

Q4 2012: Financial Marketing Webinar

November 14, 2012



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Welcome



John Joseph

Vice President, Operations and Client Engagement, Harland Clarke Digital



David McMurray

Director of Consulting Services, Scantron Survey Services



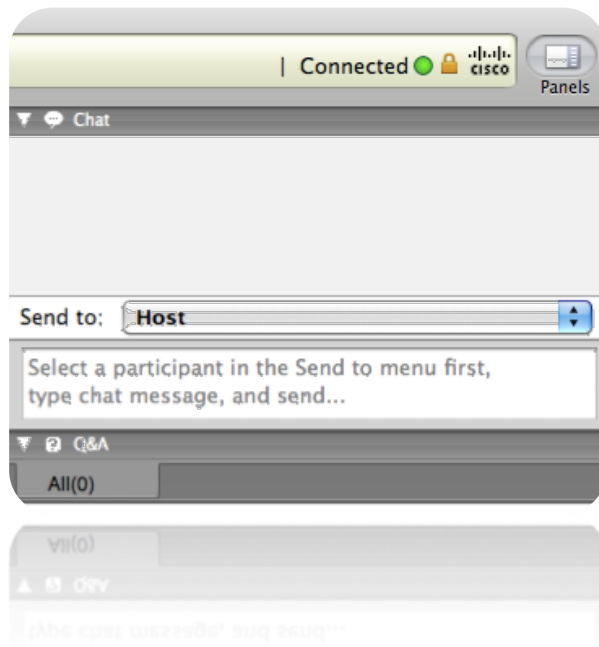
Agenda

- Q3 2012 Email Metrics and Benchmarks
- Strategies to Measure and Improve Customer Loyalty
- Q&A



Webinar Engagement

- This is a listen-only webinar
- Enter any questions or feedback you have in the chat window

