



Hit a Moving Target — Turn New Movers Into New Households for Your Financial Institution

Phone #: 888-278-8459

Conference ID:

Presenters:

Sandeep Kharidhi, Vice President of Analytics

Stephen Nikitas, Senior Marketing Strategist

November 7, 2013

A replay of this webcast and copy of the slides will be sent to all participants next week.

Today's Presenters



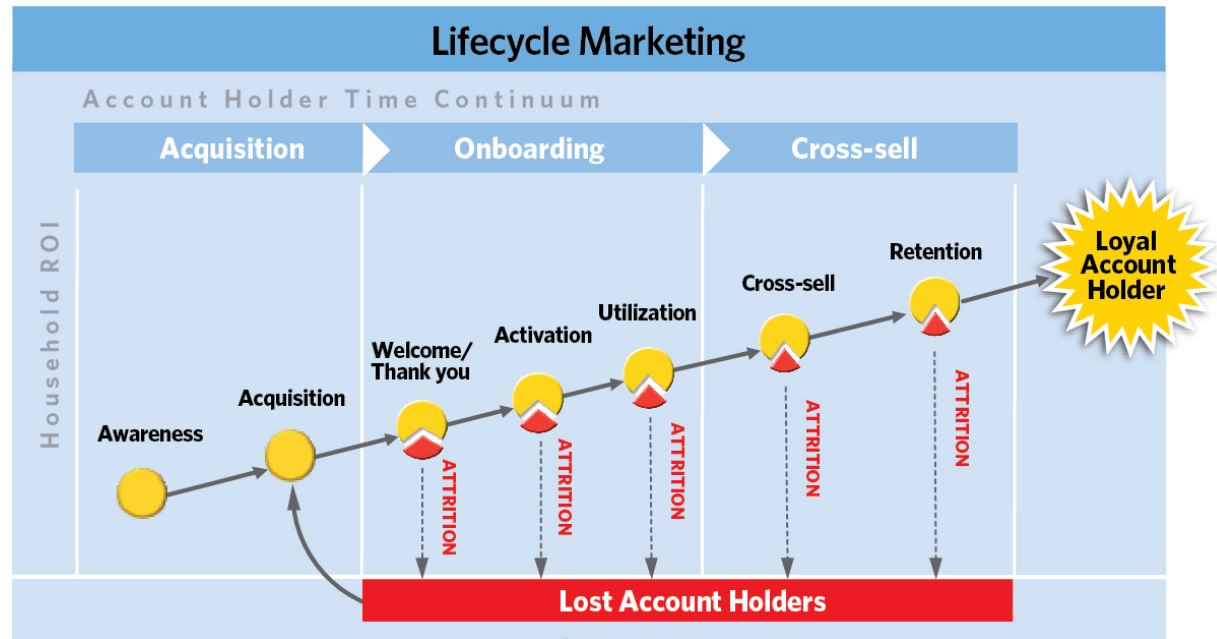
Sandeep Kharidhi, Vice President of Analytics



Steve Nikitas, Senior Market Strategist

Harland Clarke's Core Marketing Philosophy: Account Holder Lifecycle Marketing

- A suite of marketing solutions across the entire account holder lifecycle
- First Touch™ New Mover: a new acquisition solution



Executive Summary

- With housing market in recovery, people increasingly looking to purchase homes again
- Checking is the foundation account; enables new FI to become the preferred provider of loan products as a cross-sell opportunity
- New mover programs provide superior ROI compared to other acquisition programs
- New mover programs are great add-ons to existing acquisition programs
- Deliver messages sooner than bulk mail drops

