

4 Proven Ways to Accelerate New Account Openings

By Stephen Nikitas



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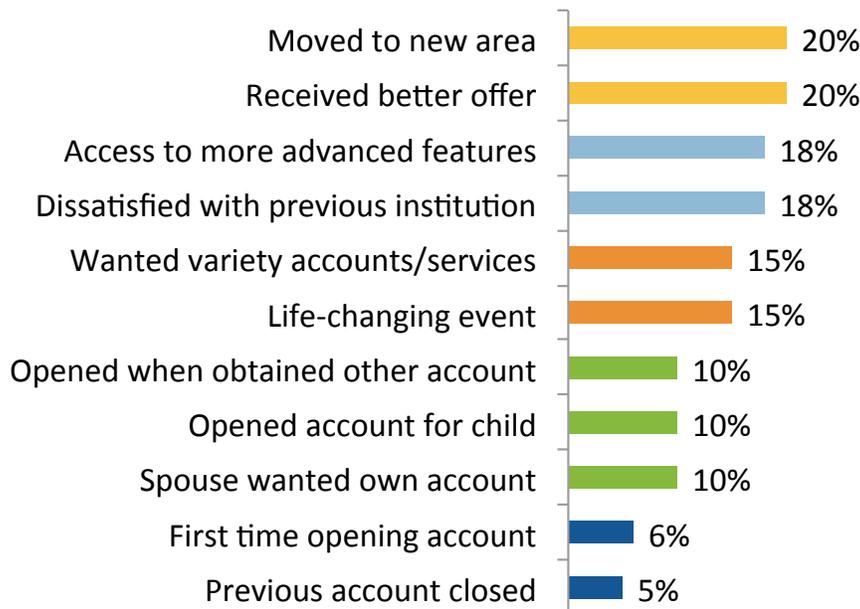
Let's face it... when it comes to help with managing money, there's a lot of competition out there. Consumers have plenty of choices. They can turn to any of more than 12,000 U.S. banks and credit unions.¹ Unfortunately, many financial institutions rely on serendipity when it comes to customer acquisition. They think if they have a branch location somewhere along consumers' work or Saturday errand routes, then new customers will come.

However, you shouldn't take a "maybe" approach to customer acquisition. Instead, be strategic and aggressive when it comes to growing your customer portfolio by using one (or all) of the four methods below.

#1 - Promote Checking Accounts Above All Else

When acquiring new customers, you should always promote new checking accounts. Surprised? Everyone needs a checking account to manage finances. Checking accounts will likely appeal to those who are new in their careers or have recently moved into the area because of a job. They may also appeal to consumers who are generally dissatisfied with their current financial institution and seeking a new banking relationship.

Reasons for Opening a New Checking Account at Time of Most Recent Opening

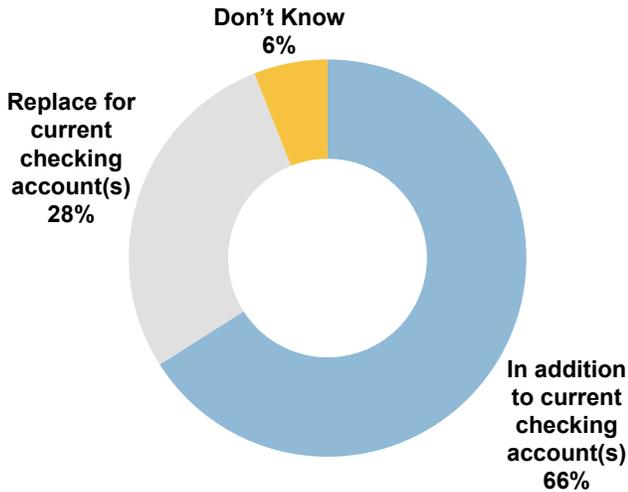


Source: Synergistics Research Corporation

¹ FDIC

It isn't just first-time account holders in search of new checking accounts; consumers are now more likely to have multiple checking accounts than ever before. Sixty-six percent of those shopping for a checking account are looking for a second or additional account.²