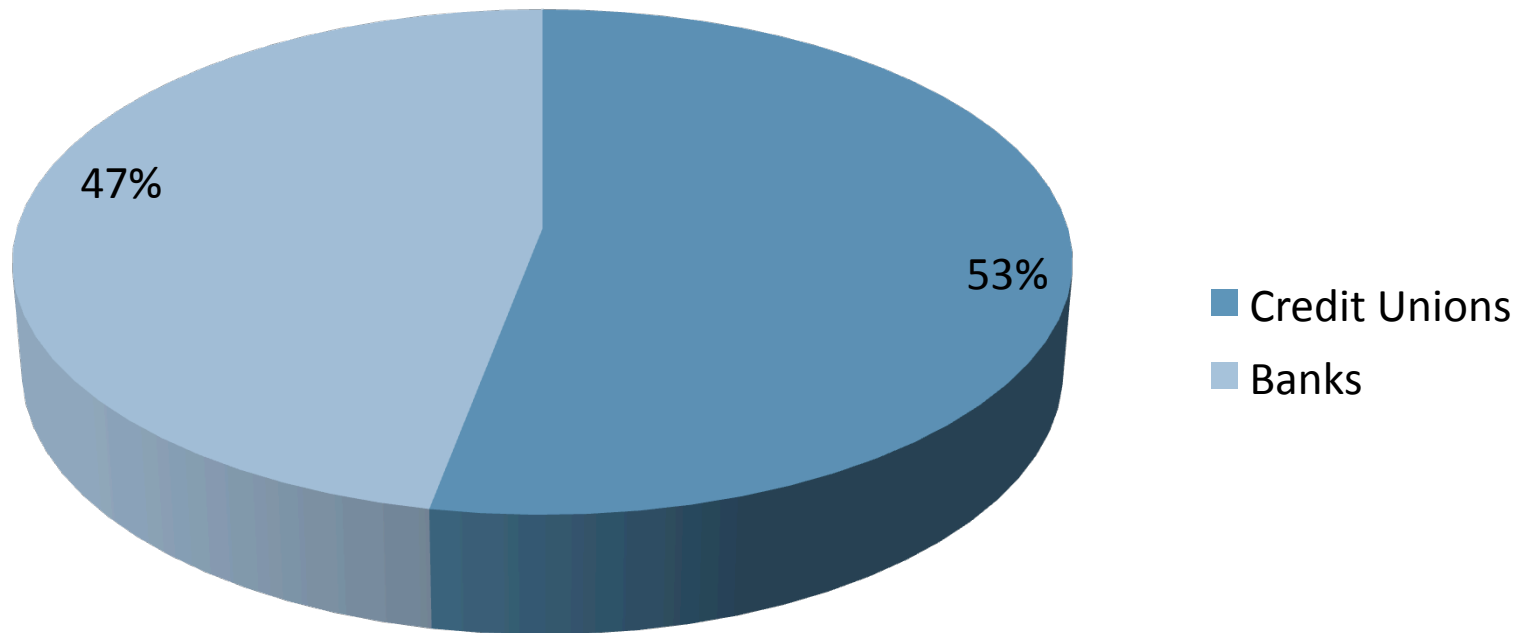


Q3 2012 Email Benchmarks for Financial Institutions

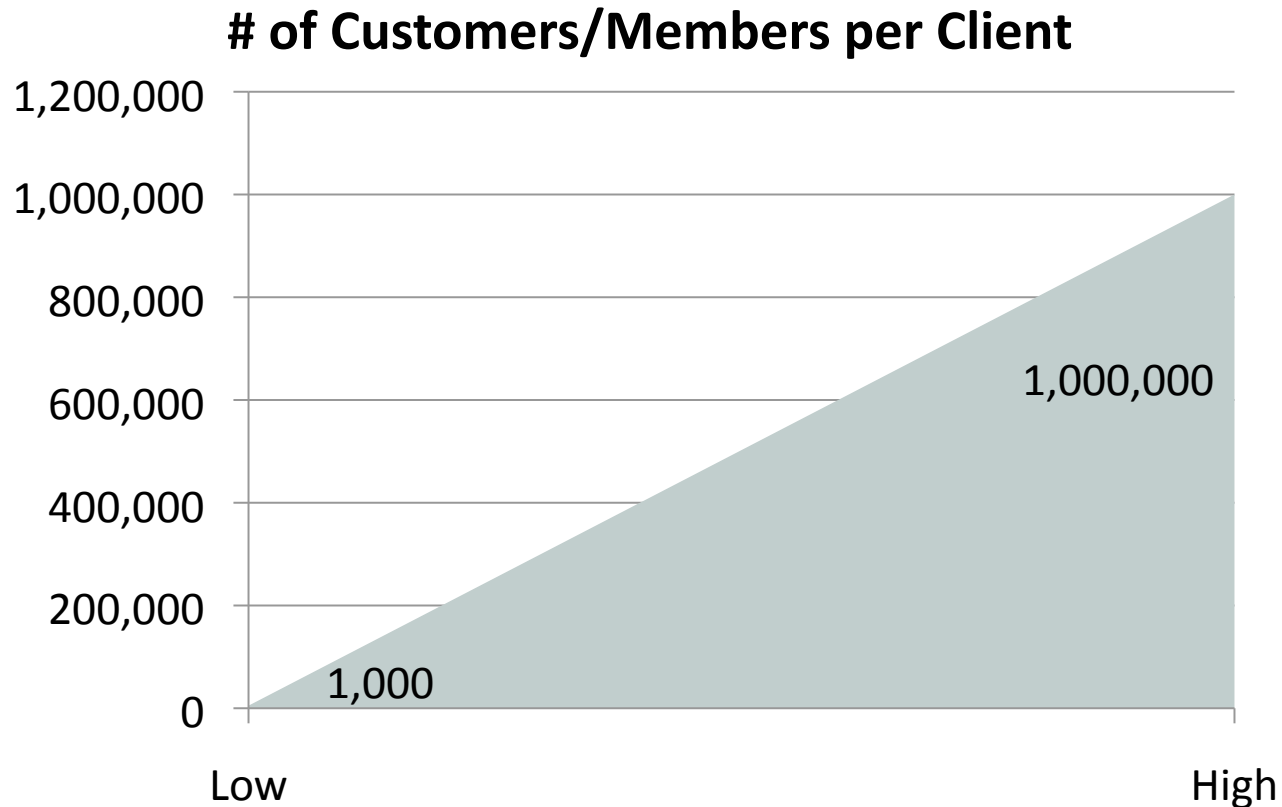


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HCD's FI Client Mix



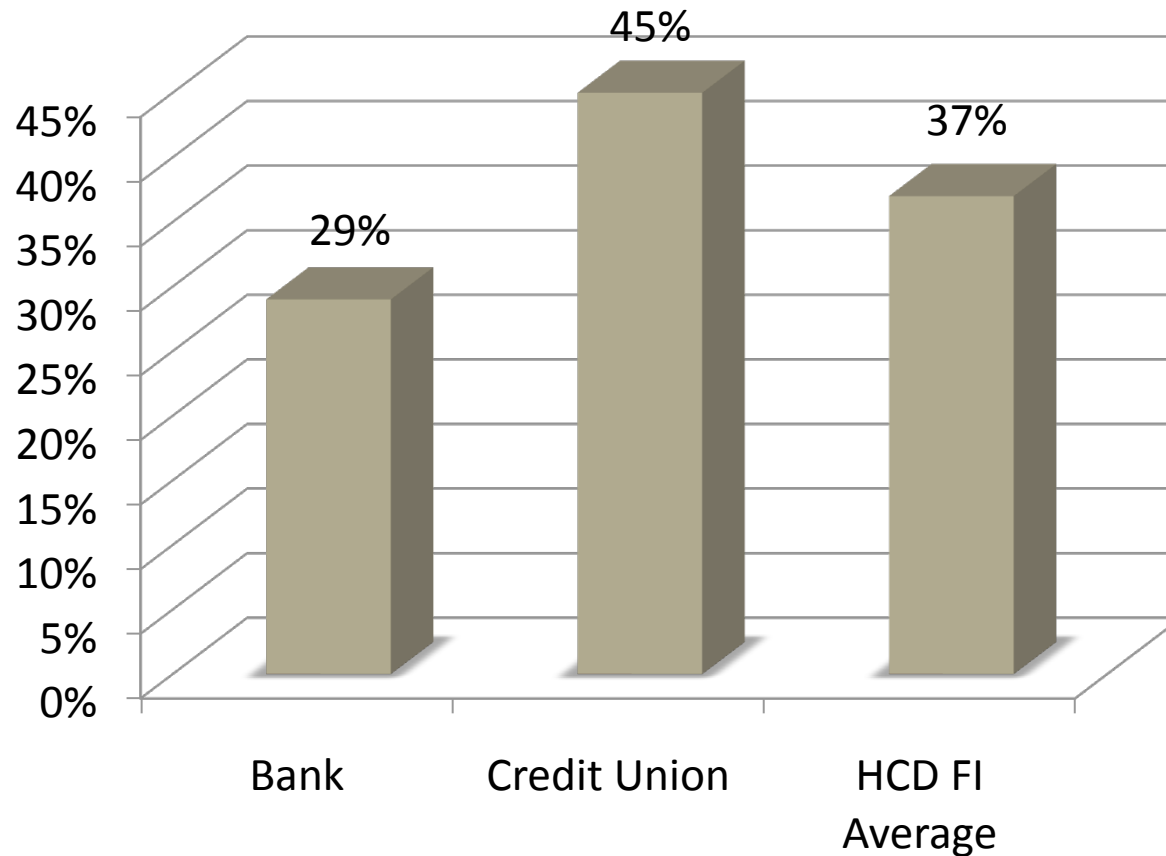
HCD's FI Client Mix



Sources: NCUA.gov and FDIC.gov

HCD's Bank and Credit Union clients range from 1K to 1MM in number of insured depositors.

Email Address Penetration



On average, among the HCD clients, Credit Unions have the email addresses for 45% of their members compared Banks having email addresses on 29% of their customers.