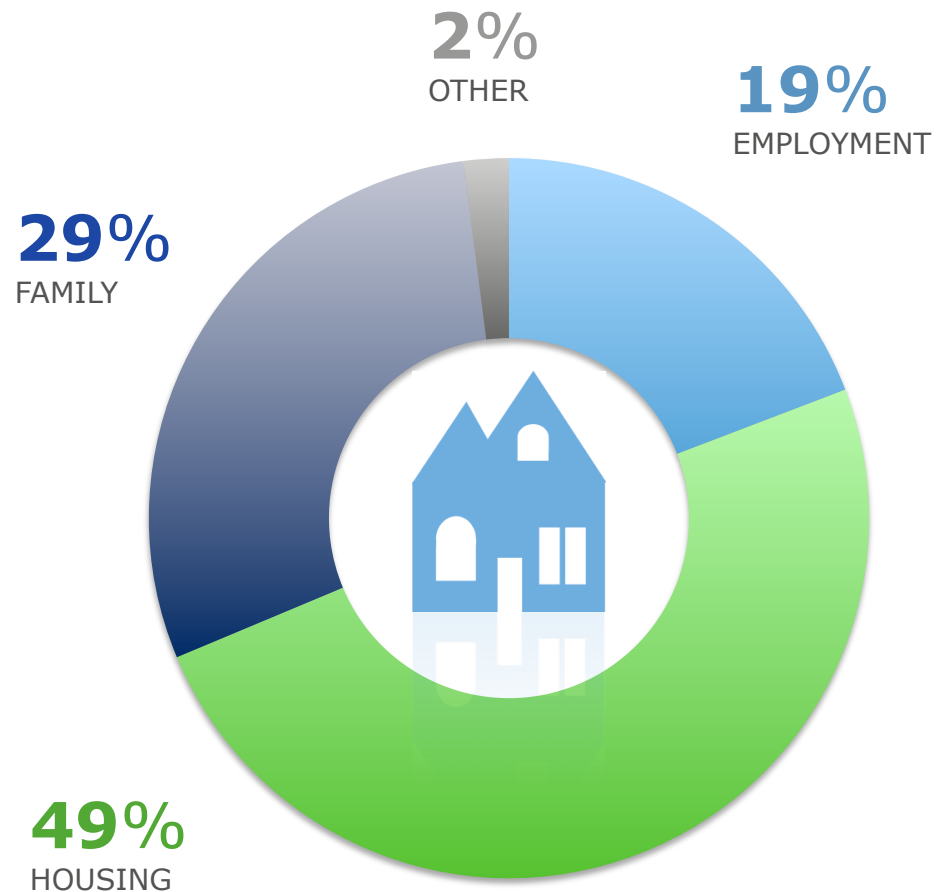
Population Mobility and the New Mover Market

- 36.5 million people moved between 2011 and 2012, representing **12%** of the population
- The new mover profile reflects a greater percentage of younger movers, particularly those in the 20-29 age group
- Renters are **five times** more likely to move than homeowners
- New movers change banks, grocery stores, doctors, service providers and products they buy because of altered traffic patterns
- Those in the midst of a move often entertain the idea of starting fresh



Reasons for Moving

- **Housing-related issues**
Desire to own a home or live in a better neighborhood
- **Family-related reasons**
Changes in marital status and establishing independent households
- **Employment factors**



