

**Harland Clarke Acquisition Accelerator Webcast 05/14/15**  
**A Better Way to Acquire New Checking Households**  
**TRANSCRIPT**

**Presenter – Stephen Nikitas, Senior Strategy Director, Harland Clarke**

**Presenter – Michael Dorrington, National Sales Director, Shared Mail Innovation, Valassis**

**Matt:** This webinar is being recorded and will be provided to you along with the presentation deck within a few days. I will now turn the call over to Stephen Nikitas, senior strategy director with Harland Clarke. Mr Nikitas, you have the call.

**Stephen:** Thank you Matt, and good afternoon everybody, welcome to yet another Harland Clarke webinar. As Matt said today we are going to talk about checking, checking acquisition. And this must be a very very hot topic, because we've got probably the largest number of webinar attendees today then we've had in quite some time. So thank you all for attending, and we promise that over the course of the next 60 minutes or so you'll learn quite a bit about effective ways in acquiring new checking account holders. So as Matt said today I'm going to be facilitating the presentation, I'm going to be joined with Michael Dorrington, I'm going to introduce Mike in a moment, but a little bit about me.

I am a senior strategy director with Harland Clarke, I have been here now for almost five years. I come out of the financial services world, where I know it's hard to believe when you look at my photo, but I've actually got more than 30 years of strategic planning, marketing, retail, operations experience. In my role with Harland Clarke I provide consultative advice to banks and credit unions around the country, helping them to develop strategies and marketing retail operational campaigns, to focus on growing targeted portfolios. Mike welcome aboard, would you introduce yourself for our guests today?

**Michael:** Thank you Steve, and good afternoon everyone. My name is Michael Dorrington, I am the national sales director of Shared Mail Innovation at Valassis. I bring about seven plus years of experience from Valassis, and about sixteen years of sales and marketing experience overall. My main goal] at Valassis is I take a look and develop new products based on our existing assets at Valassis. And really what we're doing is trying to design specific

products and services, that are designed to really meet client needs and exceed their expectations.

**Stephen:** Excellent, good stuff Mike thank you, and welcome to a Harland Clarke webinar.

**Michael:** Thank you Steve.

**Stephen:** So with that let's present what we are going to talk about today. First off in a moment we're going to ask you to answer a poll question. Obviously you're here today because you're interested in checking acquisition. With a poll we want to learn about what your timeframe is for potentially implementing checking acquisition campaigns. Mike and I will talk about the Harland Clarke Valassis relationship, we'll talk about checking account acquisition obviously, and in order to do that we're going to focus on the old way versus the better way. I'm going to talk about the old way, and I'm going to ask Mike to come in and provide information on what is the better way. And then Mike and I will chime in together and talk to you about the Harland Clarke approach to checking acquisition.

We will provide some information on a case study towards the tail end of this presentation, and then as always we will open it up to questions. And in order to do that rather than open up the phone lines, what I would like to do is invite you to-- if you have a question, to type it into the chat window on your webinar screen. And then as we see questions pop up during the course of the presentation, we'll take time out to address any of those questions, and then we'll make sure at the end of today's hour, whatever remaining questions are out there we'll make sure that we address. So with that here is our quick impromptu poll, and we would greatly appreciate it if you folks would complete this in the next few seconds or so, very simple.

What is your current timing priority for checking acquisition campaigns, and if you could select one of the radio buttons, one to three months out, four to six months out, six months out to a year, or still planning acquisition and don't have a necessary timeframe yet on when you're going to strike with any sort of initiative, relative to bringing more checking accounts in house. Okay so with that, Mike I'd like to ask you if you'd be kind enough to come back

onboard for a moment, and share with us some information about the Harland Clarke Valassis relationship.

**Michael:** For sure Steve, thank you so much. And we've been really excited at Valassis with our partnership with Harland Clarke over the last 18 months. Can't believe it's been that long already. One of the things that we're most excited about and have been since the beginning, is the different expertise that each organization brings to the table. And from a financial institution perspective, there really isn't a better company in the world than Harland Clarke to really bring marketing insight to their clients and to this specific category. Valassis brings a distribution channel, and a way of packaging, marketing services, that is also something that is very unique in the market place. Overall a couple of things from a highlight perspective, Valassis was the first and only demographic and lifestyle clustering system built at the postal-carrier route level.

