


This presentation and video replay will be emailed to you.

Have questions? Use the questions panel 

We'll answer you as we go and during the Q&A at the end of the call.



## A Better Way to Acquire New Checking Households



# Today's Speakers



## **Stephen Nikitas**

Senior Strategy Director, Harland Clarke

- 30+ years experience in strategic planning and marketing
- Consultant to banks and credit unions
- Develops strategies and campaigns to grow targeted portfolios



## **Michael Dorrington**

National Sales Director, Shared Mail Innovation, Valassis

- 16+ years sales expertise
- Member of National Sales Network
- Develops, tests, markets and sells new products designed to meet client needs

# Today's Agenda

- Impromptu poll
- The Harland Clarke / Valassis Relationship
- Checking Account Acquisition: Old Way vs. Better Way
- Our Unique Approach
- Case Study
- Q&A

# Harland Clarke and Valassis

## **Proprietary segmentation clustering product established in 1996**

- First and only demographic and lifestyle clustering system built at postal-carrier route level
- Facilitates low-cost direct-mail initiatives
- Portrays consumer segments more accurately
  - Drives better response
  - Creates advanced targeting and effective versioning
- Enables flexible account holder messaging

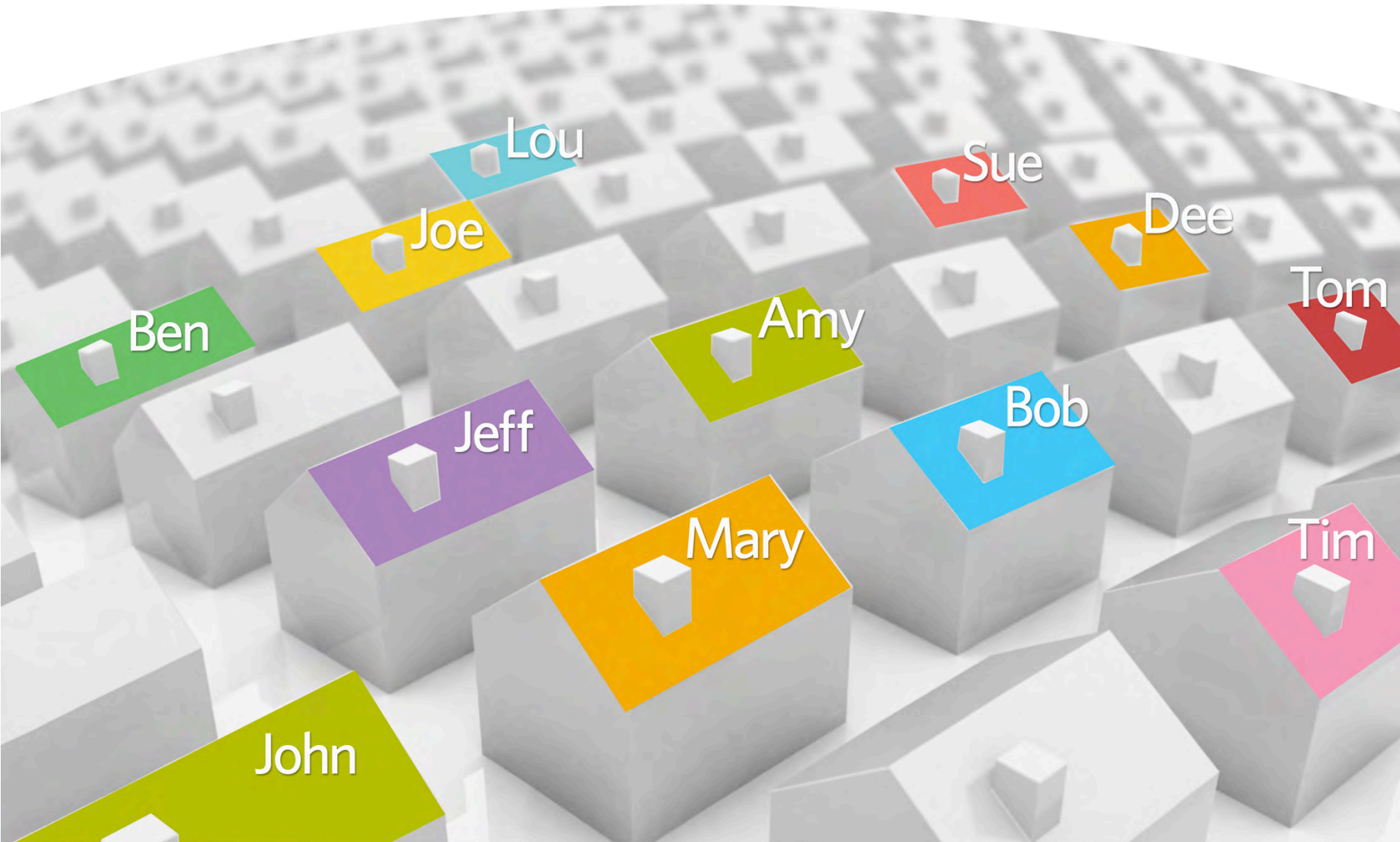
## **In February 2014, Harland Clarke Holdings Company acquired Valassis, a leader in intelligent media delivery**

