



**Harland Clarke “A Better Way to Acquire New Checking Households” Webcast 07/22/2014  
TRANSCRIPT**

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**Renee:** Good day and welcome to the Harland Clarke’s Give your Checking Acquisition Program a boost conference call. Today’s conference is being recorded. At this time, I’d like to turn the conference over to Erik Kelley. Please go ahead.

**Erik:** Thank you. My name is Erik Kelley and before we get started on the presentation today, I want to give a little bit of information that will we be answering questions in a chat format or in an open line so feel free to type in any questions you have along the way into the chat box. There will be a link following the webcast to copy of the presentation.

Moving into our presentation, a little bit of background on myself. My name again is Erik Kelley. I'm a senior product manager here at Harland Clarke. I come to you with over 20 years experience of financial services mostly with some of the large regional banks. A lot of direct marketing background both in checking acquisition and in HELOC direct marketing programs. Also, at our call today is Mike Dorrington. I'll let Mike introduce himself as well.

**Mike:** Thanks. Hi everyone. I'm Mike Dorrington. I'm the national sales director of Shared Mail Innovation for Valassis. I have over 16 years of sales experience in my current role where I take a look at our existing direct mail and shared mail assets and really find ways to help client innovation and add personalization and variability into their programs so they can really increase their response and also increase the return on investment. The products and services that I developed you're going to hear about one of our most exciting products today, so we're really excited to share that with you.

**Erik:** A little bit of background here on Harland Clarke and Valassis. Most everybody on the line should be very familiar with Harland Clarke. A lot of deep expertise in financial services, marketing, a lot of other deep engagement in the financial services sector as a recent acquisition of Valassis gives us expanded opportunities and capabilities of marketing across newer channels for us. It's a different take on a traditional direct marketing campaign. I extremely excited about this acquisition as well as back in my prior life of working on the FI side. I was actually a client of Valassis and took advantage of their programs and was very happy with that and with the announcement of the acquisition, being able to work directly and developing a new solution, to bring to our financial service clients, and we're really happy about that and we're very excited to bring this to market.

Acquisition marketing the old fashioned way, at least from the checking acquisition side, is typically going to be a very saturated approach where you're either going to be mailing on a radius basis or a zip code basis or a postal carrier route basis, all with the same methods to the same people. What we've done is flipped this on its head a little bit and you're able now with our new solution to have a saturation mailing, but then again be able to personalize it to the individuals in the neighbors in a relevant manner that brings context and more meaning to that mailing to the recipient versus just a traditional "dear neighbor" type of mailing.

You'll see here in this next slide the old fashion way versus the new better way. It used to be spray and pray; you target everyone, "dear neighbor," single message to everyone, you get the saturation pricing as the benefit of having those constraints. What's new and what's different that our new solution is bringing to the market is we're going to build out custom trade areas typically to find on where your best prospects are based upon where your best current account holders reside. We're not going to target everyone in the same way. We're going to target clusters within carrier routes or of carrier routes that we think are going to perform better best upon the analysis we're going to provide of your current account holder base.

And then comes the really neat stuff where we speak the individual households to them directly featuring their name and their name embedded throughout the messaging to get that additional relevant context. We can do personalized offers at household to household levels so one message can go to one household, the neighbor next door we could deliver a very distinct and different message to them based upon what we know about them from our targeting. And the beauty of all these is we're able to do this again at saturation level pricing due to this unique delivery channel that we're able to take advantage of through this new relationship with Valassis at Harland Clarke.

On that note, I'm going to turn it over to Mike and talk a little bit about our targeting approach.

**Mike:** Thanks. The best way that I can help everyone understand this is we have a very defined system and an idea of how a client can go to market and really gain the most out of acquisition. We're going to talk a lot about data and databases and you'll hear a lot of terms and I'll make sure that you understand how they all fit together to really help you gain the best mailing for your bank and really gain the best ROI for your marketing programs.