We are very very big on our targeting platform, and how it can really facilitate low cost direct mail initiatives. One of the things we'll talk a lot about today is picking the right geography, but also picking and for training consumer segments more accurately. Really honing in on who is more likely to respond. Why they're more likely to respond, and really drive clients towards what will drive a better response for them. And then as Steve mentioned we're going to talk about the old way and now the better way. We'll get a lot into being flexible, and really how to help account holders with their messaging, to be able to get the best chance for response. We mentioned the acquisition like I said has been in February 2014, and Valassis is unique in the perspective that to think we're not as known in the financial category as some may think, although we do have a significant amount of revenue for financial institutions large and small.

We provide innovative and proven media solutions for over 15,000 plus advertisers, and financial institutions are a large portion of our business. But the Harland Clarke and Valassis partnership really brings together a partnership in this category that we believe is unmatched in the market. And then finally we reach over 100 million households weekly, and we're in front of more consumers at the time when they want to make a purchase. So that

always on strategy is something that we're very good at clients maintain and execute. Steve?

**Stephen:** Great, thank you very much Mike. So let me share with you the results of that quick poll that you were kind enough to respond to. And not surprisingly it looks like most of you are really focused on checking acquisition this year. 42% of you said that you plan to initiate some sort of a program within the next one to three months. Another 18% said your plans will probably strike within the next four months to six months. Nobody said they're looking six to twelve months out, and then the remainder 40% of you said that you're still undecided yet on what you want to do. And we hope that after this presentation we take that indecision away, and you become pretty firm in exactly what you want to do when it comes to checking acquisition.

So thanks everybody for completing that poll. So let's talk about acquisition in the old fashioned way. This slide represents if you will a neighborhood, and in the old way what we did was we simply looked at geography and we said okay let's go one mile out, let's go three miles out, let's go five miles out from a branch location. And after we suppress our customers or our members, let's target everybody within that particular geography with a checking acquisition mail alert. Well talk to them about the benefits and the features of our particular checking account, we don't know a whole lot about those households that we're communicating with, we just know that they're either noncustomers or nonmembers, we've identified that.

But other than that we don't know necessarily ages, we don't know income, we don't know whether their bank or unbanked, we don't know a whole lot about those households that we're targeting. And as a result of that, that kind of scientific swag if you will, response rates were relatively low, and often times we were left a little dissatisfied with the overall performance of the campaign. The new way however, allows us to become much more targeted in who we are going to be reaching out to. And so today, we have a whole lot more data points at our fingertips, in order to do a much better job of identifying checking acquisition prospects. In many ways we can get down to households where for example we have a much better handle on the likelihood that that particular household is going to open up a checking account with us.

As I like to say we can often times get down to a level where we're reaching out to prospects with one blue eye and one green eye and off we go. As a result of much better targeting, we see much better response rates, much more effective spend of our marketing dollars. And when all is said and done we're better able to bring in accounts that show a likelihood of having a deep relationship with us, relative to product penetration, and relative to share of wallet. So today, because of much better targeting techniques that Mike is going to talk to you about in a little bit, we're not necessarily reaching out to every and any household, but we're reaching out to those particular households where we truly believe that that new checking account holder will have a deep long lasting relationship with us, and be much more profitable from the get go.

So let's do some comparisons here between the old way and the new way. And just sort of put a little bit more distinction into the remarks I just brought up. I'm going to ask Mike to handle the right hand side of this particular slide, and we'll go through these one on one very quickly. So the old way as I mentioned it was spray and pray right, we targeted by radius, and we mailed to everyone who resided within that radial proximity to our branches. Again we didn't know a whole lot about them, we just knew that they lived close to our branches. Mike a better way?

**Michael:** You know Steve geography is so important. And in the old way it was just, hey let's take a zip code or some sort of geography, and send pieces out or send some type of message out. But what we really want to look at is custom market areas, really targeting market areas that are likely, and get the highest value responders. Really honing in on the data to help us drive it and pick the right areas, not just what we think our customers will do, or come from.

