimum dollar amount for which that consumers been qualified. You can say they could qualify for more but we definitely need to show a minimum, and that minimum needs to be reasonable, based on the product type. So it needs to be something of true value on something like a mortgage would be much higher than say a minimum amount on a credit card might be as low as $500 dollars, but a mortgage needs to be something representative definitely north of $500 dollars, so that someone could actually buy a home with that. The eligibility requirements in order to receive this offer, so if you have a case where on a credit perspective that consumer passes with flying colors.

But let's say they've just lost their job, you can't prove current income leveraging credit bureau data. You can get some model data but it's generally not rock solid, so you need to let them know that this is based on them providing proof of income, employment, or in the case of mortgage products, that the loan to value is in place. So that all needs to be clear and conspicuous on the letter that's being provided. And as Steve mentioned we do have samples that we provide in our roll out process, that are based on our experience in this space, in working with multiple clients to execute these programs. Another interesting part of the process when you're trying to get up and running with shopper alert, is the information that the credit bureau needs in order to approve your institution for participating in the trigger program.

This is a little bit different, most institutions we work with already have a relationship with the credit bureau. That's great in its own standing, this is a separate relationship, specifically for the trigger program, and through our data providers. So you'll walk through this paper work, we've been through it like Steve indicated, with about 100 institutions that are currently running this program. So it's pretty painless, it's a little bit of paper work, and depending on the bureau, they may choose to do an onsite audit. Generally that audit is just to get a sense that you're a legitimate business, so they're not looking for ten months of loan application history, they're not doing anything like that, they're just making sure you have secure facilities for the data, and that you are a legitimate business.

The reason that we go through that process again is so that you're sending out prescreened offers, and they have every credit background that you would have with any other pre-selections that you're running. This process only needs to be conducted once at the outset, and then any refreshes or evaluations are done just on your direct mail piece. And this is a great example of how we deliver to you a program that's based on best practices. The letter that you see here is one of our letter templates that we have, and it provides you with a good starting point. You'll see with the letter on the right, that this is clearly for a mortgage offering, thus the picture of a home. It also has a nice spot at the upper left for your logo, so it's very clear to the client who the offer is from, what product it's for.

And then some of the other best practices that are incorporated into these letters include reflecting multiple locations that the customer could come to speak to somebody about the offer. It also offers immediate contact information on a tear off panel at the bottom, where they can call, click, or come in. And this is a sample of the letters that each night are produced based on that base triggers and sent immediately out into the marketplace. Steve on this letter anything else, I mean the disclosures are here as well, these are kind of our boiler plate that each of our clients send through legal.

Stephen: Sure. And just as an aside the shortform is located on the bottom of the front side of the letter as you can see in that box at the very bottom. Take a look at the back side of the letter, and I realize that you all probably cannot see the text. But there's the long form disclosure at the top of the page, and then all of the necessary disclosure copy, up here is below that to make sure that we, you, are incompliance with the fair credit reporting act. And communicating to your account holder everything about the rules and regulations says we must communicate. As I mentioned earlier, during implementation we'll make sure you see that compliance copy, so that we ask you to make sure that your compliance people get their thumbprints all over that. Some of my best friends are compliance people and I love them dearly, but one thing about compliance people is that from one institution to another they tend to interpret the rules and regulations a little differently. So we want to make sure that your compliance folks have the opportunity to start with that kind of copy and then go from there.

Stephenie: Great, thanks. And I think the next part that we want to move onto is really seeing once we've walked through this program what you might expect in terms of volume, and what you might expect in terms of results. And Steve take it away.

Stephen: Alright, thank you very much Stephenie. Stephenie thanks, lots of great information. And by the way normally at this transition we will stop and take a moment to answer any questions that may have been posed to us by todays attendees, and so far I don't see any questions. So folks on the phone you still have about 26 minutes to ask questions, so again as a reminder if there's anything that you heard, or anything you see on today's presentation that you're curious about and would want more explanation, feel free to type a question into the chat field on your webinar screen, and Stephenie and I will do our best to answer that question for you before we sign off. So let's talk about where do we go from here, right you've heard a lot, the features and the benefits about shopper alert and shopper alert prospector.

