

CASE STUDY

Community Bank Achieves More Than 600% ROMI, Reduces Cost-to-Acquire with Targeted Direct Marketing Campaign

Challenge

A \$2.2 billion community bank wanted to generate new accounts for its student checking, free checking, premier checking and business checking products. It also wanted to be able to segment its customer base into the following categories: Millennials, households with children aged 15+ and households with small business owners.

Solution

The bank chose Harland Clarke to design and execute a direct mail marketing campaign targeting current checking account customers and prospects, using a variety of analytical tools to determine propensity to respond to the checking offer.

\$2,400+ average
acquired checking
account balance

\$157.58 cost
per checking
account acquired

4.15% small business
prospect response rate

5.54% response rate
for premier checking
prospects

632% total ROMI

Data/Analytics

Harland Clarke used prospect data along with the bank's data on its current checking customers to develop a customized prospect scoring index. From there, using Harland Clarke's propensity modeling, targets were segmented for likelihood to purchase to ensure they received the offer most relevant to them. Geo-targeting established that they were in close proximity to the bank's branch locations.

Communications Strategy

Harland Clarke worked closely with the bank to ensure the creative resonated with audiences targeted for student checking, free checking, premier checking and business checking products. The first mail drop targeted more than 9,000 current bank customers and 64,000 prospects, bringing the total mail to approximately 73,000. By the end of the yearlong campaign, the bank expected to deliver an estimated 360,000 total direct mail pieces to customers and prospects. Results for the first mail drop were tracked over a 50-day window.



Results

The first wave of this campaign generated a 0.78 percent account response rate, with acquired average checking account balances of more than \$2,400. The bank achieved the greatest success with its small business and premier checking account offers, generating response rates of 4.15 percent and 5.54 percent, respectively.

Campaign execution was quite affordable. The cost to the bank for each acquired checking account was \$157.58, a 64 percent savings over the industry's average¹, with an impressive total ROMI of 632 percent.

Many variables impact marketing campaign success, information on earnings or percentage increases 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.

Objectives:

- Identify checking account prospects and acquire new accounts among:
 - Millennials
 - Households with children age 15+
 - Households with small business owners
- Determine how many existing customers fell into the bank's targeted segments

Data/Analytics:

- Customized prospect scoring index
- Product propensity modeling
- Geographic targeting

Communications Strategy

- Direct mail targeted by segment, geography and propensity

To learn how Harland Clarke can help your financial institution attract new low-cost deposits, call 1.800.351.3843, email us at contactHC@harlandclarke.com or visit harlandclarke.com/AcquisitionAccelerator.

¹Average cost to acquire new customer is \$442 (Source: Callahan & Associates, 2012)