**Stephen:** Let's talk about targeting, our next grow. Again because it's a spray and pray approach we're targeting everybody. And in many ways this reminds me of the early days, when both banks and credit unions started implementing cross cell programs on the branch floor. Today's focus with credit cards, so everybody who walked into the branch was offered a credit card, regardless of whether they had one or ten in their wallet. Much the same way when we

do a spay and pray approach, we're just putting a checking account offer in front of everybody, not knowing a whole lot about them. Mike the better way?

**Michael:** A marketer today Steve has to look at ways to increase engagement and drive down costs. So by identifying the specific segment clusters that can really help perform at the right geographic level, it's key to making their performance definitely increase and drive that ROI.

**Stephen:** Often times we like to consider ourselves to be one to one marketers. As financial institutions we often tout our ability to really know our member or know our customer. But with the old fashioned way we really didn't necessarily start out on the right foot, with the prospects who we were reaching out to. And so as a result, that mail piece that ended up in the tin box at the bottom of our driveways, was often addressed to dear neighbor. And that really exemplified how little we knew about the people we were reaching out to, and how poor our targeting methodologies really were. Mike the better way?

**Michael:** You know Steve I'm sure that everyone on this call would love to hear you and I refer to each other as dear neighbor over and over again. I think it's more important obviously, we've got to not just speak to individuals, but calling them by name, and then putting things inside of our marketing where we can learn additional insights to really drive that one to one personalization home

**Stephen:** Because we don't know a whole lot about the people that we're reaching out to, unfortunately everybody in our direct mail campaign ended up getting the same message. Again regardless of age, regardless of income, regardless of banking relationship, we didn't know whether those particular prospects had one checking account, or two or three checking accounts. So as a result everybody got the same message, and unfortunately that didn't resonate so well, and often times further depressed likely response rates, Mike the better way?

**Michael:** Yes a lot of it Steve just comes down to really not knowing what you don't know. And really knowing that the technology exists to personalize offers and messages to a household to be more relevant to that household. You know a lot of people just don't know that that exists at a very valuable cost. So I

think that that's a key to understanding that not only does it exist, but it's now acceptable to more people.

**Stephen:** Dear neighbor, single message goes out to everybody. The most prudent way to communicate was via a postcard. Everybody was getting the same message in every way, we wanted to keep a handle on our marketing expenses. So as a result what ended up in the mailbox at the bottom of the driveway was a simple postcard, not very engaging, not screaming to the person opening up the mailbox to take a little look at me. Mike the better way?

**Michael:** I'll tell you what Steve, that regardless of the format, the message that comes across here is that, you need to be able to really locate your creative, and know that it passes the three second test. That a consumer will see it, understand what needs to be done, and if they have some sort of ability to react quickly off of it, so it's driving response you're looking for. Just a real quick plug on that, I do think that that's one of the great things about the Harland Clark and Valassis partnership. Because Valassis has such a diverse client base, we can help with marketing messages that resonate across all types of verticals, and I think that will really help, and it's already proven it helps within the financial institution category.

**Stephen:** Thank you Mike. And lastly from a pricing perspective, it was again just blanket the geography, let's go for the best pricing we can. However knowing that we have to send out a certain quantity of mail pieces that unfortunately the messaging was going to be very skewed. Mike the better way?

**Michael:** Just like I mentioned before. Any vehicle you choose for acquisitions, you really look at increasing engagement and driving down cost. And that's really what today, savvy marketers are looking at ways to do that across all of their media vehicles, and it's really important in any program that we would show you as well.

**Stephen:** Great, thank you very much Mike.

**Michael:** No problem.

**Stephen:** So Mike let's talk about our unique approach to checking acquisition if you will?

**Michael:** Thanks Steve. So we have a four pronged approach for checking acquisition, and really how to go about the best way for your particular organization. We really start by looking at your current account holders. Are you in a position to maintain that same type of customer based, or are you looking for somebody whose completely different than what you have today. Maybe your current membership or your current account holders are a little bit older, and you're trying to really get that millennial face, and we can really show you interesting and unique ways to do that. We'll look at our targeting platform, or our proprietary database analysis. Once we located those new account holders and really where they're at, we're going to use our proprietary clustering system called sharpshooters, or some of our other very unique targeting methodology, to really make sure that we've got the right geography shows in, to make sure they get the optimal response for your program.