Position of New Checking Accounts



Source: Synergistics Research Corporation

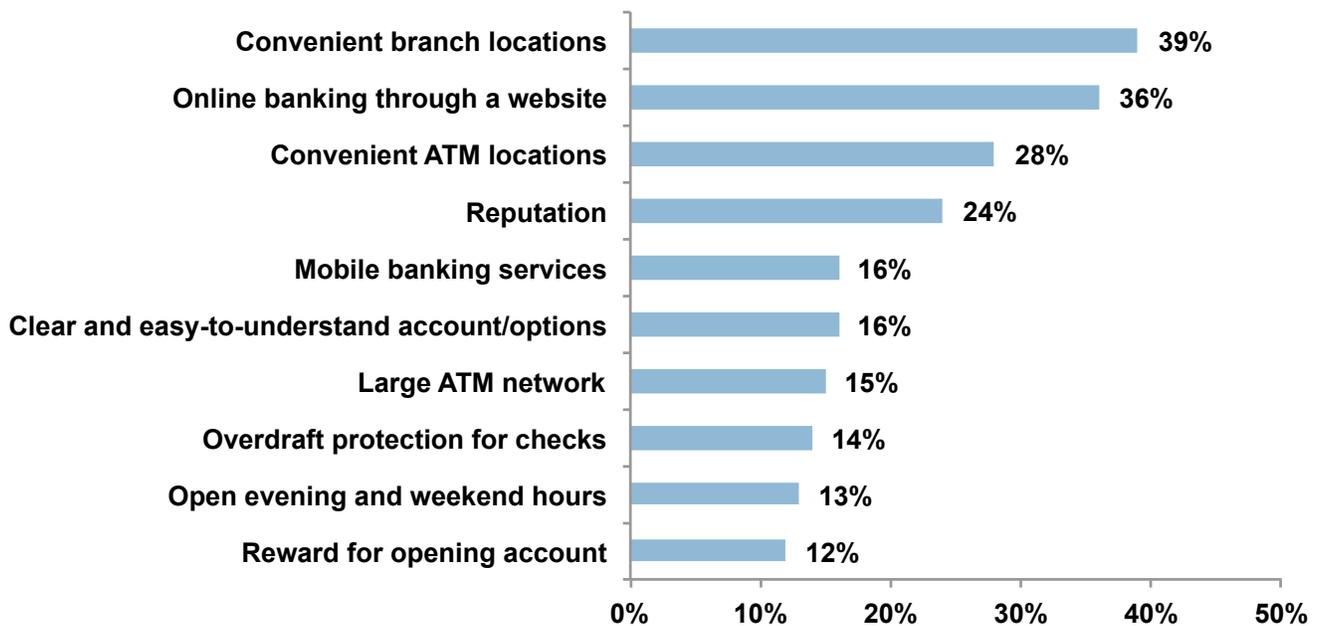
A checking account provides approximately \$268 a year in revenue to a bank.³ In addition to driving revenue for the institution, a checking account also opens the door to that new account holder acquiring more products and services as they grow in their relationship with the primary financial institution.

#2 - Make Doing Business Convenient

Branch locations still play a large role in the banking relationship. Be sure to include messaging about the ease of banking with your institution — a consistent, multichannel approach works best when marketing to prospective customers. Nearly a third of prospects cite direct mail and digital ads as the strongest vehicles a financial institution can use in order to make them aware of a product opportunity.

In the digital age, the concept of banking convenience is about offering more than just the closest branch locations. Mobile banking capabilities and multiple ATM locations now rank among the highest priority “must haves” for account holders.

“This is why I went to the financial institution to open a checking account ...”