Lets start with our unique approach. How we start is we take everything and start with Identify. What we're taking is your current account holder base and doing the database analysis on that to identify not just where they're located, but also who they are, what is their makeup, what is their lifestyle choices, what do they look to do so they we can target them appropriately and message an image to them appropriately. That database analysis is one of our proprietary systems and we'll talk a little bit about that. It's called Sharpshooters with the first and only demographic and lifestyle clustering system that's built as a postal carrier route level. In that identification process, we're using three sources of data. We're going to use client supplied data, your database, we're going to use our proprietary system and data that we have at our disposal, and we're also going to use syndicated and third party data and we'll talk a little bit more about where we get that from and how that all works into the mix. So many people

talk about data and how to use it. We're really talking about how to really get the most out of each and every prospect and we've given you the opulent chance to acquire them.

The next part is we're going to Locate who they are. We're looking at new account holders and really looking at how we can utilize and talk to them on a one to one level. Not only just where they're at, but where the people are at that are just not in the closest proximity to your branches, but that are the most likely to respond. That's a big different. Most targeting platforms are dot and circle and we're really just trying to target around a right radius. This is finding the right people to respond based on past history and other data points that we have at our disposal and really using that to capture the best targets for your financial institution.

Then what we're going to do is we're going to Connect with the prospect. We're going to do that by using relevant content and most importantly personalization. We're not talking about personalization by just putting someone's name in the address panel; I'm talking about full personalization using their names inside the creative, really using the data to drive the images, messages and even some cases the offers that we offer to those particular individuals. The technology exists and we've harnessed it to really bring the greatest value to the financial institution arena in this solution so we're really excited about the ability to use full variability and full personalization in our direct mail pieces.

Also, we'll talk about Analyzing. Our program is designed so that we can measure performance, we can look at individual segmentation, we can look at individual performance on a house to house basis and then help either change or cater or be very flexible to make sure that we're getting the most out of reach touch with those individuals.

Lets talk a little bit about targeting. That term comes up quite a bit in all marketing and we're going to talk about what it is that we do. We believe that a best practice is really using custom market areas versus targeting by radius. I mentioned the old dot and circle approach. We want to make sure that we're are minimizing wasted direct mail and utilizing the best targeted one to one direct mail and hitting the customers and prospects who are most likely to respond to your pieces. We do that by analyzing your account holder base and creating target market areas and we'll show you some of the reporting and what that looks like in our Sharpshooter's program in just a few slides. We're looking for the highest value responders versus relying just purely on proximity. We don't believe in that proximity ruling the day; we believe that there are people who are more valuable who may be just slightly further away but you wouldn't necessarily target them in this manner in traditional direct mail. And then we talk about market areas that have consistently delivered superior benefits for a direct marketing approach. We're a big believer in direct mail. We're a big believer in the power and the consistency of what that media vehicle brings to a marketer and we really know from Valassis' perspective how to harness that power everywhere from how to pick the right geographies to how to target the right households and even how to execute the direct mail itself. It's really where our area of expertise has been for years. One of the things you'll see most importantly is what this slide tells you that we're going to maximize ROI. I think that's the biggest thing that we can share with you there.

We mentioned Sharpshooter. Lets talk a little bit about what Sharpshooter is and how that really works and really gains you the best ability to get the best response. Everything runs under the premise of where, who and how much. The first thing that we're going to do is we are going to identify where your customers currently reside, defining the geographies that are at least in place so we know what the universe completely looks like and from a market perspective and from a trade area perspective. That's a simple analysis that we do and it really does help narrow things down. Where we excel is in the next two buckets of data that we look at.

The first one is who, really looking at the key attributes of current account holders to target potential high lookalike neighborhoods and lookalike households. We're taking the things that make up your current account holders that got them to respond and how we can then turn that to prospects who are also likely to respond and capture that revenue for you. There are so many different intricate parts of that program and I'll share with you some of the reporting in the upcoming slides so you can really see what that looks like. That's a unique clustering system that we use that is very helpful in defining the right targets to talk to.

