

Shopper Alert™ Helps Credit Union Drive Loan Growth and Achieve Cost Objectives



Background

Like many other financial institutions in today's economy, HAR-CO Federal Credit Union, a mid-Atlantic credit union with \$200 million in assets, was looking for new programs and tactics to help generate new loans across its existing member base.

Challenge

The credit union had several loan programs in the market that were performing well. According to Jim Meehan, HAR-CO Federal Credit Union's CEO, "Because of excess liquidity and declining yield from investments, we were looking for a program to really help accelerate the growth of our loan portfolio."

Part of the challenge was to generate as many new loans as possible at an attractive cost per loan acquired. The credit union needed, therefore, to be sure it offered loans only to members who met its credit qualification criteria.

The credit union also needed a solution that would not tax its limited marketing staff and resources. The program needed to be turnkey and not only target potential new loan members, but manage the direct mail program as well.

The goals of the program were:

1. Identify members at or near the buying stage of the loan purchase buying cycle
2. Focus on the most productive loan products to generate the new loan volume needed to impact the institution's financial performance — mortgage, auto and consumer loans
3. Only market to creditworthy members
4. Meet loan acquisition cost objectives

Solution

After discussing its objectives and goals with a Harland Clarke marketing strategist, the credit union decided to implement a loan acquisition program using Harland Clarke's Shopper Alert solution.

Shopper Alert helped to meet four crucial program objectives:

1. Target only members *actively* shopping for new loans
2. Target only members meeting the institution's credit criteria
3. Identify only new loan shoppers
4. Turnkey solution

*Shopper Alert
Success at
a Glance ...*

*The loan program generated
a **7% response** over
eight months at a cost of
less than \$75 per loan
funded.*

Shopper Alert works by continuously monitoring the three leading credit bureaus to identify credit inquiries and then quickly sending a new loan offer to preselected account holders within 24 hours of an alert.

Results

The credit union implemented Shopper Alert in May 2012. Results from May to December of 2012*:

- 3,400 offers were mailed to members
- 239 applications submitted by members
- 60 percent of the applications resulted in a new loan being funded
- The loans resulted in \$10MM added to the loan portfolio
 - \$8.8MM in mortgage loans
 - \$1.1MM in new auto loans
 - \$100K in consumer loans
- The program generated a seven percent response rate overall
- The blended marketing cost per funded loan was less than \$75, far less than the credit union expected

Says Meehan, "We are very pleased with the results. It has exceeded expectations both in terms of the number of new loans produced and the cost of each loan captured. Our members have told us they like the program as well and appreciate receiving a call from us with a preselected offer that saves them money."

What this means for you ...

You can drive new loans cost effectively

Shopper Alert enables you to drive new loan growth at an acceptable cost by targeting only account holders who are actively shopping for a new loan.

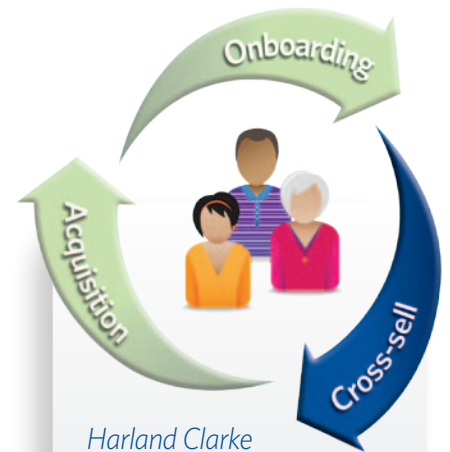
You can prevent account holders from establishing a relationship with your competitors

Shopper Alert will identify your account holders who are making a loan inquiry with a competitor. This drives account holder retention by delivering a loan offer from your institution before a relationship with a competing institution is established.

You can monitor the three leading credit bureaus with one integrated program

Shopper Alert monitors the three leading credit bureaus, providing you with 75 percent more coverage than other single-bureau solutions, which helps to drive more loans.

** Many variables impact campaign success. The information on earnings or percentage increases that is 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.*



Harland Clarke

Lifecycle Marketing

Harland Clarke's Lifecycle Marketing Solutions — powered by advanced analytics, insightful data and award-winning creative designs — drive engagement and profitability at every stage of the account holder relationship. Through effective acquisition, onboarding and cross-selling strategies, we help our clients achieve primary financial institution status with their account holders.

To learn how Harland Clarke can help your financial institution connect with account holders, call **1.800.351.3843**, email us at **contactHC@harlandclarke.com** or visit **harlandclarke.com/ShopperAlert**.