Source: Synergistics Research Corporation

² Synergistics Research Corporation

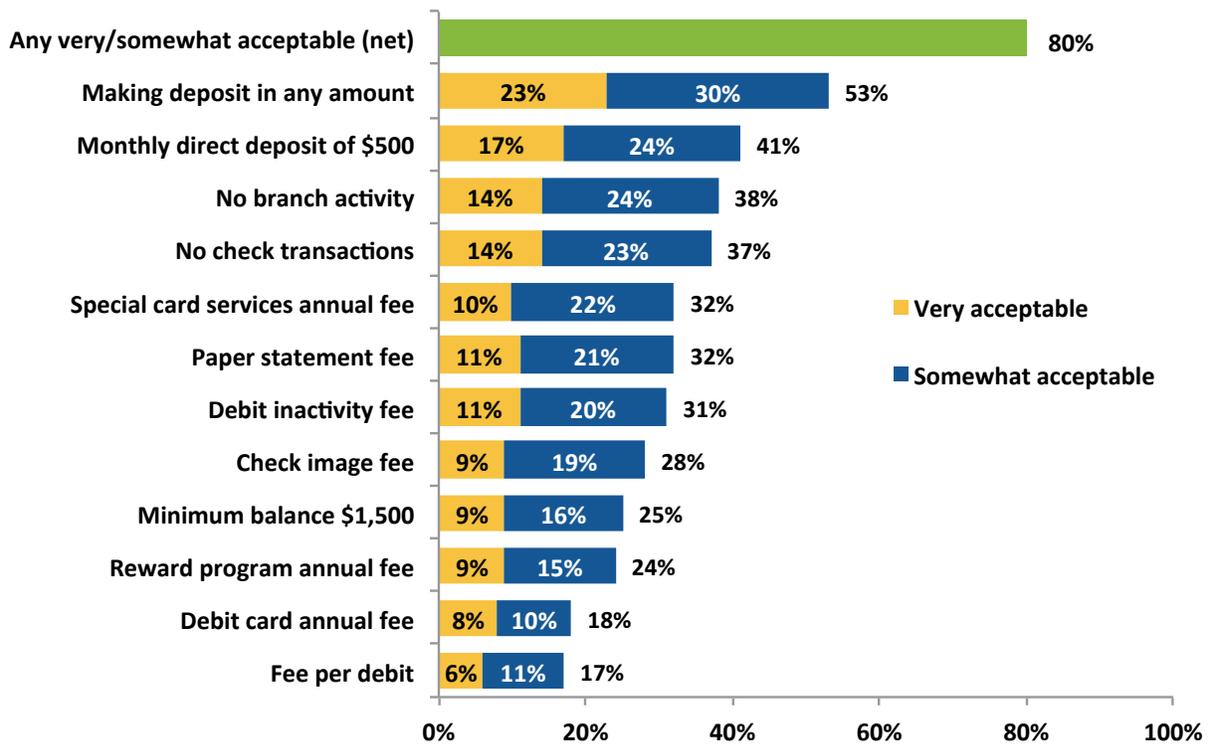
³ Moebs Services, 2011

#3 - Offer an Incentive

Don't forget to make an attractive offer when promoting a checking account as this is how many financial institutions actively lure new checking customers.⁴ In some cases, the offers are rich — as high as \$500. Don't let this intimidate you. The "Davids" of the banking world can go up against the "Goliaths" by relying on offers that will get noticed, even \$50 to \$100.

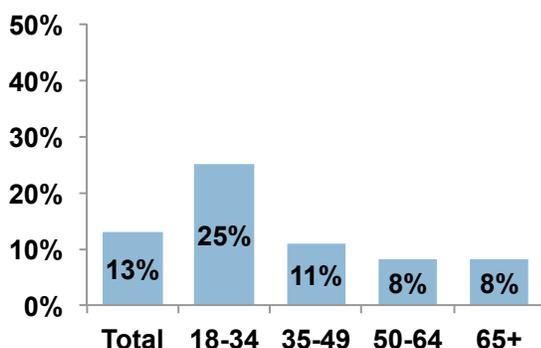
Similarly, don't discount how much of an incentive offering a free checking product can be, even if the promotion comes with stipulations such as a minimum balance or direct deposit requirement. Eighty percent of consumers are okay with institutions charging fees, so long as there are ways for them to get those fees waived.