We mentioned a lot about personalization, and really connecting one to one with your client, and your prospects. The beauty of what we do is that we've been able to really look at how to effectively and efficiently allow you to be way more personalized to the masses, without really breaking your budget. And finally I think the key to all of this is really analyzing performance and really applying a continuous improvement loop. We'll show you ways where you can create a continual test environment, to maximize the types of people that you're talking to, the response that you're getting by segments, to be able to get the most long term great results that you can get.

So if you go to the next slide we really then start talking about our targeting platform, and really this is where Vilassis and Harland Clarke really created a great partnership. We really are looking at custom marketed areas, first it's just a dot circle targeting of a radius. We're analyzing those account holders to create those target areas, but also looking for likely and highest value responders. Really relying on proximity, but also looking at the key demographic to see are they like your account holders and who you currently have, or are they somebody whose completely different, and what's the right strategy to be able to acquire them. These market areas have consistently delivered superior benefits in direct marketing programs, and it can be used in the products and services that we're offering, or it's a great tool to be able



to use in some of your other marketing programs, so we want to make sure you're driving response.

As you can see some of the different statistics that go along, we have a 5 to 20% waste reduction compared to radius mapping. And we're really looking at the physical barriers that are going to help increase response, or reduce our chances of not getting good response, you know in traffic and natural boundaries. We're really looking for controls, obviously for presence of competitive, interceptor branches, that may have superior convenience for consumers than our branch. And then really we're always looking for a positive ROI and really making sure that we're driving result in a return on your dollar all the time. In the next slide this is really a good way to look at our sharpshooter cluster segmentation, this is not the only targeting platform that we offer, but it is one that we use quite a bit.

Really the idea is to achieve higher response rates, analyze your current checking account holders in all of your neighborhoods, to really comprise the best footprint and the best geography that you have today, and the best places where you should go tomorrow, to gain prospects and acquire new customers. Neighborhoods where there are meaningful penetration do tend to drive higher results, but that's not always the case. So we're going to look at developing consumer trade analyzes, then overlaying that with lifestyle analyzes, about not just where these people are at, but who they are, and then from a transaction basis how much they spend with you, and how they invest with you, and all the different products and services that they may buy from you today.

Those three components together really make for the best acquisition program, and we're seeing great results from that today, not just now that we've put this into practice for several institutions. As we flip to the next slide we talk a lot about data at Valassis and what we have available. We spend and invest in over four million dollars of new data every single year, to really help us understand who the consumer is, what they like to buy, what they're in the market for, across all different verticals and categories. But it does help us to really hone in who is the right target and the right prospect, utilizing as you can see some of our-- the 2000 real world data points. You have things like MRI, and Scarborough, Epsilon, Acxiom, IRI, and then even offline and

online data. So we really are experts when it comes to procuring data, understanding how to use that data, and then making it relevant for your category, and with your specific client need. Steve do you want to talk a little bit about personalization?

**Stephen:** Yes, let me take this slide Mike. And you know what Mike years ago in a former life, I used to do a lot of sales training at the financial institution that I worked at. And as I was becoming a certified sales trainer, the course I was taking taught me a very valuable lesson and that was, there is no sweeter sound than hearing your own name. And personalization really matters when it comes to targeting checking account prospects. Because we really do stand up and take notice when somebody uses our name, let's face it we love to hear our name. And one of the advantages, or a couple of the advantages of this personalization is that first off, that self-mailer that's going to arrive in your mailbox as part of this campaign, is going to be addressed to a specific person.

It's not going to come to dear neighbor or dear friend, it's going to come to a specific name residing at that household. And studies tell us that putting a name on a self-mailer or a postcard, will help increase the response rate by 30%. Another advantage of knowing our prospect, knowing our potential customer, or knowing our potential member, comes in the ability to put that person's name in with the relative copy or in with the body copy. And doing so also provides a boost to the call to action. In this case, putting a name and personalizing the content of the direct mail piece, helps to boost the call to action by another 40%, versus a mail piece that is generic in nature. Mike I'm going to kick it back to you to take the next slide.

**Michael:** Thanks Steve. And so right now we're going to talk a little bit about how we identify the right places to send your marketing pieces. So one of the things that we offer is database analyzes, and that really helps us look at current account holders, and really understanding what makes up that current account holder. And really understanding a targeting plan that we can help you with, and give you advice and expertise based on our years of knowledge, but also based on your marketing initiative that you're trying to accomplish for the year. So once we've identified the clusters that really

outperform the market at the carrier route, some of our other geographic areas, we look at the metrics that really drive that particular cluster.