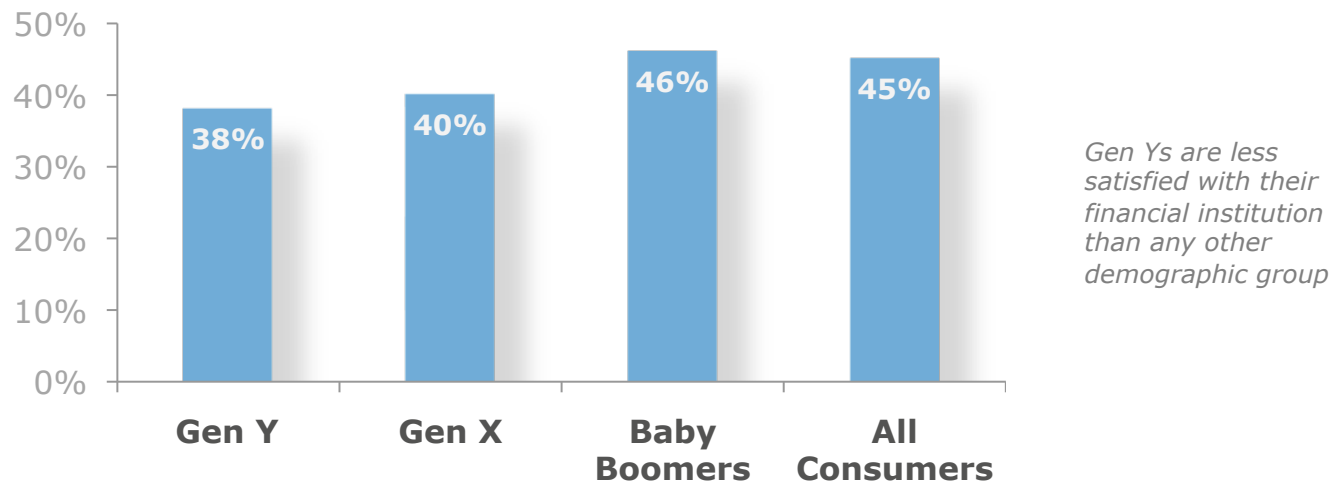
The New Mover Opportunity

- New mover prospects offer a higher potential for new account growth than non-mover prospects
- Because movers are often making many other life changes, this targeted audience offers a unique opportunity to establish the foundation for broad-based financial relationships
- Although new mover trends are expected to remain fluid – with a shift in the demographic make-up – these households represent an opportunity for account holder base and deposit growth
- Sending mail the next day will allow your message to reach the new mover sooner than your competitor