"How Acceptable are Fees?"

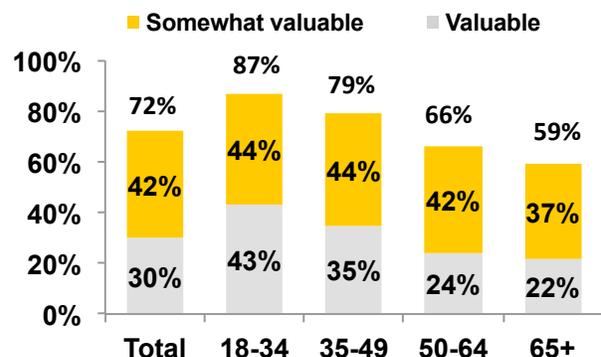


Incentives and rewards are especially important when it comes to courting younger demographics such as Millennials and Generation Z (iGen). Seventy-two percent of all consumers find reward programs valuable, but the overall perceived value and participation trends highest in ages 18-34.⁵

Participation in Relationship Rewards Programs (by Age)



Value of Relationship Rewards Among Non-users (by Age)



⁴ The Financial Brand, 2015 State of Bank & Credit Union Marketing, February 3, 2015

⁵ Synergistics Research Corporation

#4 - Target the Right Prospects

Taking the time to target account holders with whom you have a likelihood of establishing strong relationships with multiple product offers increases the likelihood of gaining strong share of wallet.

THERE ARE MULTIPLE WAYS TO DO THIS:

1. Reach young consumers opening new checking accounts through mediums and messaging that resonates with them to build strong awareness of your bank and its products
2. Saturation marketing via direct mail
3. Outsource to a knowledgeable third party to further increase account acquisition marketing ROI (for example, with a product such as Harland Clarke's deposit and household acquisition solution)

Remember: Banks have a wealth of customer data at their fingertips that can be used to learn more about existing checking account holders. This information can be leveraged to target "lookalikes" in a market footprint and further accelerate account acquisitions. When the strategy is to attract new account holders, a strategic, data-driven acquisition campaign can give your financial institution a marketplace advantage.



Harland Clarke's deposit and household acquisition solutions offer financial institutions a highly targeted, turnkey acquisition program at saturation pricing.

How it works: Harland Clarke's proprietary data analytics technology enables institutions to target individuals (not neighborhoods) with offers based on consumer, demographic, lifestyle, purchase potential and other data. Campaigns offer a variety of options, are highly customizable, and provide the same low cost communications with a more focused mailing approach to increase marketing return on investment.

THE RESULTS

- Achieve higher response rates, with unmatched levels of personalization and customization at saturation prices
- Quickly find prospects for low-cost deposits and extend offers with targeted, effective communications
- Attract more low-cost, core deposits with highly targeted solution and highly customized direct mail
- Turnkey program from analysis to creative and reporting

For more information about Harland Clarke's strategic, data-driven marketing programs designed specifically for financial institutions, please call **1.800.351.3843**, email us at contactHC@harlandclarke.com or visit harlandclarke.com/Acquisition.

About the Author

Stephen Nikitas has more than 30 years of experience in strategic planning, marketing, public relations and executive speechwriting. He has been a senior executive at financial institutions in New York, California and Massachusetts, developing and implementing sales and marketing programs that resulted in significant growth rates in loans, deposits and accounts. As a Senior Strategy Director at Harland Clarke, Stephen now provides consultative services to banks and credit unions, helping them to craft marketing and retail strategies and campaigns that take advantage of existing market and financial conditions in order to grow targeted portfolios.