





Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel  - we'll field them as we go and during the Q&A recap at the end of the call. Click "Raise Hand"  to ask your question by phone.



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



Kristy Hague
Sales Executive, Shared Mail Innovation, Valassis

- 24+ years experience in advertising sales and marketing
- Specializes in shared mail, direct mail and variable data marketing solutions
- Develops highly effective marketing campaigns to meet clients objectives

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

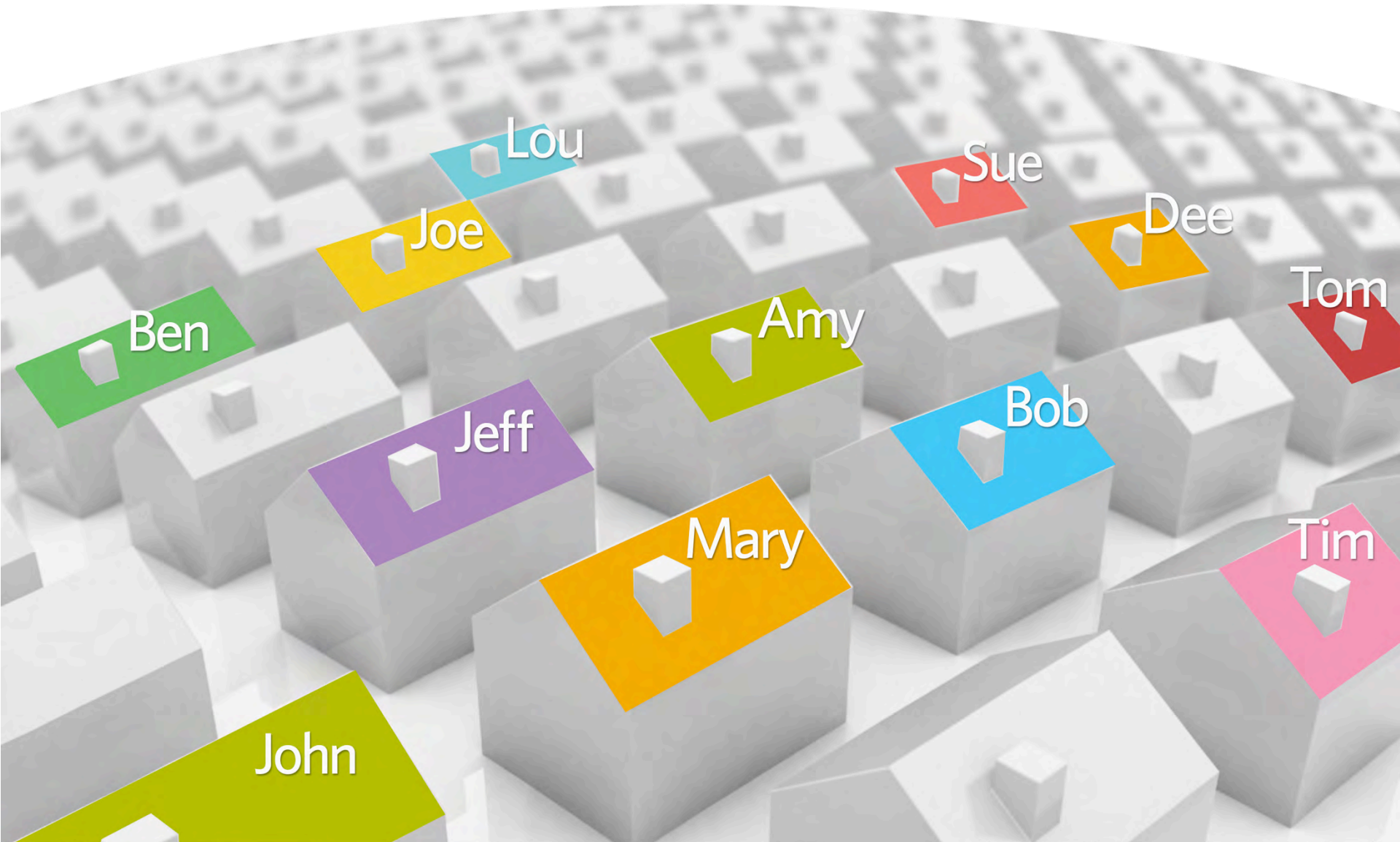
In February 2014, Harland Clarke Holdings Company acquired Valassis, a leader in intelligent media delivery

- 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

The Better Way

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



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

Target everyone



Identify and segment clusters that outperform at the Carrier Route level

Address mailing to “Dear Neighbor”



Speak to individual by featuring person’s name in mailing

Single message to everyone



Personalize offer and message to household

Mail a postcard



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

Saturation mail pricing



Highly targeted and personalized at saturation mail pricing

Our Unique Approach



Identify

new account holders most likely to respond via our proprietary program

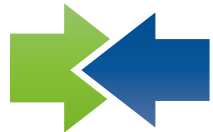
Database Analysis



Locate

new account holders with our unparalleled targeting platform

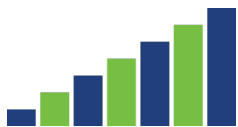
Sharpshooters



Connect

with relevant content

Personalization



Analyze

program performance and apply a continuous improvement loop

Superior ROI



- 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



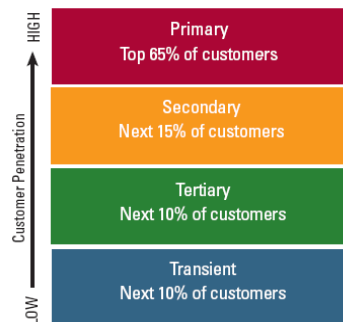
Source: Valassis



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.