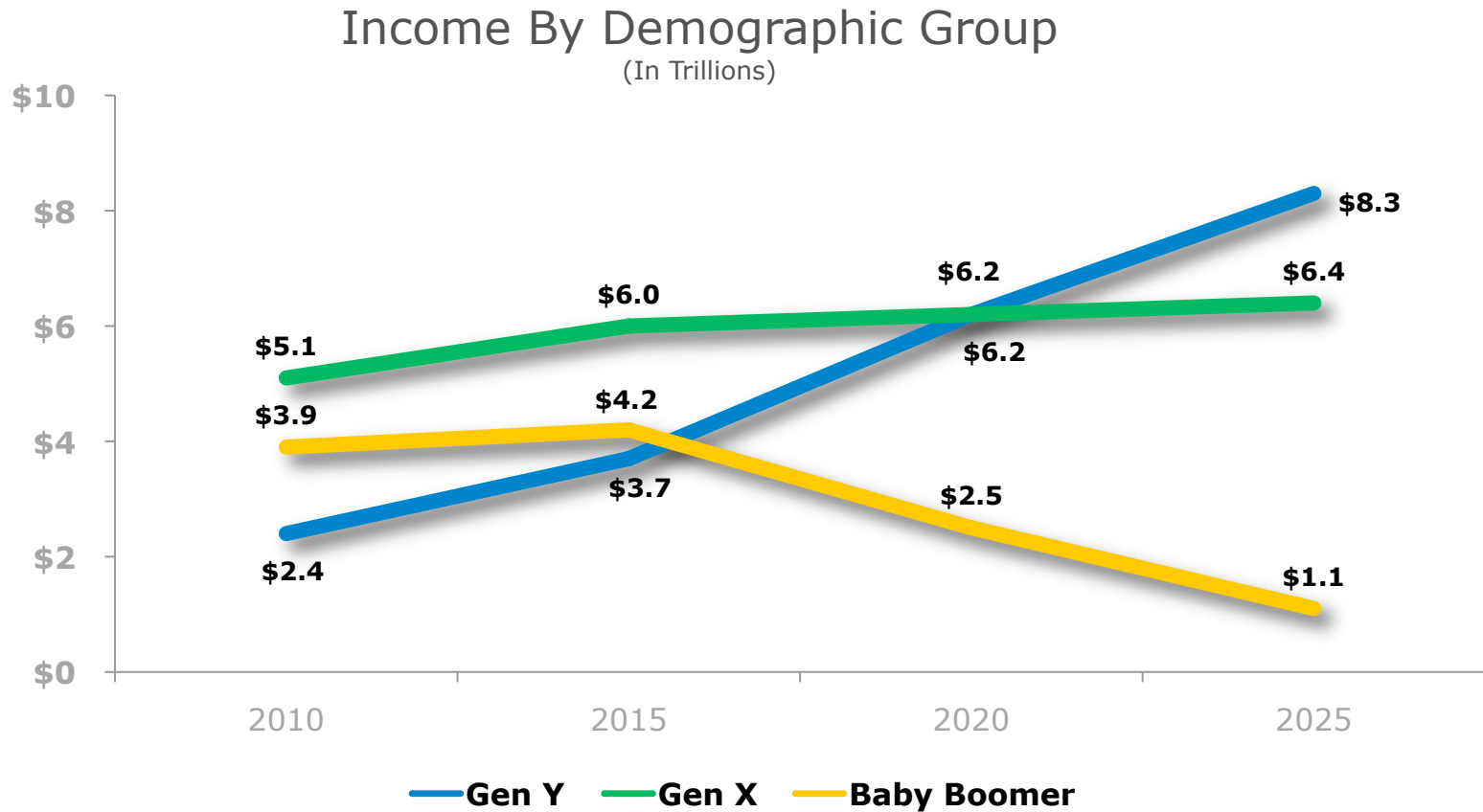
The Gen Y Opportunity

Given the large percentage of Gen Y movers, there is an opportunity to attract these younger households as they become established

- Less likely to have a long-standing relationship with other financial services providers, are less loyal and more likely to switch
- Need basic financial services, with channel flexibility and accessibility
- Investing in the Gen Y segment today can help assure a long-term, expanding relationship as their financial needs grow



The Gen Y Opportunity

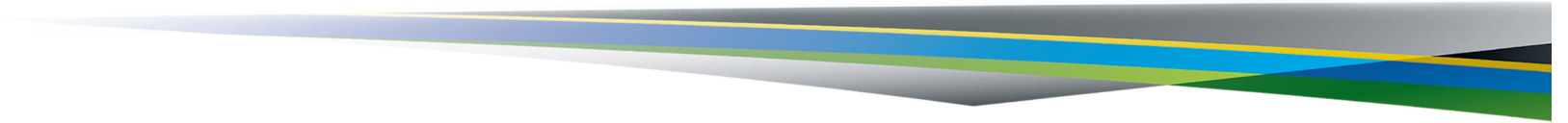


Four out of Five Gen Ys have a personal or joint checking account.

Timing Is Everything

- Targeting and timing are the two most important components of success in an event-triggered program
- While there are dozens of new mover list providers in the marketplace, the depth, quality and timeliness of these lists varies dramatically
- Best practices suggest targeting new movers on a daily basis (summer months historically have the highest propensity of move rates)