You're a marketing person, maybe you're a retail person, maybe you're heading up the loan department or the lending department. And so far what you've heard you kind of like right, and you think you know what I've got some hefty challenges for the remainder of the year, I've got this metric hanging over my head for loan growth. We see what's happening with the US economy, I guess we're not sure what's happening with the US economy. Right we just saw the GDP numbers come in for the first quarter and things are kind of up, things are kind of down, things are kind of all over the place. But regardless our challenge is we've got to bring more loans in the door, so where do I go from here.

So the first recommendation is to reach out to Harland Clarke and have us conduct what we call a 30 day look back. And during that 30 day look back what we're going to do is we're going to analyze your customer or your member portfolio, and take a look back in time and determine who among your portfolio is out there looking for a credit product. And we'll get that information and come back to you a couple of weeks later, and put in front of you a PowerPoint presentation that sort of looks like what you see in front of you right now. We'll share with you the number of your account holders who are out there looking for credit over the prior 30 day window. And then we'll put together a chart like this one that will show you what where they looking for.

So for example let's say this was your financial institution, and we were doing a look back for you. Go to the very bottom of that chart, during that 30 day window what we found was that seventy-three hundred and twenty of your account holders where out there applying for credit somewhere. Now these are people applying for credit, this is not a big national bank coming in and doing a credit card solicitation in your backyard, or maybe a mortgage solicitation. These are what we're counting are inquiries, credit inquiries, that were driven by the submission of a hard loan application to a lender. So we see for example your institution, there were seventy-three hundred and twenty of your customers or members who are out there looking for credit in the prior thirty days. What were they looking for? let’s go to the top of the chart, mortgages.

Mortgage, could be a home loan, could be a purchase loan, could be a Refi, could be a home equity loan, or a home equity line. There are thirty-eight hundred and two triggers generated by your customers looking for one of those home loan type products, or 52% of all the credit triggers. Whose out there shopping for an auto or a vehicle, right could be new could be used, but either way somebody went to a lender and submitted an application for a vehicle loan over the past 30 days at your institution eight hundred and sixteen of those triggers took place, or 11% percent of all of the credit triggers during the 30 day window. Bank card or a credit card, who is out there looking for a credit card? about 25% of everybody, of all those triggers.

And then installment loan, lots of stuff under the installment loan, could be something like an unsecured personal loan, but any installment loan other than what you see above. And in this case there are about 900 or 897 to be exact, of folks who are out there looking for an installment loan of some sort, or 12% of the entire file. Now typically, and I have probably done about 200 of these look backs over the course of the last two and a half years. Normally when I do them, first and foremost when it comes to trigger activity is home loan. And the 52% that you see there is pretty typical of what I see on average. Second is usually installment loan, usually coming in somewhere around 25 and 30% let’s say. And then third and fourth in the pecking order would be auto loans and credit cards.

And what normally surprises me, because I would think auto loan activity would be a whole lot more brisk than some of the other loan types that you see here. But usually auto triggers come in either third or fourth in the list of the four products that we’re tracking. So that’s what you might see on a look back, again this is a sample, but we would be happy to perform one of these for your institution. Simply reach out to your local KAE after this presentation, or shoot Stephenie and or I an email and let us know that you’d like us to do one of these for you, at no cost to do it. Okay so, one of the luxuries of shopper alert is it is efficiency. And when I think of shopper alert really two things come to mind.

Shopper alert is all about timing right, no surprise to anybody. Our customer, our members out there shopping for a loan, hey we've got to get in front of that person as quickly as possible. So shopper alert is all about timing, we've got to get in front of that customer, get in front of that number, and talk to them about our credit products. And why they should be financing with us, rather than why they decided to go to somebody else originally. But shopper alert is also about efficiency. And efficiency in the sense that we're not necessarily reaching out to all of the account holders, we're reaching out to those account holders who based on your predetermined credit attributes, would be people who would either be preapproved or prequalified, or preselected, whatever terminology you're comfortable with, for a loan product with you.