The last part of this is how much and this is a client-by-client basis. We can also analysis and start determining where high value transactions are coming from and high value accounts or cities that we can then identify who is most likely to have the ability to be a high value customer for you as well. We're looking at where, who and how much to really define your universe and give you a better targeting methodology than just strictly "hey, this person lives closest to my branch."

**Erik:** We got a really great question that just came it. "Does this work build up a customer base at new branches we have or new geographies we're adding or do we need that penetration already in the areas so you can base the new list on our lookalikes?"

**Mike:** In a couple slides, you'll see this but I'll explain to you right now since this is such a relevant question. In new branches where you don't have that existing database, we can use household list segmentations and give recommendations on what the demographics of the area look like. We have deep analysis in the geography as well that help you define and build up that customer base and build up those data points. You do not have to have current customer information in any of your locations for us to be able to do this type of analysis. It's just as one of the added enhancements that we bring to the table, but we build databases all the time for customers and something that we're very good at and it helps them define and refine their marketing for years to come.

**Erik:** The only thing I would add though is one of the caveats there that will always impact any of your marketing efforts is brand awareness. If you're moving into entirely new geographic areas where you may have low brand awareness, until you're able to build that up over time, that will hamper some of your marketing efforts, but a direct mail program like this that works on an continually ongoing basis will actually help with those new branches or new geographies to help build that brand awareness.

**Mike:** I'm going to move forward onto the slide that is showing on the screen here. We talked about data and I mentioned customer data. I talked a little bit about Sharpshooter and we're going to go a little bit more into Sharpshooter in a minute and just drill down a little bit more on that program. One of

the things I do want to make sure that you understand that we also make a heavy investment in syndicated data that we feel is valuable in helping to find who the customers are and who the prospects are and who is most likely to respond to your direct mail piece. We talk great pride in understanding who customers are and how they like to respond and how they like to be talked to, and nobody understands the customers quite like Valassis. We have so many great touch points and data points about prospects and even in current customer information so it really allows us to help you not just talking about the financial institution needs, but also understanding what it is that gets them to respond to marketing. You'll see things in some pretty significant names like MRI, Nielson, and Scarborough. These things are other data points and resources where we may use in some of our analysis to help you understand the landscape even more for who it is you're trying to target.

**Erik:** Another relevant question that just came in as far as targeting, I'm not sure I know the answer to this, but I'm hoping you do. "Are you able to identify federal employees as a list source that we can overlay in the targeting?"

**Mike:** The military one is one that we have done in the past. Federal employees is not one that we have specifically targeted but I will look and see if there's an additional list that we can get for that. But to date, that is not one that we can target without customer or client provided information.

Lets talk a little bit about Sharpshooters and give you an understanding of how that program looks and some of the output that you'll receive from us. When you look at the report that's listed below, you're going to see 17 cluster names. There are actually 54 clusters; this is just a sampling for presentation purposes. The idea of this particular report that you're seeing here, the target market group that I'm going to talk about in a minute, this is the definition of your customers over the entire database that you provided us. We also will provide you with specific market information because we definitely know that people in Detroit have different interests and information and demographics and people may be in Miami or Texas. We provide these on a market-by-market level, not just on an overall level because we do know the difference between the two.

Lets talk about the target market group because that's the first part of reporting that we would go through with you. We're looking really to leverage customer data and create customized actual targeting plans to gain efficiencies and increase response. We'll look at clusters that will outperform the market at a carrier route level and you'll see on the right hand side of the screen here where you see the three clusters that are in red and the one in a circle; those are the clusters that really popped off the charts. Those are the ones that for whatever reason within this particular report they jumped off the page as the best clusters to target and find lookalikes from. We would drill deeper into why that is and what it is about the suburban society and we've got definitions for each one of these specific segments, but we would define exactly why they popped off the charts, what it is the reason that we feel that they are the right ones to target, and also provide you with a recommendation as to where other like people reside that are in that group, but may not be in your current marketing area.