Is it a key demographic that we're trying to reach, or a purchasing behavior, or is it even maybe balance penetration, or account holder penetration. We will work together once we've gone through the sharpshooters plan, and identify either clusters, households, or geography, that work best for you. And what this is an example of right here is how the sharpshooters work, you see 17 clusters here, but there's actually around 54 of them. And they really are designed to find out more in deep detail about your customer, and how to find more of them, and increase your account holder penetration. So once we've identified the right geography, the right households, the right segmentation, the next slide really shows how we talk to each individual.

And this is a plan that we come up with, to really drive home who we want to talk to, how we want to talk to them, and what type of imaging we should use to really drive a way that will resonate with that individual household. So you can see an example here, we're talking about one to one messaging. So at the very beginning we'd say for current account holders, they'd have a specific image, and we'd say hey, get \$25.00 dollars for referring friends and family. We know how important referrals are, so we've got a great program in place to take advantage of that. Then as we've got that lookalike cluster, or the lookalike segment, so people that look just like your customer that we know are people who are likely to respond to your messaging.

They have a specific image and it would say something like, Diane we have a better banking experience waiting for you. And then you get into maybe small business owners, and really understanding people that are working out of their home, and how can we talk to them with the right image and say, Susan your small business could use a partner like us. And then maybe we'll also just kind of throw in another idea, looking for generation Y, and giving them a specific image that says, the money in your checking account would be in good hands with us. The idea of what you're looking at here, it can be much more complex than this, it can be much simpler than this, but the ideal is one to one, so that particular household is taking an advantage of our technology and targeting, to really be personalized to that particular household.

So as we flip to the next slide, the product you'll hear us talk about a lot is our variable data postcard. That's really what our acquisition accelerator is driven by, it's not the only thing, but we found that direct mail still garners the highest response and still drives the best ROI. So some of the benefits of using this program, using that sales data segmentation to analyze and identify high value household is key. Delivering an analyzes and recommendation that refines the target audiences is part of the partnership we bring with you. Really looking at the merge purge of the database eliminates duplication, so that we're really finding and honing in on what is the right message for that household, and not sending mixed messages.

And we digital printing technology, that's key in knowing that we're using the best most vibrant print technology, to really get that response and pop when the person receives it and has it in their hand. Everything that we have, with address with the residents name to add personalization, and we use personalized imaging messaging and offers across all of our feed, to really make sure that we're taking advantage of that increase in technology to capture lookalikes, cross selling, cross account holders, small business opportunities, and client specific segments. Steve you want to talk about some of our other offerings?

**Stephen:** Sure, sure. So let's talk about you're planning to conduct a checking acquisition campaign, you know the mechanics, Mike thank you very much, you've gone through a great job of talking about the targeting and the packaging around all of that. But what's the message? what is it that we want to put in front of that prospect. And so what we've done here is we sorted it out into three different categories. First off is consumer. So if our campaign is focused on retail checking, what we recommend you promote is your basic checking account. It's a checking account that you know would have the broadest appeal among prospects. It is a message that will simply drive people in the door. And once they get in the door and have an opportunity to sit down with your platform people, then there is your ability to talk to them about the other flavors of checking.

That interest bearing checking account for example, that might come with a minimum monthly balance requirement, but might be something that appeals to a more affluent audience. Our recommendation is go out with a basic

checking offer, in fact it's kind of like, I've got a friend who sells ice-cream, and I have this conversation with him when he talks about advertising. He can advertise vanilla ice-cream till his heart's content, but he might fall into the trap of creating an impression that all he sells is vanilla ice-cream, and those folks who are looking for chocolate, or strawberry, or any other flavor, would go somewhere else. So we don't want to fall into that trap, we just want to make sure that we offer basic checking programs to our prospects, with the sole intent of driving them to the door.