So as part of the look back what we're going to do is we're going to show you among those customers or members who are out there shopping for a loan product, and who have submitted an application to a competing lender, what was their credit score? so you'll see a chart like this one, so at the very top who among those seventy-three hundred and twenty triggers that we saw in the prior 30 days, who had credit scores of 620 and below. And in this case about 21% of the pool did, or fifteen hundred and twenty-eight people. And then you can see how everything breaks out from cycle range to cycle range. So just realize with shopper alert, because it is a pre-screened program, we're not necessarily going to steer every applicant to you.

But we're only going to steer those applicants to you who again based on your predetermined credit criteria, show the highest likelihood of not only submitting a loan application to you, but eventually having that loan application cross the goal lines, and your folks booking it. Because we don't want to simply send paper to the underwriters for the sake of sending paper to the underwriters, that's not very productive. We want to make sure that through this program your internal organization and all the entities that are involved with the shopper alert program, are as effective and efficient as they possibly can be. So that's one of the luxuries of shopper alert. It certainly is about timing, but it's also about efficiency.

So we work with about 100 financial institutions, who have been up and running now with shopper alert over the past couple of years. And personally

I work with about 50 of those institutions. Now one of the other benefits of shopper alert is that on a regular basis, on a monthly basis, we're going to come back to you and we are going to sit with you, and we are going to share the results of the program with you. Because we are truly believers in inspecting what you expect. And so we want to make sure that the program is performing at peak efficiency, and that you're satisfied with the results. So every month we're going to put together a presentation showing you how the program has been performing. We'll show you what was sent out, how many mortgage triggers occurred, how many auto loan triggers, how many credit cards, how many installment loan triggers occurred.

We'll share with you as a result of all those letters that were sent out, what was submitted back to the financial institution, what closed, what was funded, what's still in process. What loan applications did you eventually have to deny, and let's face it even though this is a prescreened program, through the fair credit reporting act, you do have the ability to deny a loan if after that customer or after that member submits a loan application to you, you find things like maybe they're not employed, maybe their income level doesn't show the capacity to repay the loan. So during our monthly reporting exercise with you, we're going to share all that information with you, so that you can really get a handle on how the programs performing.

And again whether you're a marketer, or whether you're a lender, we want to make sure that you have something that you can basically run up a flagpole, and show your senior management colleagues how this program is performing, and bringing credit in the door for your bank or credit union. So let's take a look at a sample of what we see, and I'll go through these very quickly. But here's a large New England regional bank, almost 14 billion in assets, so relatively good size. And they have brought in more than a hundred and eleven million dollars in loans through this program. Their ROI better than 2000%, pretty good stuff. We have a bank in Texas that I actually work with very closely. They have been up with shopper alert program now for better than a year, and they've brought in more than six million dollars in new mortgage, auto, and personal loans.

So for both of these institutions, both of these banks, a program like shopper alerts really moving the needle for them, and helping them to bring credit in the door that originally wasn't even in front of them. Again just a reminder, these are your customers, these are your members who went somewhere else for that loan application. For one reason or another our institution wasn't even on the radar screen when these folks went out and applied for the loan. So with shopper alert we're getting back into the ball game, and being able to capture some credit, significant credit, that originally we weren't even in mind. Let me share with you some other samples of some of the results we see through shopper alert.

So here's a credit union out in California, good size for a credit union, a little over eight billion dollars. They've brought in more than fifteen million dollars so far with shopper alert. Credit union in Maryland, again another one that I work very closely with, a little over a billion in assets. Really knocking it out of the park when it comes to their response rate, better than 10%. I tell you with this institution what they do, normally financial institutions when they get their feedback file as Stephenie mentioned earlier, that you utilize in order to make outbound phone calls. This institution actually has an outbound contact center comprising six employees. And every day what they do is those six employees are calling those leads that are generated through the shopper alert program, and truly this institution is really knocking it out of the park.

Small New Jersey credit union, only about four hundred million in assets. And I wanted to show this one because you might say you know it sounds like shopper alerts kind of a numbers game, right the more volume sure, the more volume the more opportunities, the better we're going to do. But here's a small credit union in New Jersey whose potted nearly five million dollars in loans. Their borrower to member ratio, those of you in the credit union world know what that means, has grown by nearly 6% and their consumer loan portfolio since they implemented shopper alert has grown by about 11%. So point being here, we showed you some rather large size banks in the PowerPoint slide, here you've got a couple of billion and up financial institutions, hey even if you're a smaller institution shopper alert can really move the needle for you folks.