**Erik:** This is where it gets really interesting. We do a lot of great work on targeting analysis, the segmentation, and all that is fantastic, but what we do with it I think is what separates our program

apart from the competition. What we find from actual academic research out of the Rochester Institute of Technology in New York is that when you have solo mail versus shared mail, and those of you on the phone that are familiar with the Red Plum Wrap package, that's what arrives every week in nearly every household in the country's mailbox or on your front porch with coupons in it for pizzas etc., having a piece sit outside of that has about five times the response rate of something inside of that wrap.

When you start adding personalization to that, by adding right there in the middle a person's name on the address line, that's going to increase your response by about 30%. The real differentiator with what we do versus anyone else is we work in the person's name into relevant messaging throughout the mail piece. You'll see there in that bottom section with "Jen, you're going to love checking with us," and we'll work Jen's name throughout the mail piece. You'll see the piece above it has the Visa gift card, Jen's full name will be embossed on there, just add that level of personalization and what research finds is that level of personalization is going to increase your response by 40%, all of this at comparable saturation level pricing.

What we like to say is we don't want to talk to everybody the same way. What we're able to do is talk to current checking account holders that you have that you don't want to deliver a checking account message to. We can talk to them about additional convenient services, mobile banking, use your debit card. We can talk to them about lending, looking to get an auto loan, give us a call. We can talk to them about coming in and get a checkup on your account and make sure you're in the right checking accounts. Any of these great messages was always important to be out in front of your existing account holders, having conversations, continuing dialogue, making sure they're aware that you're looking at for their best interests and just have that ability to speak to them but not about checking with an offer that you really don't want to have that message to them about.

We have our lookalikes. Those are the ones that we've targeted and modeled that you're looking to attract as either pure prospects or current account holders at your financial institution that don't currently have checking. We're going to speak to them about checking. We also have another unique component of our program is we can overlay a small business owner file onto our target mail list, identify small businesses that are in the target market area, and instead of talking to them about consumer checking, we can talk to them about business services, whether it's cash management services, merchant services, lines of credit, anything we want to talk about what your financial institution may offer as far as business products and services to that small business segment.

The beauty that we also can do is we can identify unique segments such as Mike had identified earlier that popped way off the charts for indexing and develop very custom messaging to them whether they're seniors, Gen Y, Gen X, Hispanics, any number of different demographic profiles that we can deliver a message to them in a more meaningful relevant way that they're going to respond to more effectively. Messaging differently to different people makes an enormous difference in the response rates as you're going to see in your mail programs.

You'll see here an example of creative execution that we have. This one is our self-mailer. You'll see some more examples of working the target's name throughout the piece. A lot of geography, a real

estate to work with this self-mailer piece so it's a very nice looking high quality piece that we're able to deliver to these prospects for you.

What do you want to talk to these prospects about? What best practices show is for your consumer prospects you want to talk about either a free checking product and we know a lot of banks and credit unions are moving away from free and into having some minimum requirements to get that fee waived, but lead with your most basic checking account. It has the broadest appeal, it's the most comparable across your competition, and what I always like to say is it's going to put more butts in seats in front of your bankers where you can have the conversations with them about what their unique financial situation is and but them into the right products and services. But with any direct marketing program, the key is getting as many people through the door as possible to have those conversations and don't set up barriers in advanced that's going to create hurdles that prospects have to jump over in order to consider you for their checking account. Break as many of those barriers down as possible and you're going to increase the number of conversations that your banker is going to be able to have.

For business prospects, we're going to talk about basic business checking, you want to talk about cash management, you want to talk about merchant services if you have these capabilities. These are all items that businesses are looking for and especially businesses are looking for credit whether it's a line of credit or commercial real estate. If you have a specialty in a certain business area, maybe we can speak to that for you as well. As I mentioned before, for your existing account holders, debit card utilization, mobile banking, financial checkup, mortgage, if you offer insurance products you can feature those as well, and over the course of the year, you want to rotate these messages as much as possible, have that ongoing dialogue with the client that you're continually looking out for their best financial interests.