Q3 2012 Benchmark Overview

- July – September Mailings
- 1,400+ Campaigns
- Approximately 3,700,000 emails
 - Steady in comparison to Q2 2012



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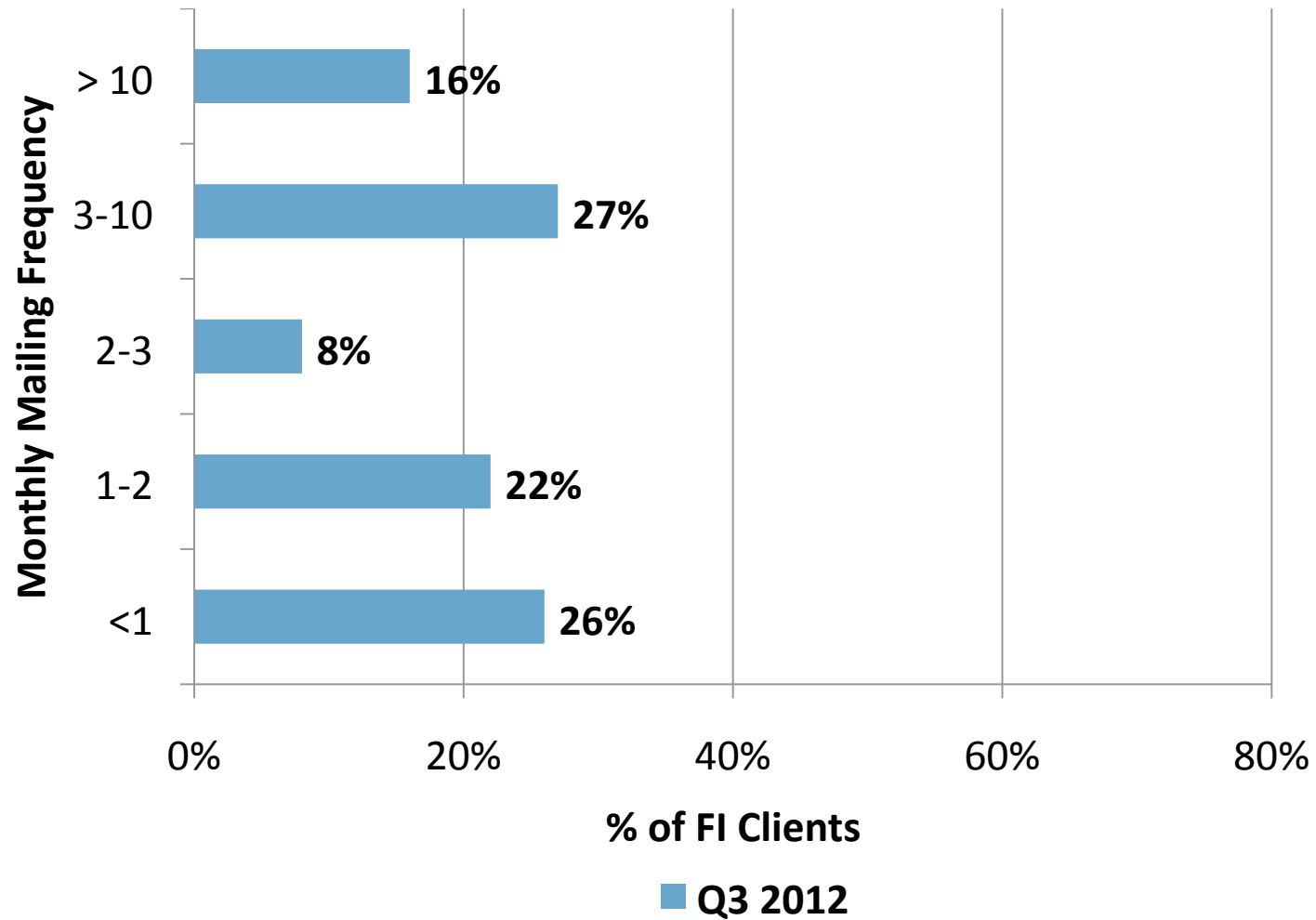
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Benchmarks for Financial Institutions

Metric	Q2 2012	Q3 2012
Accepted Rate	94.72%	96.04%
Unique Confirmed Open Rate	36.63%	39.24%
Click Through Rate	7.49%	7.46%
Unsubscribe Rate	0.22%	0.54%
Hard Bounces of Sent	0.41%	2.16%
Soft Bounces of Sent	2.63%	1.79%

Frequency by Client



Benchmarks by Size of Deployment

Size of Deployment	Accepted Rate	Unique Confirmed Open Rate	Click Through Rate	% of Campaigns
< 1k	95.69%	43.32%	8.87%	78%
1k - 10k	96.81%	26.16%	2.78%	14%
10k-100k	98.03%	23.14%	2.18%	8%

Engagement increases with targeted messaging.

Benchmarks by Type of Message

Message Type	% of Campaigns*	Unique Confirmed Open Rate	Click Through Rate
Promotion	51%	29%	4.81%
Surveys	5%	40%	21.03%
Newsletter	12%	28%	5.62%
Onboarding	17%	32%	4.83%
Notification	11%	41%	10.49%
Events	10%	30%	4.50%
Education	2%	38%	9.77%
Announcement	7%	35%	3.84%
Other	3%	53%	18.93%

* % of Campaigns values do not total 100% because some campaigns are categorized more than once. All campaigns have at least one categorization.



Effective Messaging: Think Mobile

“By the end of 2012, more people will be reading an email on a mobile device than on the desktop or webmail.”

Source: ReturnPath, Q1 2012

“The average mobile user looks at his or her device 150 times per day.”

Source: Nokia®

“In the United States, there are more active mobile devices than there are people.”


Source: CTIA Wireless Association



Mobile Design

Customer Loyalty Webinar: November 14

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Are Monsters Lurking In Your List? Two-Part Blog Series




No matter how relevant your emails are or how upstanding your opt-in process is, monsters can still be lurking in your lists. More often than you might think, ISPs are recycling old email addresses into Spam Traps. Spam Traps can bring a mailing campaign to its knees, especially for a sender who hasn't sent enough messages previously to build up a solid reputation. Additionally, old inactive addresses can also stir the pot by adding to your bounce count with an ISP. Let's look at some of these list monsters in greater detail.