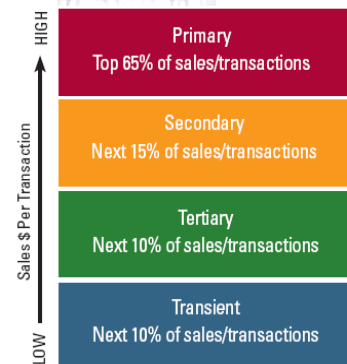
Who? Identify "look-a-like" potential



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.

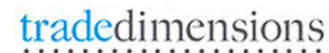


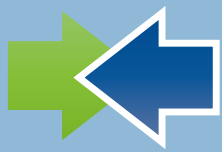
Identify | The Target Account Holder

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



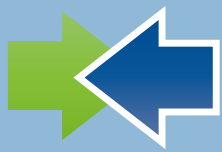
Identify | Database Analysis

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

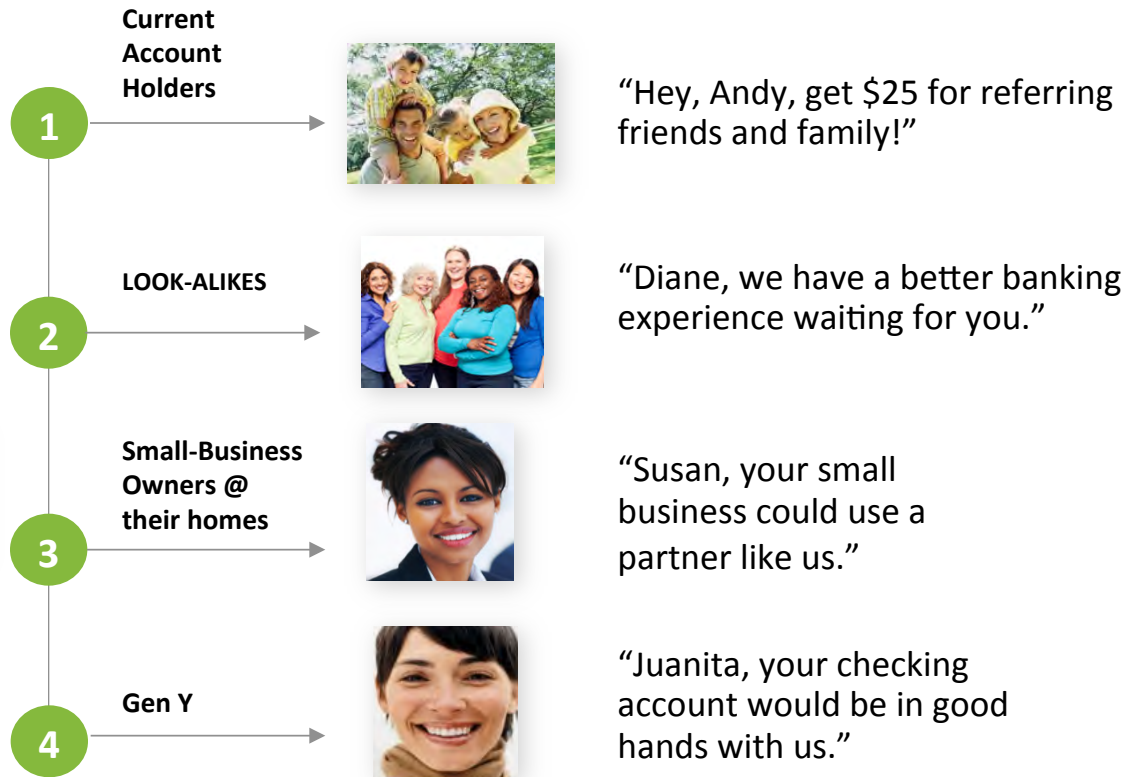
Clust Code	CLUSTER NAME	Cust	Trans	% Cust	Sales	HH	% SALES	% Mkt HH	TMG Idx	TMG Clust Code	Target Market Group
01	Established Elite	27	155	0.17%	\$ 3,893	9,475	0.11%	2.54%	4		
02	Influential Elders	21	119	0.13%	\$ 3,946	10,114	0.11%	2.71%	4		
03	Affluent Asian Families	3	31	0.02%	\$ 2,059	1,399	0.06%	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



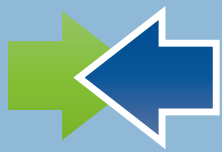
Connect | Don't Talk to Everyone the Same Way



**1:1 Messaging
Is Completely
Relevant**



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



Connect | Exclusive: Variable Data Postcard

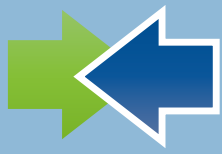
Benefits

- 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

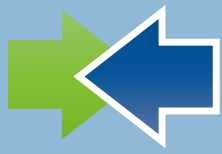
- Broadest appeal
- Drives prospects through the door for upsell
- Most comparable account across competitors

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



Connect | Incentives and Fulfillment

Branded Homepage



Consumer Choices



Item Details



Consumer Details

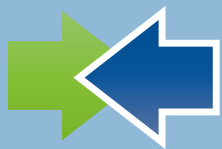


Confirm Selection



Thank You

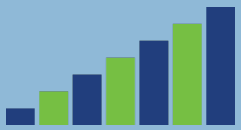




Connect | Timing and Frequency

- 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

- ClickSwitch
- 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 Wrap Up

Type your question in the questions panel 

Raise your hand to ask questions by phone 

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Thank You