So, I'm going to wrap things up here in a few minutes, and I'm hoping we do get some questions that come in. But some differentiators that I want everybody to be aware of. As Stephenie mentioned, programs have been out there for a while, they're nothing new, and I know in my former life on occasion the bureaus would contact me and say, hey we can tell you who's out there shopping. Well that was great, but then it was sort of you know drop the information in my lap, but it was up to me to figure out what do I do with all this stuff. Right, I've got to find a local printer who can send prescreen letters to my account holders, and then how do I handle the reporting, and so on and so forth. Just a lot of moving parts, and that was why in my former life I really was hesitant to go forward with a program like this.

On top of all of that, we know that our budgets are limited, and I'm a marketer for many years back, and let's face it as a marker we never have enough money in our budget, and at the same time we never have enough people in our departments that we can utilize. So first and foremost the wonderful thing about shopper alert, is it is a turnkey program. Where really Harland Clarke is handling everything for you. That's where you get the program implemented, and it's about an eight week implementation window. But once that program is implemented it really runs on itself, and Harland Clarke is doing everything behind the scenes for you. And it allows you as a marketer, or a retailer, or a lender to go back and focus on those things that you need to focus on.

So resting assured that when it comes to loan growth, shopper alert is out there running on all eight cylinders, and you don't have to spend a whole lot of time focusing on it. So we handle the analytics, we handle the creative, we handle the printing of the letters. You don't have to worry about finding a local printer who might say to you, yes I can get these letters out the door for you, but because the volumes go up and down, and because one day it might be 50 letters, the next day it might be ten, you know based on my own internals I probably can't get those letters out the door for you for maybe a week, maybe two weeks. Harland Clarke handles all that for you, and mail goes out the door Monday through Friday.

Second key point we work with all three credit bureaus. And as you saw earlier the fact that we work with all three credit bureaus means that you're going to get a much bigger pool of opportunity to seek out loan growth. So you'll just get more triggers each day, by having the three bureaus working with this program as opposed to working with one. Next point we are a single source provider that provides inauguration across multiple channels. What does that mean? it means we handle direct mail, we'll handle email, we can even handle the outbound telephone calling for you. With 100 or so institutions that are up and running with shopper alert this far, several financial institutions have said to us, hey guys we just don't have the internal capacity to make these phone calls ourselves.

And we know the outbound phone call is a critical piece of making sure shopper alert is successful, we can handle all that for you. Next point, eight week implementation as I mentioned, easy, very easy implementation. Typically what happens is one of the Harland Clarke project leaders is going to schedule a 30 minute weekly meeting with you and your team, and during that 30 minutes once a week that is all it takes for you to get this program up and running. Lots of stuff going on behind the scenes with Harland Clarke to make sure things are happening. At the same time they'll be some responsibility on your shoulders as well, but truly nothing overwhelming, and it is a very easy implementation process.

We have a dedicated team working on your behalf within Harland Clarke, and you'll see sometimes the question comes up, there's going to be some data sharing, what sort of security is out there on the Harland Clarke side of the house to make sure that our data is not being compromised. We'll show you very quickly, there's an appendix at the end of this presentation, and we'll be happy to provide information to you if we don't get there today. But there's a long list of in house security programs to which Harland Clarke adheres. So with all that said let's wrap this up and put a neat little bow on everything. Shopper alert, what is it? we're reaching your account holders or prospects when they're out there shopping for the loan, right so it's not as if we're trying to encourage people to shop for a loan, we're actually reaching out to people who are in the act of shopping for a loan.

We work with all three credit bureaus, and as we mentioned you're just going to get a much bigger pool of opportunity that way. With shopper alert we're going to handle the outbound mail for you, we're going to handle the email for you, we're going to handle the outbound telephone calling for you is you so desire, because you don't have the capacity internally to do that. So shopper alert and those marketers on the phone know, it is a multi-channel approach that is most effective in helping to move the organization, and with shopper alert we certainly adhere to that philosophy. We want to make sure that when we reach out to your customer or we reach out to your member, we are utilizing a variety of channels.