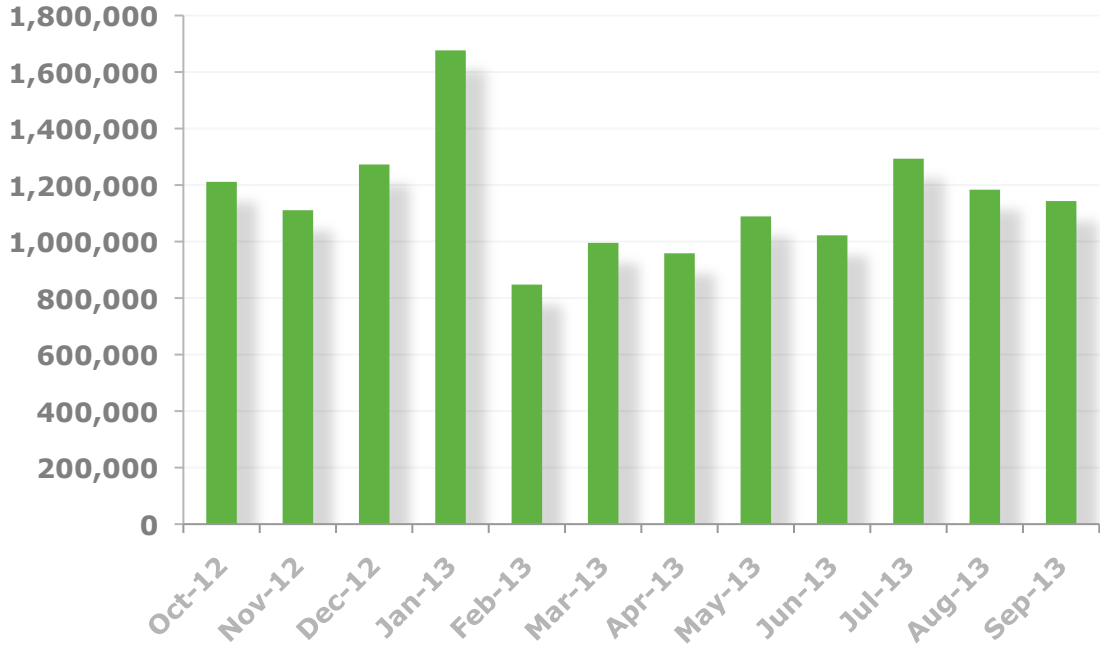
***Marketing Advantage –
be in the mailbox first
with a message that resonates
with the new mover!***



New Mover Statistics October 2012 to September 2013

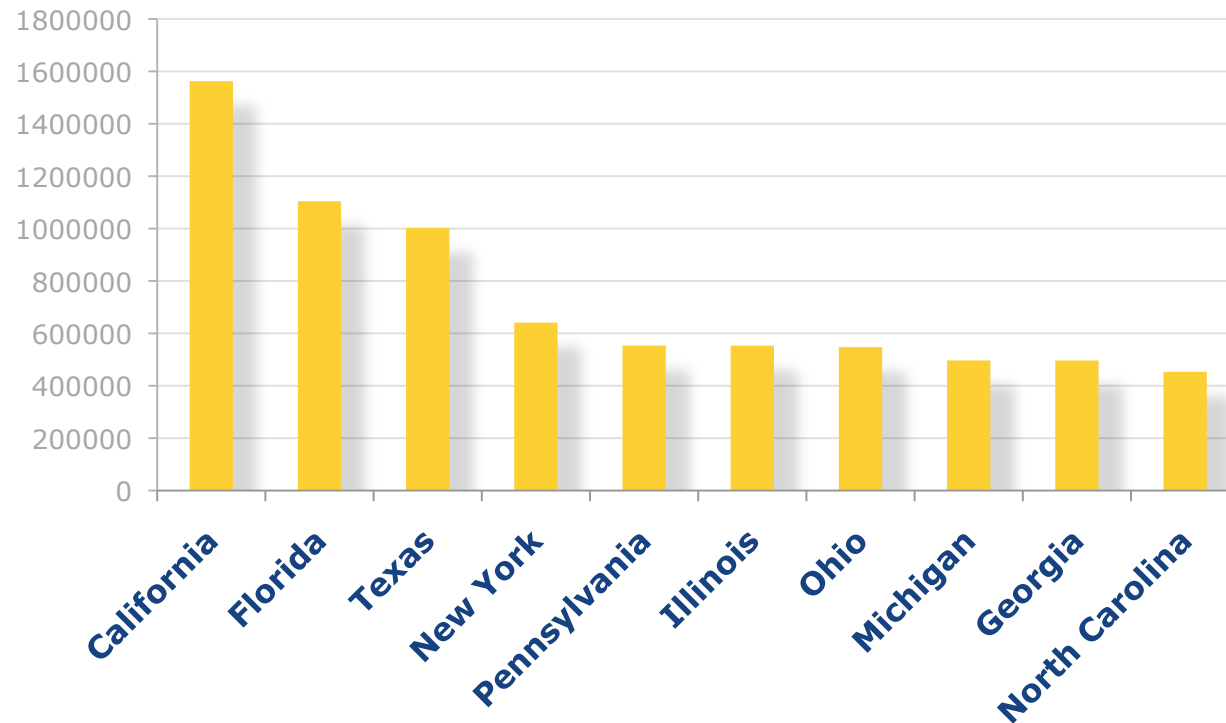
Monthly Volume of New Movers

- Several factors impact timing of move activity: economy, school-age children, renter/homeowner, job-related reasons, etc.
- Nearly 14 million marketable households moved during the previous 12 months