Timing and frequency. I've mentioned this a few times already. Consumers are in market for a checking account at all times of the year. There's a little bit of seasonality, spring and fall, with school getting in or out, but convenience is the single biggest driver in when somebody's going to turn and change financial institutions. Whether they moved, got married, got divorced, got a new job, any one of these factors can weigh in on how convenient their current branch location is to them. People are in market throughout the year. You want to have dialogue with these consumers throughout that year, build that brand awareness if your brand awareness isn't strong. What that's going to do is when the consumer is ready to act, your financial institution will be in the selection set of consideration and if you then have that offer in hand, you're more than likely to move from consideration to selection. In order to work that cycle to your advantage as much as possible, we highly recommendation that you have a regular direct marketing program for checking acquisition. We recommend based upon best practices about six to six and a half week cycles, about eight times a year. Best practices say also avoid mailing between Thanksgiving and New Year. I've personally seen my response rates decrease considerably during that time frame. Most consumers are too busy with other holiday activities. They're not really looking to get a new checking account considering it's not easy moving your checking relationship and there's a lot else going on during that time frame. These are our best practice recommendations here for that continual communication process for timing and frequency.



Incentives and fulfillment is another unique offering that Harland Clarke provides here with our eRedem incentive fulfillment. We highly recommend that for a checking acquisition program that you have some level of incentives and we'll work with you to identify what's the competition in your marketplace.

Those of you that are in markets with a Chase bank are going to be very familiar with these as they do high value with varying incentives. The most recent I've seen was a combo incentive for a checking and savings with up to \$500 for that incentive amount if you open a checking and a savings. Some markets and their targeting is very sophisticated as well can be very pricey.

This is where eRedem comes in to assist our clients with lowering their incentive costs. It gives a choice of both cash as well as merchandise incentives. The nice thing about offering both is that we find about 40% to 50% of the time your new checking account holder is going to select that merchandise option and while it will have a perceived value of \$100 or \$200 or whatever the incentive value amount that you decide is going to be in your marketplace, we can lower that end cost for you pretty dramatically. In the instance of \$100 cash offer, we could probably save maybe 20% on that and get your cost down to \$80 versus \$100. In a 40% to 50% of your new checking accounts or choosing that merchandise offer, that's going to dramatically lower your incentive costs over time. It's essentially win win. There's really no downside for it. If the client chooses cash, great. If they choose merchandise, even better. We've seen a number of research that choice far outweighs either cash or merchandise. Providing that choice is highly desired by consumers today.

Another key benefit of eRedem is this is a fully online web portal environment. There's no inventory of any merchandise in the branches. It's completely online. The next slide here gives an illustration of how this is done. You'll have a customer branded webpage. When the new checking account holder opens the account or after they meet your trigger incentives to qualify for the incentive, you'll give them a key code or some other pass code to allow them to redeem that incentive. They'll log on, pick out their merchandise and enter their details, confirm their selection, get a thank you message from your financial institution, and in a few short weeks, that merchandise will arrive at their doorstep. Nothing needs to be done in your back office at all to fulfill on that incentive there.

The other nice thing about this is at the end of the year when tax time rolls around, you need to get the 1099s out, there's completely automated reporting for that. It's going to help out greatly in delivering those 1099s. A very nice turnkey solution here as far as fulfillment of your incentives.

And then we have our analysis and continuous improvement process, another best practice for direct marketing. Mike mentioned earlier we do this very comprehensive database analysis upfront, we build out personalized messages and segments that we can highly target, we have a very exciting and easy to use fulfillment process, we do the reporting and the metrics, we review them thoroughly to identify areas of improvement, we apply those learns and continue the cycle. This is the very best practice that there is as far as direct marketing goes.