- Valassis provides proven and innovative media solutions to more than 15,000 advertisers
- Harland Clarke/Valassis is the nation's leading marketing services company, reaching 98%+ of all U.S. households
- Valassis reaches 100 million households weekly and maintains more than 15,000 publications

# Acquisition the Old-Fashioned Way



# Acquisition the Better Way



# The Old-Fashioned Way vs. the Better Way

## The Old-Fashioned Way

“Spray and pray”: target by radius and mail to everyone in proximity to branches

Target everyone

Address mailing to “Dear Neighbor”

Single message to everyone

Mail a postcard

Saturation mail pricing



## The Better Way

Custom market areas: create target market areas of likely and highest-value responders

Identify and segment clusters that outperform at the Carrier Route level

Speak to individual by featuring person’s name in mailing

Personalize offer and message to household

Mail a high-impact piece that will get noticed in the mailbox

Highly targeted and personalized at saturation mail pricing

# Our Unique Approach



## Identify

new account holders most likely to respond  
via our proprietary program

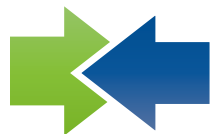
***Database Analysis***



## Locate

new account holders with our unparalleled  
targeting platform

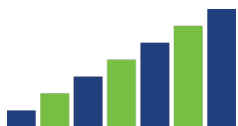
***Sharpshooters***



## Connect

with relevant content

***Personalization***



## Analyze

program performance and apply a continuous  
improvement loop

***Superior ROI***





# Locate | Targeting

- Best practice: use custom market areas vs. targeting by radius
- Analyze account holder base to create target market areas of likely and highest value responders vs. relying on pure proximity (radius) to branches
- Market areas have consistently delivered superior benefits for direct marketing programs

- 5 - 20% waste reduction compared to radius mapping
- Accounts for physical barriers that impede traffic to branches (e.g., rivers, freeways, mountain ranges, etc.)
- Controls for presence of competitive “interceptor branches” that may have superior convenience for consumers than our branch
- Raises ROI on direct mail spend through greater targeting precision and higher response rates



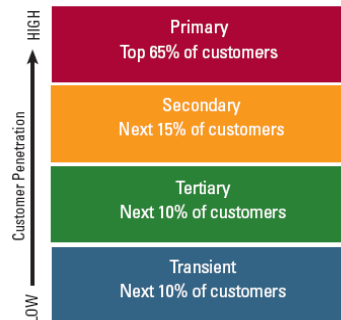
Source: Valassis



# Identify | Not Just Where, But Who

- To achieve higher response rates, analyze current checking households in all neighborhoods that comprise the branch footprint
- Neighborhoods where meaningful penetration of highest-value account holders has not been achieved will be suppressed from mailing, a critical step in raising overall campaign productivity

## Where? Customer Trade Area (CTA) Analysis



### The CTA Analysis:

*uses current account holder penetration to identify & segment the trade area by analyzing actual address files.*

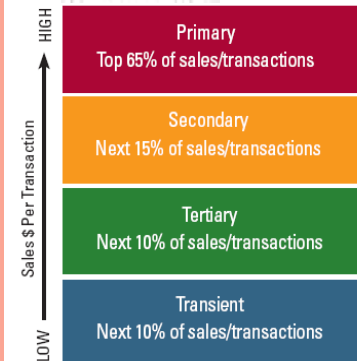
## Who? Identify "look-a-like" potential



### The Lifestyle Analysis:

*identifies the attributes of current account holders to target high-potential "look-alike" neighborhoods.*

## How much? Transactions



### The Sales Analysis:

*identifies the neighborhoods containing the most profitable account holders by using real data.*

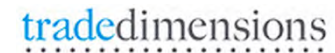
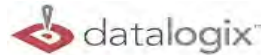


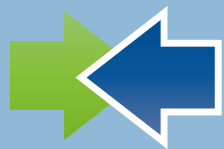
# Identify | The Target Account Holder

2,000 Real-World Data Points



Sharpshooters®





# Connect | Personalization Matters as Much as Targeting the Right Households

## What We Know About Personalization

- 1 **Addressing a postcard to a specific person** increases response **30%** compared to a piece addressed to “Current Resident” only
- 2 **Featuring the person’s name with relevant content** increases response another **40%** vs. a non-personalized message with general creative