[Read Part 1](#) [Read Part 2](#)


Customer Loyalty Webinar: November 14

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Join us on Wednesday, November 14, for Harland Clarke Digital's Q4 webinar for financial marketers, **Email Marketing Benchmark Review & Strategies to Measure and Improve Customer Loyalty.**

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Digital Spin News {Mobile}

November 2012

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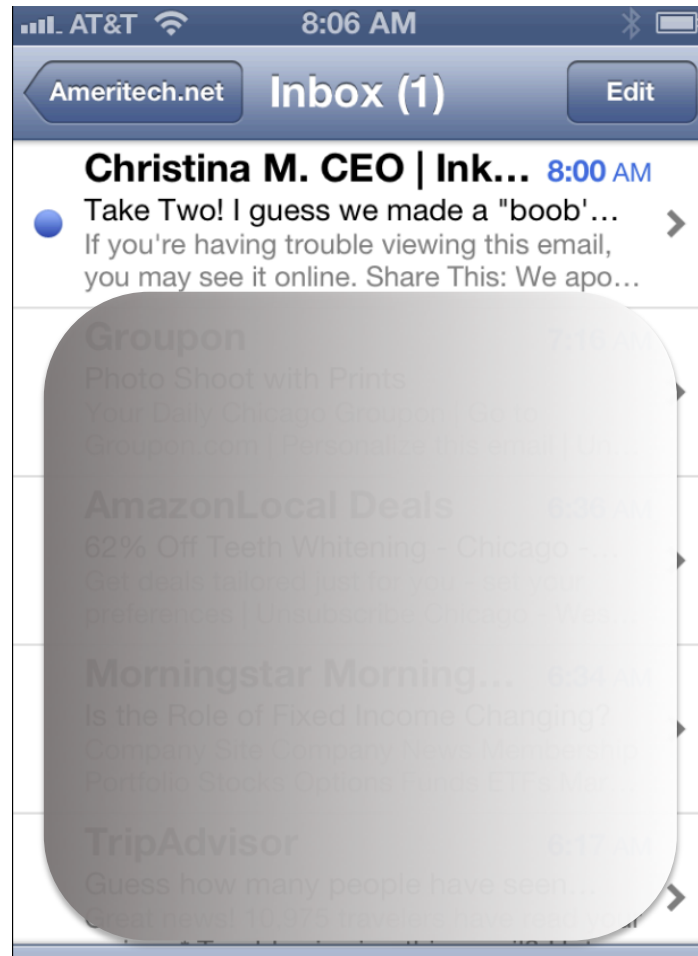
Mobile testing