Top 10 States With New Mover Activity

States that accounted for 54 percent of all movers



The Value of a New Checking Account

Value = NIM on Combined Deposits + Interchange on Card Transactions + Fees

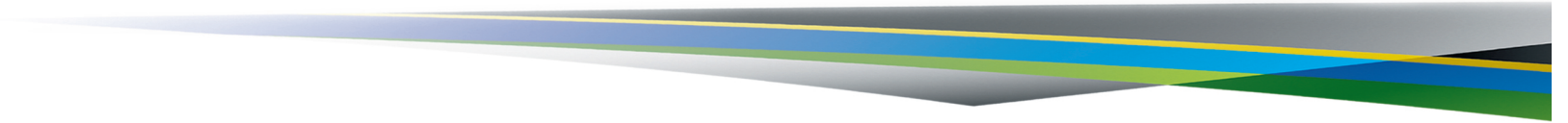
NIM on average combined deposits	\$ 700.82
Average debit card users interchange	\$ 60.00
One NSF per year	\$ 30.00
Total annual value of a checking account	\$ 790.82



Average Cost to Acquire a New Checking Account:

\$442

Average Total Consumer Deposits for Checking Account Holders \$19,096 Source: Harland Clarke Industry Database
Average NIM = 3.73% Source: FDIC Second Quarter Banking Profile
Debit Card Avg. Interchange = \$60 Source: Javelin 2012 Study
Average NSF Fee = \$30 Source: Moeb's Services
Average Cost to Acquire a New Checking Household = \$442 Source: Callahan & Associates



First Touch New Mover Program

Harland Clarke First Touch

New Movers



HC First Touch New Mover Program Components

- **New Mover Opportunity Assessment** determines opportunity size and new mover mail volumes in your footprint
 - Conducted on a one-time basis during the sales process
 - Free analysis
 - Low data demand – only branch table needed for analysis
- **Model Scoring** uses proprietary predictive analytics targeting movers that are most likely to respond. Contributing variables include:
 - Population density
 - Market penetration
 - Distance to branch
 - Competitive factors
 - Census and area-level demographics
- **Data Processing**

Common in-batch DP performed

 - Address standardization and CASS, mail-ready file generation
 - Optional suppression process to exclude existing customers (requires monthly suppression file)

HC First Touch New Mover Program Components

- **New Mover List**
 - Updated from multiple sources and arrives daily
 - Captures the greatest number of new movers within trade area of the branch
- **Creative Offer/Print Production**
 - Checking product with free or low-end, competitive bonus offer
 - Daily mailing of personalized, digitally produced, color self-mailer
 - Performance tested
- **ROI Tracking Analysis**
 - Standard reporting template
 - Measures both direct and indirect deposit account and balance acquisition
 - ROI assessment using client-specific NIM spreads
 - Requires client's monthly account-level MCIFs

Direct Mail Creative Execution

Be **first in the mailbox** with creative templates featuring your logo and brand color

- Best-practice creative strategy and execution
- Convenience focus
- Cash offer on short coupon flap stands out
- Locator line included





Q & A

Use star one on your phone, or use the chat window sending to "All Panelists."

Sandeep Kharidhi: Vice President of Analytics
Sandeep.Kharidi@harlandclarke.com

Stephen Nikitas: Senior Marketing Strategist
Stephen.Nikitas@harlandclarke.com



Thank You!

A replay of this webcast and copy of the slides will be sent to all participants next week.

For more information contact your Harland Clarke account executive or write us at:

harlandclarke.com/contactus