Sources: National Mail It 2009-2011, DMA-Tracking Study; Broudy and Romano, 2009 Digital Printing Council Study



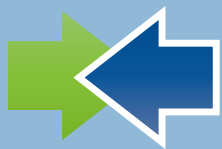
# Identify | Database Analysis

## Identifying the Target Market Group

- Leverage account holder data to create customized/actionable targeting plan for efficiencies and response
- Identify clusters that “outperform” the market at the Carrier Route Level
- Key metrics gathered at demographic cluster level
  - Account holder penetration
  - Balance penetration
- Sharpshooters segmentation to account holder communications

**Sharpshooters Clusters - Market Plan**

Clust Code	CLUSTER NAME	Cust	Trans	% Cust	Sales	HH	% SALES	% Mkt HH	TMG Idx	TMG Clust Code	Target Market Group
01	Established Elite	27	155	0.17%	\$ 3,893	9,475	0.11%	2.54%	4		
02	Influential Elders	21	119	0.13%	\$ 3,946	10,114	0.11%	2.71%	4		
03	Affluent Asian Families	3	31	0.02%	\$ 2,059	1,399	0.06%	0.37%	15		
04	Town Elite	562	4,035	3.54%	\$ 94,842	11,382	2.57%	3.05%	84		
05	Urban Executives	4	40	0.03%	\$ 851	2,147	0.02%	0.58%	4		
06	Wealthy Singles	26	174	0.16%	\$ 5,428	3,508	0.15%	0.94%	16		
07	Affluent Town Families	8	106	0.05%	\$ 1,487	4,244	0.04%	1.14%	4		
08	Golden Years	364	1,976	2.30%	\$ 48,347	13,901	1.31%	3.72%	35		
09	Country Success	1,173	6,097	7.40%	\$ 133,067	14,393	3.61%	3.86%	94		
10	Suburban Society	3,165	33,352	19.96%	\$ 647,407	24,397	17.56%	6.54%	269	10	Suburban Society
11	Boomers with Bucks	4	9	0.03%	\$ 274	1,788	0.01%	0.48%	2		
12	Affluent Ethnic Mix	2	10	0.01%	\$ 65	1,150	0.00%	0.31%	1		
13	Affluent Town Boomers	346	2,314	2.18%	\$ 45,123	6,454	1.22%	1.73%	71		
14	Kids on Decks	12	261	0.08%	\$ 13,582	6,553	0.37%	1.76%	21		
15	Senior Success	1,711	20,084	10.79%	\$ 350,523	20,569	9.51%	5.51%	173	15	Senior Success
16	Ethnic Success	1	4	0.01%	\$ 56	648	0.00%	0.17%	1		
17	Town Council	3,723	51,209	23.48%	\$ 933,514	28,650	25.33%	7.68%	330	17	Town Council