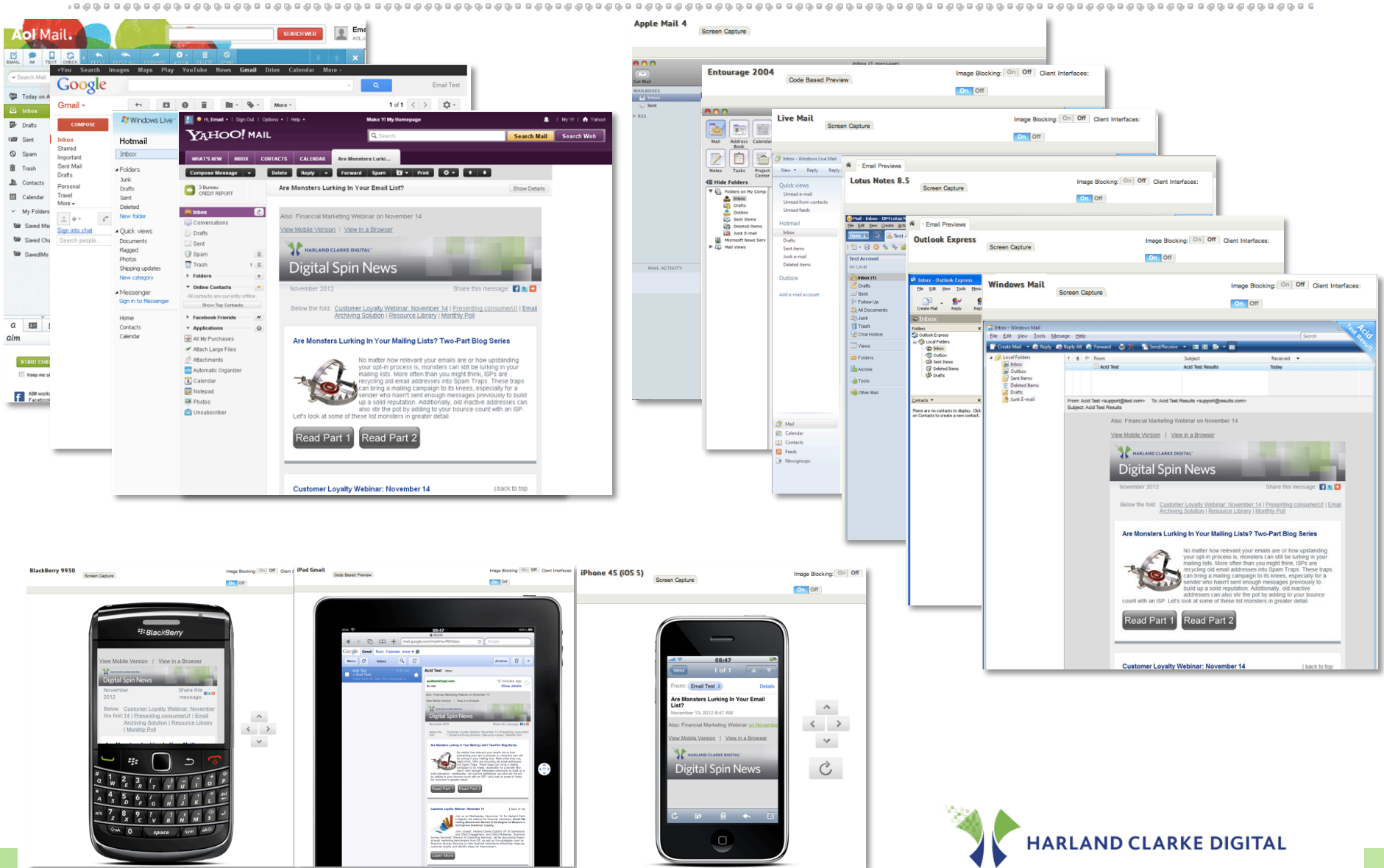
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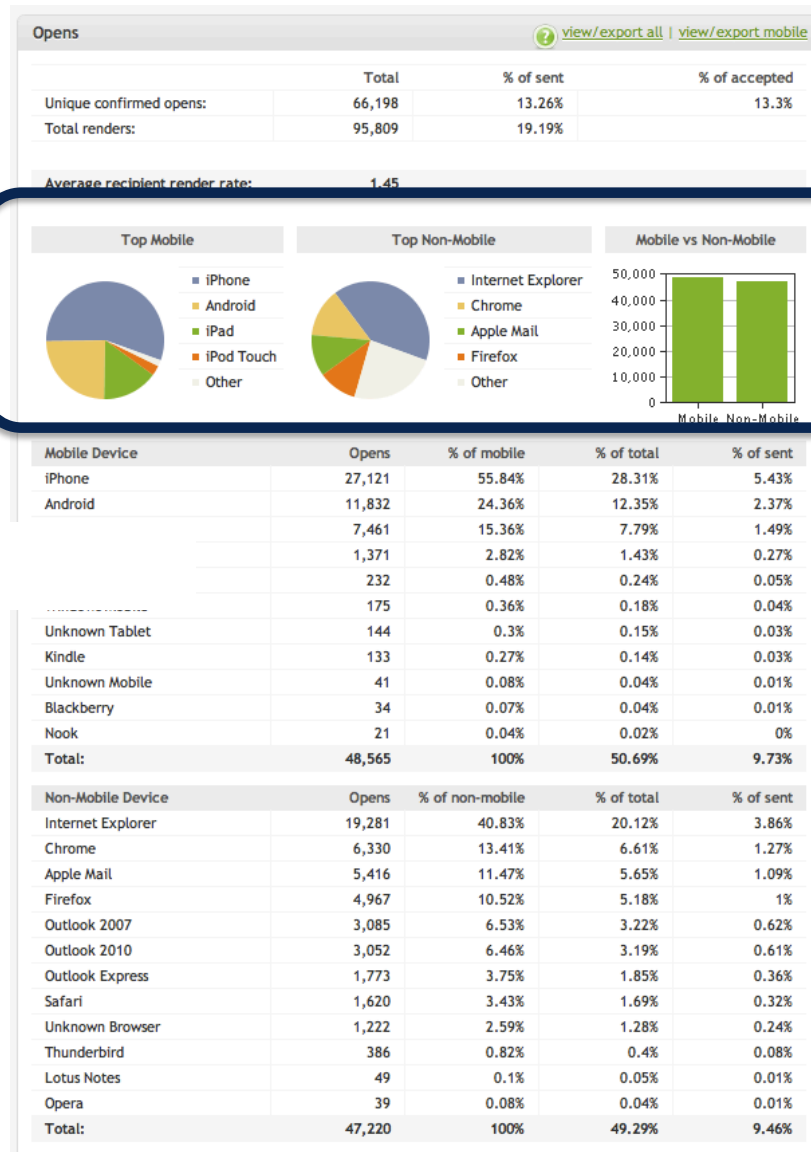
If Only They Had Done Mobile Testing...



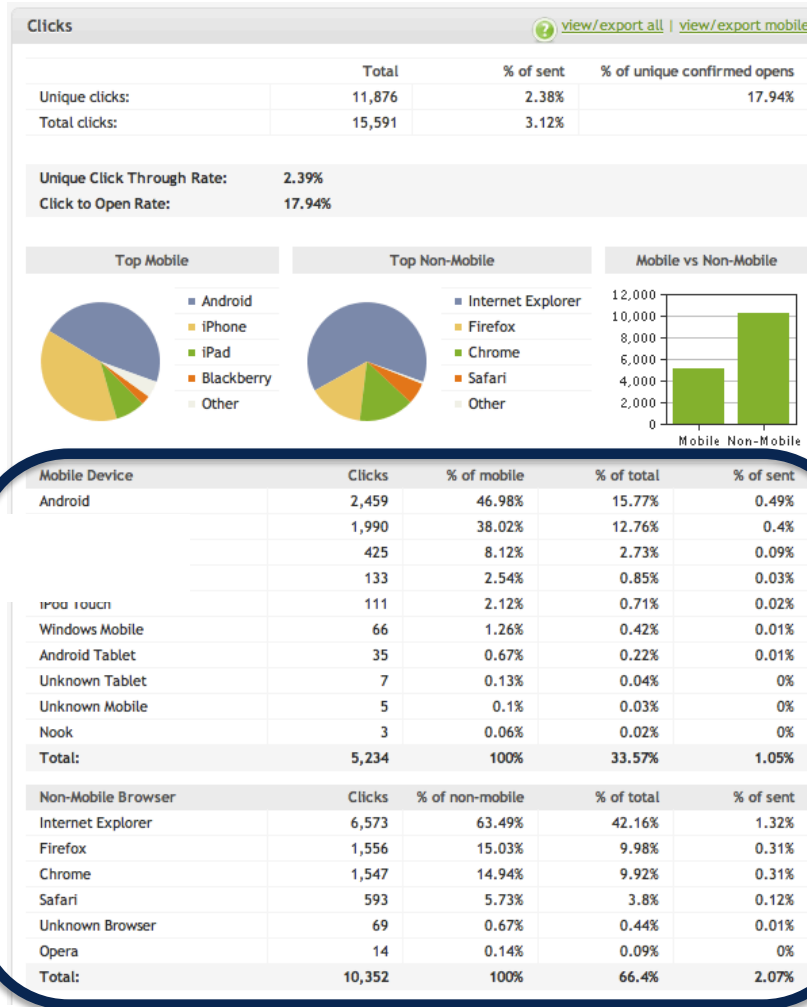
Inbox Experience



Reporting



Reporting



Customer and Employee Engagement

David McMurray

Director of Consulting Services

Scantron Survey Services



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Five Myths of Customer Loyalty

- **Myth 1:** A satisfied customer is a loyal customer
- **Myth 2:** Loyalty efforts help you retain business, not acquire new business
- **Myth 3:** Customer loyalty is *primarily* based on product and service ratings
- **Myth 4:** Analyzing behavioral/transactional data alone is adequate for building loyalty
- **Myth 5:** Satisfied employees create loyal customers



Myth 1: A Satisfied Customer is a Loyal Customer

Fact:

A satisfied customer is NOT automatically a loyal customer. Even your most satisfied customer may defect if they are not loyal to your brand.