We also want to make sure that this product is comparable with what competitors have out there. So we don't want to put out something that is going to create confusion in the mind of the consumer. If it's a business acquisition campaign same thing, we want an offer put in front of the potential small business prospect. A basic business checking account, and convey to them the advantages of cash management, the availability of merchant service programs, the availability of business related credit cards. And then since we're communicating with existing account holders, those account holders who, again we don't want to put a checking account offer in front of them, but because of the mechanics of how we have to conduct the mailing, we have to talk to our existing account holders.

So let's use that as an opportunity to cross sell. Cross sell a variety of products and services, that are key to your 2015-2016 marketing endeavors. Maybe it's getting people to utilize their debit card, maybe it's promoting your mobile bank services. Mortgages, invite people to come in for a financial checkup. Maybe if we're doing multiple campaigns we rotate those messages every time we reach out to our existing customers. So one drop they're getting a message about mobile banking, the next drop they might be getting a message about car loans, the next drop it might be credit cards, the next drop it might be financial checkups. And with whatever we communicate with when it comes to existing account holders, we always want to be talking to them about referrals. Right, because we know study after study tells us that word of mouth is very strong.

And since we're talking to our existing account holders, let's use that as an opportunity to encourage them to refer a friend, a family member, a neighbor, a work associate, to our financial institution. And we know that by

doing that the acquisition costs are going to be rock bottom low, and become a very very effective way to grow our account holder base. Now let's go to the next slide and talk a little bit about incentive. So we've talked about the mechanics, we've talked about the targeting, we've talked about the packaging, we've talked a little bit about what we ought to be putting in front of the consumer when it comes to the products and services. But let's talk a little bit about the incentive.

And often times when I am involved with strategy discussions involving checking acquisition campaigns, more often than not the incentive comes up. And more often than not the financial institutions that we work with realize they have to put an incentive in front of the consumer, in order to further encourage them to come in and open up a checking account with us. It does not necessarily have to be a sky high incentive, similar to what we see some of the larger banks doing. For example I live in New York City now, and it's not unusual for me to see checking offers from a couple of the national banks that are in the hundreds of dollars. That's tough to compete with, and many if not all of us cannot compete with those kinds of offers. But we still need to make some sort of offer to the prospect in order to capture their attention, and give them yet another reason to come in and open up an account with us.

So to do that we offer a program called eRedem. It is an efficient and very inexpensive way to encourage prospects to come in and open up an account with you. With eRedem you have a choice of incentives, it could be cash, it could be merchandise, it could be gift cards. One of the advantages of eRedem is that it is a pay as you go type of an incentive. In other words you don't have to buy X number of gift cards, or you don't have to buy X number of coasters. You pay for the gift cards, you pay for the coasters, as the program progresses and as demand exists. So you're not portfolio-ing, or let's say inventorying gift cards, or coasters, or whatever the other incentives happen to be. You can push in front of the consumer a variety of incentives and then steer them online if you'd like, to go pick and choose whatever incentive they happen to want.

So it could be a variety of gift cards, maybe Banana Republic, Amazon, Nordstrom, Home Depo. So you have flexibility in what you're offering, it can

be a variety of merchandise items as well. It's a great way to keep your incentive expenses down, and at the same time all of the reporting relatives to a tax perspective is automated and made very easy for you. So it's a great way to get an incentive out there without having to worry about all the things that we worried about in the past when it comes to inventory, and dual control of the merchandise, and where we're going to stock it, and how much do we have to buy, and are we going to use everything, and if the program is a success great we'll reorder, and if not what do we do with all this stuff that's leftover.

Now from a consumer perspective what would an eRedem type of an offer look like, and let's take a look at this next slide, and we'll show you some examples of customer facing or member facing displays. So with eRedem you might steer your members in the upper left hand corner, or customers to a branded home page. On that home page after they open up their checking account they could take a look at the variety of consumer choices they have. Maybe gift card, maybe merchandise, whatever it happens to be. They've got information on the particular merchandise item, or on the gift card that you happen to be offering to them. Under the consumer details that's where the consumer again online, can go in and place their order for whatever merchandise or whatever gift card they happen to want.

Confirmation is sent to the consumer after they have input their desired incentive, and then as part of the customer or member experience, a thank you note is sent electronically to that consumer thanking them for their business. Letting them know that they have selected such and such a gift, and letting them know when the gift will arrive. Let's go to the next slide. So I want to talk about timing and frequency for a moment. And really the key point that I want to make here is consistency. We know that consumers are always in the market for checking, there are lifestyle changes that take place all the time. People move because of new jobs, people maybe lose faith and confidence in an existing financial institution because of a customer service issue, and maybe in the market for a checking account.