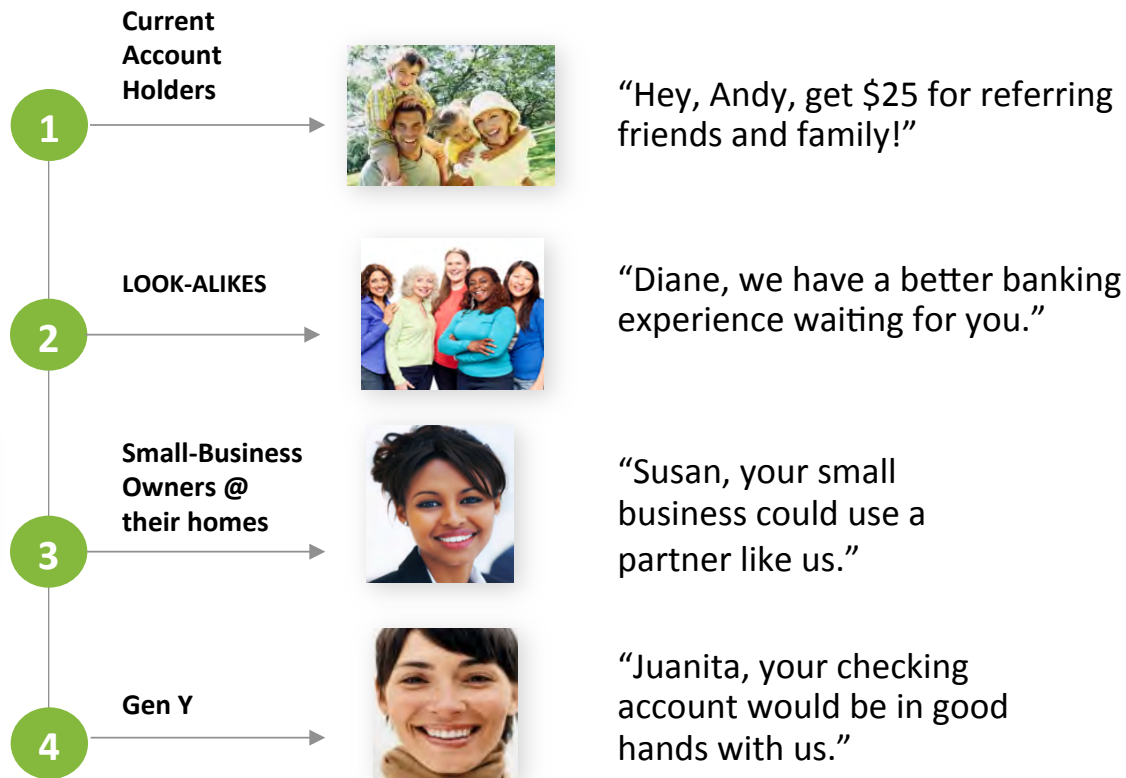


# Connect

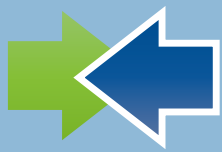
## Don't Talk to Everyone the Same Way



**1:1 Messaging  
Is Completely  
Relevant**



- Message and offer personalized to the targeted household
- Customizable for targeted segments



# Connect | Exclusive: Variable Data Postcard

## Benefits

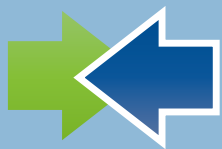
- Sales data segmentation analysis identifies high-value households
- Delivery analysis and recommendation refines the target audience
- Database merge/purge eliminates duplication
- Digital printing enhances messaging

## Features

- Address with resident name adds personalization
- Personalized variable messaging tailors the message to the resident household
  - Look-alikes
  - Cross-sell existing account holders
  - Small business
  - Client-specific segments







## **Consumer Prospects: Basic Checking**

- Broadest appeal
- Drives prospects through the door for upsell
- Most comparable account across competitors

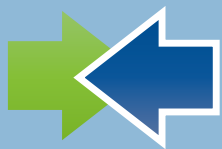
## **Business Prospect: Basic Business Checking**

- Cash management
- Merchant services
- Credit cards

## **Existing Account Holders: Cross-sell**

- Debit card utilization
- Mobile banking
- Mortgage
- Financial check-up
- Rotate messaging each mailing
- Refer a friend





## **eRedēm: More Efficient and Less Costly**

- Choice of incentives, including cash
- No risk — pay-as-you-go incentives
- Recipients make selections online, your branch or virtually anywhere
- Eliminates need for in-branch inventory and allows recipient to choose where they wish to ship the item
- Lowers acquisition incentive expenses by buying down costs
- 1099-INT or 1099-MISC reporting made easy



## Consumer Choices

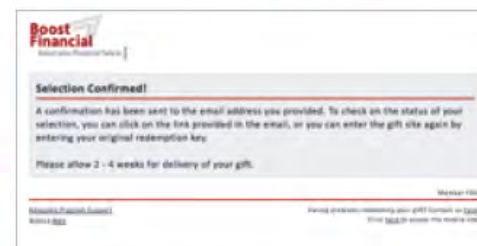
### Item Details

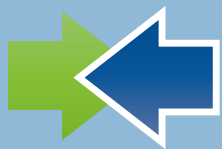


## Consumer Details

## Confirm Selection

## Thank You





# Connect | Timing and Frequency

- Consumers are in market for new checking accounts year-round
- Have an offer in hand when the consumer is ready to act
- Frequent communications increase your brand awareness and put financial institution in the “selection set” when the consumer is ready to act
- 8 times a year
- 6.5 week cycle



# Analyze | Continuous Improvement



## Case Study

- \$15B asset regional bank
- Nearly 400,000 pieces were delivered during an eight-week period.

**380%**  
ROMI


**2,000+**  
Unique new households

**\$45M**  
Checking & cross-sell balances

# Maximizing Your Acquisition Program

- Card@Once®
- Omni Channel Onboarding
- Local Search Optimization
- Mystery Shop
- Training
- Branch Merchandising
- Refer a Friend Program
- Incentive Fulfillment Management
- New Account Research Services

# Q & A

Use the chat window to send your questions! 

## Stephen Nikitas

Senior Strategy Director, Harland Clarke

## Michael Dorrington

National Sales Director, Shared Mail Innovation, Valassis

A video replay of this webcast and presentation will be sent to you within the next week

[www.HarlandClarke.com](http://www.HarlandClarke.com)



[linkedin.com/company/Harland-Clarke](https://linkedin.com/company/Harland-Clarke)

Thank You