You can track for a loan type with shopper alert, home loans, installment loans, credit cards and auto. Or you may say you know what I've sold my credit card portfolio a couple of years back, I'm not interested in credit cards. We certainly can put credit cards out of the equation. You might on the other hand say you know what auto loans, can't compete with the dealerships. I'm really not interested in auto loans, we don't have to pursue auto loans if you don't like. At the very least though what we recommend is first and foremost go after those mortgage loans, go after those home loans. Whether it's a refi, a purchase, a home equity, a home loan, or a home equity line, we strongly encourage you to make sure that whatever you're tracking, those home loans are in the mix.

Because that's where your return on investment is going to come from, that's where your balances are going to come from. It's a preselect program, so again we're only reaching out to your customers or your members, who based on the credit attributes that you determine, we'll share with you best practices to help you get there. But ultimately you're going to be the ones who will determine the credit attributes or the credit criteria among your customer base or member base that we want to pursue. And then we're going to have live reporting, and really the reporting is not quarterly but monthly. So we're going to provide monthly reports about 60 days after the program is up and running. We're going to inspect what we expect with you, and we're going to conduct 30 to 60 minute sessions with you. I do many of these week in and week out, it's our opportunity to review the performance of the program.

If we're satisfied with the results we're getting great, if you look at the results and say you know what we can do better than this, then we will work together to strategize on ways that we will improve the performance of the program to make sure that your institution is bringing the credit in the door that you want. So with that let's check the appendix very quickly, we do have a moment here. Here's our list of in-house security programs in the event any of you were curious about that. And I Stephenie, am looking at our chat field, and I'm going to say Stephenie that you and I have done a bang up job of describing shopper alert and its benefits, because I don't see a single question out there. I think that we have really done a great job in describing the program.

Stephenie: We just received one. A question was, do you see much indirect account opening as a part of the shopper alert program? Steve I'll speak to some of my client experience and throw it to you for yours, but most of our clients see tremendous value from the indirect conversions with shopper alert. The reason being it starts the conversation. It starts the conversation about what that client is really trying to achieve. Sometimes they might trigger because the trigger process itself is dependent upon the accuracy of the bureau knowing what the application was for. Sometimes the trigger could be off, so they might trigger for home equity, but really that customer was looking for an auto. So what we find out is that shopper generates the conversation to allow you to access that consumers need.

Stephen: Absolutely, and let me throw another little twist to that as well. As part of this program one of the things that I will do is I will train your team before the program is implemented, on should you elect to make the outbound calls, what your callers should be saying, and when they should be saying, what that call cadence looks like, so on and so forth. I'll share this story with you with one of the institutions with whom I've kept very close touch with, talking about indirect activity. One of the triggers that came in was for an auto loan. And this particular financial institutions employee reached out to the customer, and it was a bank, reached out to the customer and when all was said and done they could not capture the auto loan.

And let's face it, we're not going to be successful 100% of the time. In this case wherever the existing customer went for the auto loan, the bank just couldn't beat the rate. However the employee at the bank was astute enough to ask a very simple question. And that question was customer, before I hang up the phone, tell me whatever loans you might have out there that we might be able to help you with. You are our customer and we're here to serve your needs. Well before they hung up the phone they were refinancing a mortgage loan that that customer had at another financial institution. Stephenie any other questions pop in, I can't see any but maybe you can?

Stephenie: No, that's it, that's all I see.

Stephen: Okay. Well with that I want to thank everybody for attending. A copy or a recording of today's presentation is going to be made available to everybody who joined us. You'll get that within a few days, so rest assured you will be getting a copy of all these slides, as well as the wonderful tones of Stephenie and myself doing this presentation, so something you may want to keep in your archives for as long as possible. And in the meantime if you are interested in a 30 day look back, feel free to reach out to Stephenie or myself, or to your local account executive. And we'll make sure that we accommodate you, and so that we can show you what types of loan activity you might be missing out on right now by not being a shopper alert client. With that thank you very much, Stephanie?

Stephenie: Thank you.

Stephen: Thank you very much.