Must Do:

Clearly understand the differences in drivers of satisfaction, loyalty and advocacy. Each outcome has its own set of drivers.

Satisfaction



Loyalty



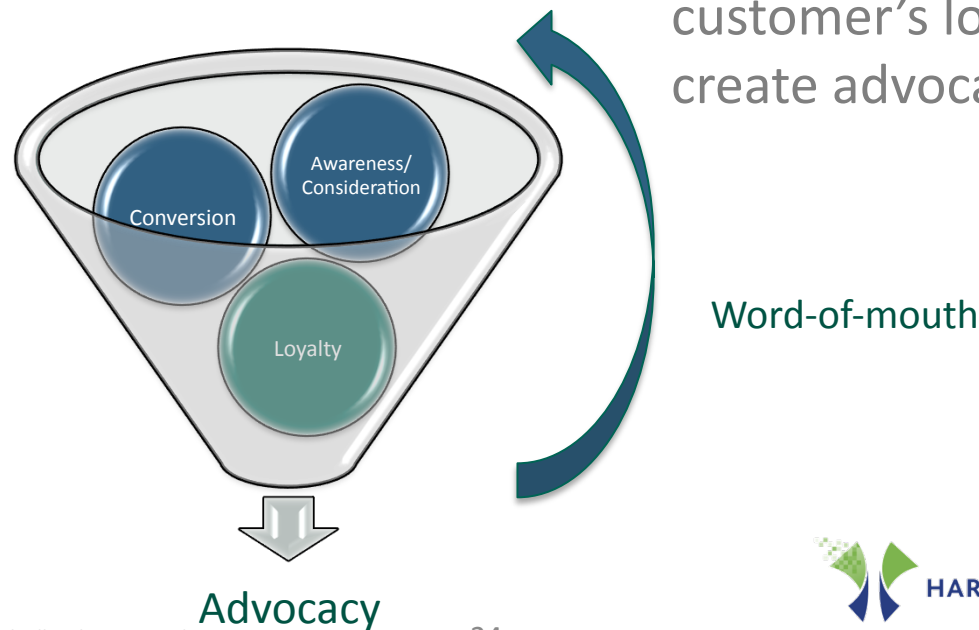
Myth 2: Loyalty Efforts Help You Retain Business, Not Acquire New Business

Fact:

Loyalty efforts help you reduce attrition and grow current customer value. Loyal customers become advocates who refer new customers.

Must Do:

Understand the key drivers of loyalty, and work to increase the level of loyalty among your customers. Leverage your customer's loyalty to create advocates.



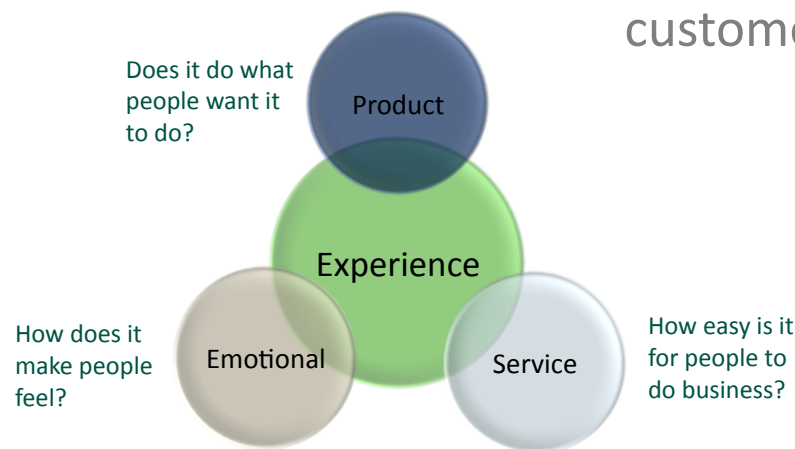
Myth 3: Customer Loyalty is Primarily Based on Product and Service Ratings

Fact:

Research shows that an emotional attachment can lead to a 60% increase in customer loyalty. Loyalty is not solely based on products and services, but also about the emotional experience the customer has with your brand.

Must Do:

You must identify those attributes that foster a feeling of emotional attachment during your customer's experience. High-loyalty brands understand the drivers of the emotional attributes and use them to impact the customer experience.



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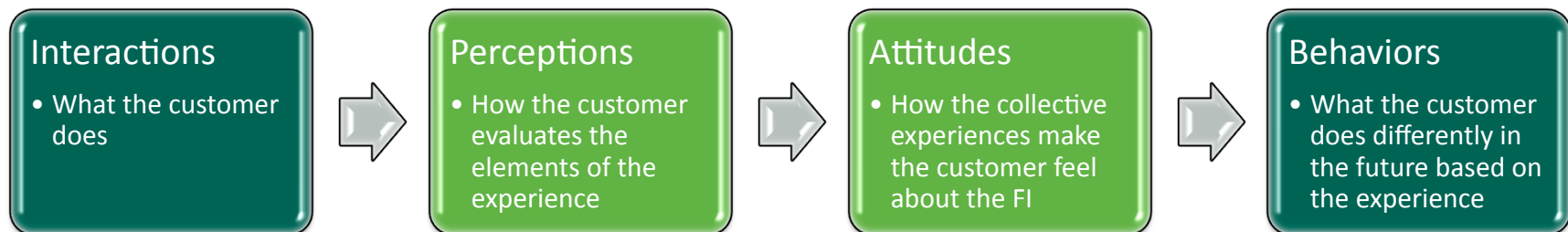
Myth 4: Analyzing Behavioral/Transactional Data Alone is Adequate for Building Loyalty

Fact:

For a complete picture of the customer and what drives their loyalty, an organization must analyze behavioral and transactional data as well as Key Drivers of satisfaction, loyalty and advocacy.