I see a question come in that's pretty relevant to the incentives here. "With offering incentives, don't you run a higher risk of customers opening the account just to get the free prize or cash?" What's your advice in turning disengaged customers into engaged customers?"



Probably the biggest thing there is if this is a big concern is try to tie some sticky services or convenient service requirements to your offer. Have them use your debit card, have them do online banking, help them out at the point of sale in setting up online banking, and get actively involved with the onboarding program. Harland Clarke also offers several different onboarding solutions to help financial institutions of all sizes get these new customers engaged early and get them converted early to your financial institution before it's too late. If you get to that 90-day window and we don't have them engaged, there's a good chance you're going to have very high first year attrition and that is nothing that Harland Clarke would like to see less than bringing in new customers and not getting engaged. That's a great question and it leads into making sure you have a very solid onboarding program as well.

We have a few case studies here of some examples of using Valassis with financial institutions. This first one is a share mail example of actually being inside the wrap. The benefit of being inside the ramp, you're going to have lower response rates, but the cost per piece is very low. You'll see in this example that this client was able to reduce their cost per acquisition by 75%. We think that share mail is a great option within the Valassis Red Plum package, but it's not for everybody. We have a lot of clients that for whatever reasons are averse to being in that and that's fine. That's part of the reason why we've developed this new solution, which we referred to as Acquisition Accelerator.

Here's a case study here of using Acquisition Accelerator with our variable data postcard. In this instance, this client was also able to greatly reduce their costs per acquisition. We had this case study online as well.

I mentioned earlier we have a lot of complimentary services that are going to great enhance the effectiveness of any acquisition program as well as pretty much any marketing program that you run, making sure that you have branch merchandising as a big one. If you're promoting something, make sure you have merchandising in the branches that are going to supporting it. Training is key as well. Make sure that your front line staff knows what's happening, knows what you're promoting, knows how to respond when a new prospect comes in with a direct marketing piece. We have a fantastic refer-a-friend program that also operates through an online portal, completely automated solution there. Instant Issue debit cards, our Card@Once, is a great way from day one get that debit card in their hand immediately, get them using that debit card immediately and that can greatly improve your retention efforts there as well. Onboarding also.

We also have mystery shopping and new account research services that can give you some great insight into what's happening at the point of sale as well as what your new account holders think of how the account opening process went and how that experience was. There are a lot of fantastic complimentary services that will greatly enhance the effectiveness of your new checking acquisition program.

At that, I'll just reiterate what makes our approach different. The Identify, Locate, Connect, Analyze, the high level of personalization at saturation level pricing. We feel that no other provider of a checking acquisition solution in the marketplace can offer.

With that, we're going to open it up to Q&A. Renee, I'll turn it over to you for instructions.

**Renee:** If you would like to ask a question, please signal by pressing \*1 on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. A voice prompt on the phone line will indicate when your line is open. Please state your name before posting your question. We'll pause for just a moment to let everyone an opportunity to signal for questions.

**Erik:** In the interim, we have a few questions that have come on through chat. We have one that was a little bit earlier in the dialogue and I'm going to direct this one to Mike as well. "As far as identifying religions, do we have the ability, are there triggers for religions that we can target messages to?"

**Mike:** Yes we can.

**Erik:** We got a few more questions that came in here. "What criteria do you collect in order to conduct the account holder analysis in addition to name, address and active account services?"

**Mike:** That really is all we need to do it. We provide file requirements, but we have a spec guide for that, which would allow your data people to give us the file but that's really all we need.

**Erik:** We typically like to get total household deposit balances as well as average monthly checking balances. That's going to give us a little bit more insight. We'll work with you as well if there are specific segments you're targeting and there's data that you have that we can build into our analysis, we'll absolutely work with you on that to customize your database analysis.

We have another question here. "If we wanted to use this approach to appeal only to small business owners, does this smaller audience universe allow Accelerator to be a viable option or don't we get to the [economy] scale because of the lower numbers?"