So there's no one particular time of the year based on research, and based on our experience, when consumers happen to be more in line for a checking account than other times of the year. So it's important to be in front of the

consumers all the time. And our recommendation is frequency and consistency are key. So with the checking acquisition campaign that we're involved with, our recommendation to the bank or the credit union is to be in the mail frequently. Up to eight times a year, or maybe every six to eight weeks. We know that today it is very difficult to gain the attention of the consumer. In fact I saw something online earlier today that said the average attention span out there is a scant eight seconds.

So a one and done approach to checking acquisition, just like a one and done mail approach to any campaign, whether it's a mortgage promotion, or whether it's an auto loan promotion, or even a CD promotion. One and done with direct mail doesn't necessarily work. Just like advertising, we would never put an ad in the paper one day and walk away from it. Advertising whether it's newspaper, radio, television, it's key to be consistent and it's key to be frequent. And direct mail works the same way. So with checking acquisition campaigns, our recommendation is always be in the mail frequently. Be in front of the consumer, get your message out there, eventually it will resonate and ring loudly with that target audience. On our next slide Mike I'm going to ask you if you don't mind, we always like to inspect what we expect. Will you talk a little bit about how that works with our checking acquisition campaigns?

**Michael:** I sure will Steve. To take advantage of that always on strategy that you're talking about, we really want to institute a continuous improvement process. So we mentioned earlier about taking a look at account holders and really analyzing them to determine the right geography. That's so key, and that's the foundation and the starting point of where we would recommend you begin. And I mentioned personalized direct mail, and to maximize results I think that that really-- like I said it will be the foundation from a product standpoint, it really does drive the greatest response traditionally, and it also allows you to-- with the technology we've introduced, allows you to really be more relevant to that household more than ever before. Then we move to the high value incentives with easy fulfillment.

You've done a lot in putting together a market strategy in conjunction with us, we really want to make sure that it's easy for your prospects to get the high incentives that you're putting out there, we want to make it a really nice



process that they're able to go through. Then metrics are obviously still key, you know we want to take and analyze those results to maximize future campaigns, to really get and take advantage of what we've learned in the market, and then be better the next time. You don't want to do the same thing over and over again with the same results. We want to look at how do we maximize, how do we continuously improve, to really drive the best learned way of continuous improvement that we can.

**Stephen:** Thanks Mike. So all of that is well and good, but what can I expect. And as a former marketing person, I know there are a lot of marketing and retail folks on the phone today. Show me the proof right, before I start expending any marketing dollars on an acquisition campaign, what might I expect. Well I wanted to share with you a single case study with a bank which Harland Clarke and Valassis teamed up, to handle a checking acquisition campaign earlier this year and late last year. This is a fifteen billion dollar financial institution, so a good size financial institution. And we mail for them during their first drop 400,000 pieces reaching out to various communities supporting their branch footprint. At the end of the campaign we saw 380% return on their marketing investment. 2000, more than 2000 actually new households came into the bank fold as a result of the acquisition campaign.

And when all was said and done, between checking and other indirect cross sell balances, the bank realized a 45 million dollar bump in their overall deposit and loan portfolios. So the campaign was extremely effective for this particular financial institution. We currently work with several dozen financial institutions right now, conducting checking acquisition campaigns. Many of them are in the state of implementation, many of them mail has already dropped, and we're in a process where we're just beginning to compile results. But what you see here is pretty typical with what we're realizing with many of those other financial institutions with whom we're working. Let's go to our next slide, and it's all about maximizing your acquisition campaign.

So some things to consider as part of an acquisition campaign, Card@Once programs. Where you're issuing debit cards right then and there at the fill out form desk, rather than waiting for that new customer or that new member to have them wait two weeks or so for that piece of plastic to come in. You want to look at implementing Omni Channel Onboarding programs. Onboarding

programs that comprise direct mail campaigns through the postal mail, email, outbound telephone calls, even text messaging. We're looking at local search optimization, where we're working with our new account holders in order to make sure that we're standing up on top of their search activities, and making sure that our particular offers are out there front and center.