Must Do:

Combine transactional and survey data, identify Key Drivers and create a comprehensive plan to develop loyalty that involves all employees.



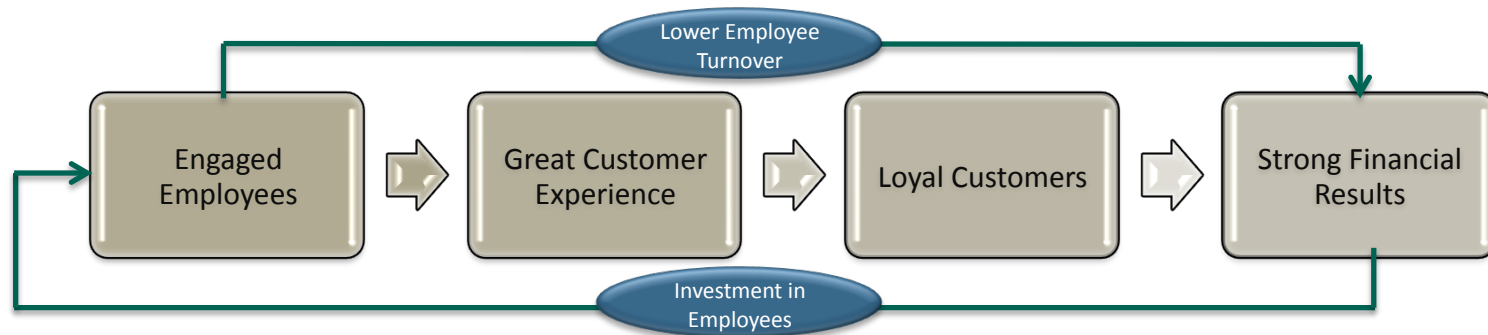
Myth 5: Satisfied Employees Create Loyal Customers

Fact:

Managers who want to increase customer loyalty understand that customer experience is the result of the actions of every single employee in the company – especially the front lines where most customer interaction takes place.

Must Do:

Survey your employees to measure, monitor and improve Key Drivers of employee satisfaction, loyalty and advocacy. Each employee must understand how their role impacts customer satisfaction, loyalty and advocacy.



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The Value of Customer Loyalty

“There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”

– Sam Walton

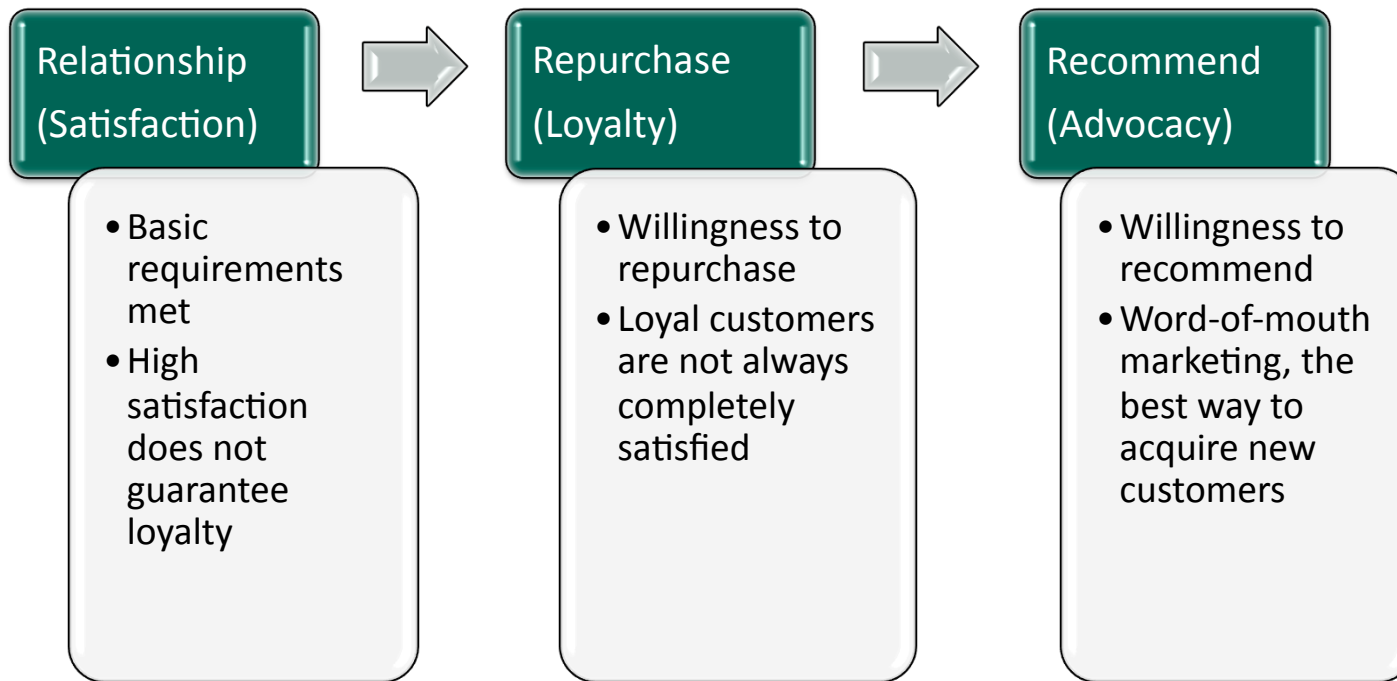
- In the financial services industry, it costs over \$350 to acquire one new customer
- 20% will be very profitable
- 20% will cost money to retain
- 60% will pay for themselves while generating marginal revenue
- At any time, 18-20% of consumers are shopping for a new financial institution