This solution is not really designed to be a small business only approach. The reason behind that is at its heart, this is still a saturation mailing. We defined our target's geographies and the requirements are that we're going to need to mail to each one of the households in that target geography whether it's a postal carrier route at 500 people, a larger geography with 5000 people or a MSA with 50,000 people. This is a saturation mailing and using the postal carrier route is an example. You have these 500 households, you could have 50 of them be business owners, you could have 50 of them be existing account holders, and then the remaining 400 of them are pure prospects. You are going to need to message to each one of those households, but you have the ability to message to them in vastly different ways. On the [economy]'s scale, if you only marketed to the 50 of the 500, your actual realized cost would be quite high.

**Mike:** The other thing I would add to that is this solution is different than probably you've done before in the past. I would say that as you dig deeper and learn more about it, you're just targeting one segment as there's so much more powerful [00:41:30] than just targeting one segment. It's a direct mail staple but this allows you to be much more broad with your approach and be household specific and targeted.

**Erik:** We have another question in here about the case study that I showed here and the typical response rates that they're seeing are much lower.

From what I can say about what we've seen historically on checking acquisition direct mail programs, we've seen between 25 to 50 basis points on our older checking acquisition programs. The case study there is a much higher response rate than that. What we can attribute that to and our belief is the high level of personalization targeting of messages that are relevant to the households, not just "dear neighbor," same message to everyone. I'll go back to the academic research that we cited previously. At that personalization, adding the name and address is going to add 30%, adding that relevant communication throughout the personalization of the piece is another 40%. Our belief is that's the difference between what you see industry average wise and what we've seen from early clients that have used the solution since we've launched it.

**Mike:** I think we talked industry averages again we see something that's much higher than that .05%. I think that's perfectly fine. We just see different industry averages though as well.

**Erik:** Even with the FI, I would say a five basis point response rate looks pretty low. I've not seen anything that low and we'd be more than happy to reach out and have a conversation about how we can help you out on that.

**Mike:** If they're seeing that low, I think that we really think we can help a lot.

**Erik:** Next question coming in. "Which do you find more successful, direct mail with rewards or refer-a-friend with reward for both new and referring person?"

I would say that it shouldn't be an either or. I think that these are complimentary offerings and I think refer-a-friend programs are fantastic. You need to have some effective marketing of those through your online, through your in-branch, to gain awareness of that, but you also need the customer acquisition or new checking account holder acquisition programs to speak to more people. You're going to be fairly limited in the number of referrals you're going to get. The refer-a-friend programs are very cost effective and have great returns on investment, but if you're looking to truly grow your checking account holder base, you're likely going to want to do both.

**Mike:** I would throw one more point in here too that the program we're talking about is designed to also have the ability to talk to current account holders. Referring friends can also be done within this program and really allow you to really gain an acquisition program with loyalty benefits. I think that this is a great plugin for that that you could absolutely use that here as well.

**Erik:** I agree. That's a great point on incorporating that into the solution also. Another good question here is "what size institutions do you typically work with or what is the minimum number of households you can apply this program to in order to enjoy an [economy]'s scale?"

Our minimum mail drop quantity is 10,000 pieces. Essentially, our belief is that virtually any size financial institution can meet this criteria, possibly even a one branch credit union or one branch bank if the population density is high enough. Size of assets or size of customers or members really is not a barrier

to this program. We're currently working with a handful of clients of various sizes, work with a very large client as well as several more medium sized clients also. There's virtually no issues of scale there that need to be taken into effect other than the 10,000-piece minimum. Renee, you want to prompt and see if we have any more questions on the phone?

**Renee:** We don't have any in the queue at this time. Again, if you do have a question for today's calls, please press \*1 on your telephone keypad.

**Erik:** I'm not seeing any more questions coming through chat. I'll give it another moment to see if another one comes through.

We do have a brief three-question survey that's going to appear after you close out on your web browser. I would ask you very kindly if you would fill that out, let us know what you think and respond to that. Beyond that, I want to thank you for joining us today and have a great day.