Mystery shopping can help to make sure that that customer or member experience is a positive one, and helping to differentiate ourselves from other financial institutions within the market footprint. Training programs can go a long way for helping to ensure that our branch staff is fully abreast of the sales personality that we're looking to implement, and is conducting their full needs assessments with new customers and new members. In order to make sure that we're not only opening up a product that is here and now, but making sure that we're capturing products and services from our customers and members that they may need down the road. Branch merchandising campaigns to make sure that that experience inside the branch is one where we're getting our messaging across.

Refer a friend programs, can be a very effective way to encourage those new customers or those new members to bring more people in the door for us. As we mentioned earlier referral campaigns are a very cost effective way to add to our customer ranks and out to our membership ranks. We know that once a prospect comes onboard and establishes a relationship with us, there is a very very strong honeymoon period, in which they're highly likely to talk about us to their friends, their neighbors, their loved ones, their family members. And encourage them to come into the bank or come into the credit union, because the experience was such a positive and a fulfilling one. We've talked about incentives, we've talked about eRedem, a very cost effective way to put a gift card, merchandise, cash, in front of a consumer, and then new account research services.

Where we're able to take a look at what kind of a relationship that new account holder has with our financial institution, and using propensity data. Look at what products and services these new customers and these new members show a likelihood for down the road, in order that we can proactively reach out to them with our own products and services. Well that brings us to the end of today's presentation. As I mentioned you can certainly

use your chat window to ask any questions that you may have. Mike and I are here to do that, and before we--I do see a question that has popped in, and before we address it, I just wanted to remind everybody that a video replay of this webcast will be sent to everybody who has attended within the next week, so be on the lookout for that. Mike we have a question that popped in, that I think this one is probably better directed to you. You talk a little bit about the Valassis relationship and Valassis history. Tell us what kind of experience Valassis has with financial institutions prior to the relationship with Harland Clarke?

**Michael:** Oh that's a great question Steve. You know it is interesting when we look at the two entities. Obviously Harland Clarke is very well known in the financial space, where Valassis may be a little bit lesser known. But I would tell you that from a client perspective we work with some of the largest financial institutions in the country, and executing all different types of programs for them. Everything from checking acquisition loan to major events. We have a very solid history within the space, which then helps us communicate and work well with our partners at Harland Clarke. So, it's a great question, I'm glad we were able to address that, because it's definitely something that we're proud of our history there.

**Stephen:** Hey Mike I've got another question, and I'm going to steer it to you if you don't mind.

**Michael:** Of course.

**Stephen:** Timeframe, timeframe. About how long does it take to get an acquisition campaign up and running. If I were to sign a contract today, how long would it take before we would start seeing mail pieces drop?

**Michael:** We like to typically tell people around the four to six week time period. It takes a little while to get all the data and to make sure the targeting is done correctly. But if you're talking about a contract to in home, it's typically within that four to six week timeframe.

**Stephen:** Great. And Mike this question I'll handle, and it also revolves around implementation and what is the process. So the implementation process would call for a Harland Clarke project manager to be assigned to this

particular project. These project managers are very very skilled in keeping projects on track, and making sure that everything is completed within that window that Mike just brought up. To get there, usually the project manager will schedule about a 30 minute weekly meeting with the financial institutions team. And during those weekly meetings their focus is just on driving the process so that we can get mail to the prospects as quickly as we possibly can, again within that window that Mike brought up. Mike I don't see any other questions in here. So I think we have addressed all the questions of the folks who are on the phone with us today. Mike we're going to give our attendees back the gift of time here, it looks like about six or so minutes. But any final words from you before we sign off?

**Michael:** My final thoughts are thank you very much for the time today. I think that you will enjoy the diverse asset that both Harland Clarke and Valassis bring to checking acquisition and to other programs. I think that I appreciate you giving me time back, and hopefully they'll appreciate giving them time back as well.

**Stephen:** Great Mike, thank you very much. On behalf of Harland Clarke I want to thank everybody for attending today's webinar. If you have any questions about acquisition, checking acquisition that didn't come up today, feel free to reach out to myself or to Mike, or contact your local key account executive with any questions you may have, and we will get back to you ASAP. With that again thank you everybody, and look forward to seeing you at the next Harland Clarke webinar. Bye bye.