Source: Harvard Business Review and ACTON Marketing



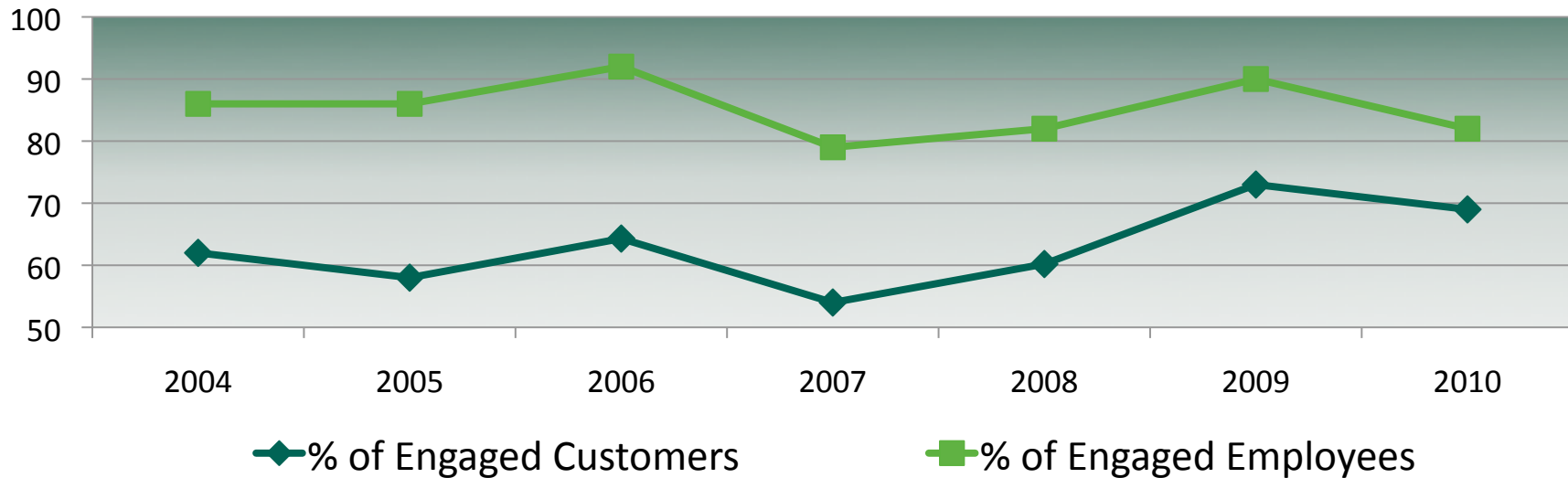
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Customer & Employee Engagement



We must not forget the importance of the EMPLOYEES in attaining these goals

Employee Engagement



Direct correlation between employee satisfaction, loyalty and engagement and the effect on the customer and business success



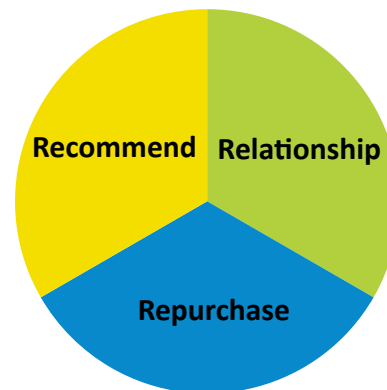
The R3 Index

Scantron Survey Services' Proprietary

Statistically Reliable Measurement and Predictor of:

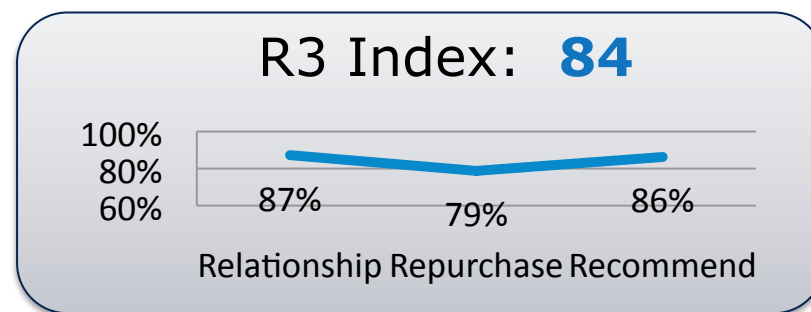


Customer Loyalty



The R3 Index

- The **R3 Index** is a comprehensive loyalty measurement that is predictive of future customer behavior.
 - Relationship
 - Repurchase
 - Recommend
- The **R3 Index** provides your entire organization with an accurate index score of loyalty for each survey trended over time. The R3 Index also includes industry benchmark comparisons.
- The higher your **R3 Index** the more successful your business. When your customers consistently rate your business high, increasing your **R3 Index** score, you know they will be with your company longer, spend more money, be less price sensitive and recommend your company to others.
- The employee version of the R3 Index is provided in the Employee Engagement reports.



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Improving the Customer Experience



- Scantron’s comprehensive, multi-channel account holder and employee engagement solution.
- Takes Customer Experience Management from theory to practice.
- Identifies the key drivers of R3: Relationship, Repurchase and Recommend.
- Eight benchmark core questions:
 1. Employee Engagement
 2. Customer Engagement
 3. Customer Experience
 4. New Account
 5. Closed Account
 6. Teller Transaction
 7. Call Center
 8. On-line Banking/Services
 9. Custom Products and Services



Best Practices to Grow Customer Loyalty

1. Identify and understand the drivers of R3: Relationship, Repurchase and Recommend using customer surveys at all stages in the customer lifecycle
2. Use Key Drivers identified through the analysis of survey data to turn satisfied and loyal customers into Company Advocates
3. In addition to product and service attributes, understand the emotional attributes that drive loyalty
4. Combine transactional and survey data, identify Key Drivers and create a comprehensive plan to develop loyalty that involves all employees
5. Survey your employees to measure, monitor and improve Key Drivers of Employee R3: Relationship, Remain with company and Recommend



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Questions?

