

Keys to Reaching New and Existing Customers In Your Market

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Harland Clarke Presenters



Carrie Stapp

Senior Vice President , Product Management



Eric Ramos

Director, Community Markets Division

What we'll cover today

- How effective acquisition strategies help **build strong and lasting customer relationships**
- Why an acquisition strategy that is **data-driven and omnichannel** is more important than ever
- How COVID-19 reshuffled the channel hierarchy

Every consumer relationship has reached a **critical crossroads**.

Changing and
uncertain times
have prompted
consumers
to reflect

What provides value?

What can I do without?

Which relationships do I need for my family
to be truly safe and happy?

*Change has never felt easier
to justify for consumers.*

What does this mean for financial institutions?

Those institutions that deliver experiences that meet the changing needs of customers will be rewarded with *new business* and greater loyalty.

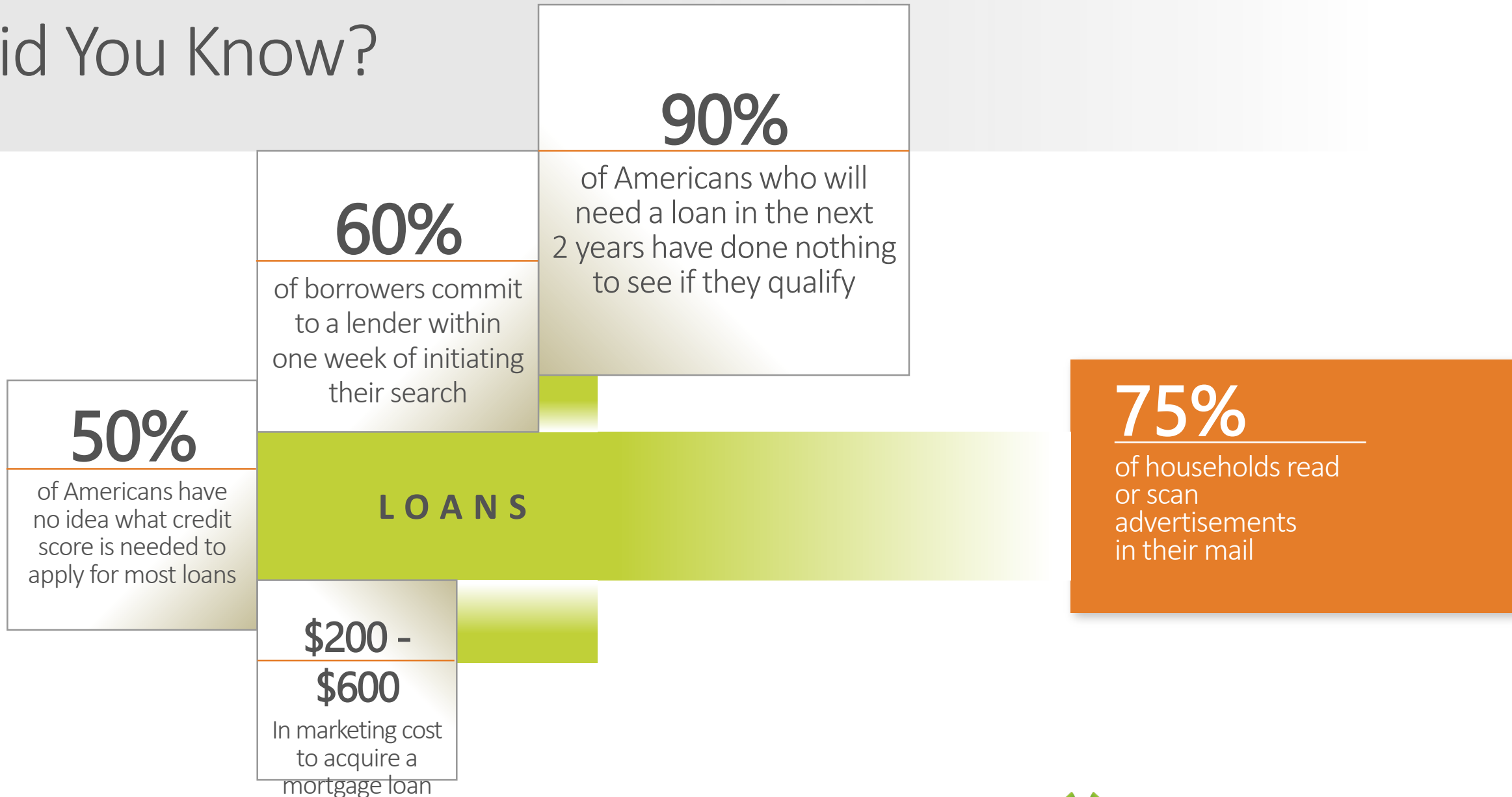
Customer experience leaders achieve **2.1X** greater share of wallet.¹

Those that don't will struggle to remain competitive.

*It's never been more important to invest time
and effort in relationships.*



Did You Know?



Health is **wealth.**

Consumers are already getting back on their feet

As the nation gets healthier, consumers will seek to become wealthier. That means an elevated consumer commitment to:

- **Building** a stronger cushion of future savings
- **Rebuilding** through personal loans and refinance options

*Are you prepared
for the acquisition boom?*

When should you start focusing on your acquisition strategy?

Yesterday.

Create a strategy for sustainable deposit growth

A sustainable growth strategy involves:

Attracting

new money from

NEW

customers



Growing

deposit balances from
existing customers

Retaining

the most at-risk
customers



Attract new households in your market



Capturing low-cost, sustainable core deposits is key to supporting a growing and increasingly competitive lending environment.

- **Always On** acquisition strategy – **Visibility Is KEY**
- **Identify** your audience and saturate the market
- **Consider** the value of the marketing channel in today's environment
- **Measure** response and adjust the plan, but don't go silent

26% of Millennials are seeking financial advice.

Source: Experian Consumer Sentiment Study April 2020.

Household Acquisition Is Extremely Competitive

Financial institutions must differentiate themselves to acquire new customers.



4% of
consumers
changed banks
in 2018
(JD Power)



**\$400 to
\$700**
to acquire a new
deposit account
(Novantas)



30% to 40% of
total new deposit accounts
opened *do not become*
active
(Deloitte)

Grow deposits from existing customers



Understand what is happening to your deposit base:

- **Identify** single/low-service customers and aggressively cross-sell
- **Educate** younger segments on the value of saving ... and show them how
- **Encourage** mature segments to consolidate and centrally manage their financial assets
- **Don't Assume** existing customers will choose you

Less than half of consumers under the age of 40 report having a financial reserve they can draw from

Source: Experian Consumer Sentiment Study April 2020

Reduce Attrition to Achieve Growth

Understand the numbers behind attrition.

Keys to **retention**:

- **Identify** customers at risk
- **Connect** with lifestyle, don't sell products
- **Make it easy** to choose your institution

*Successful deposit acquisition engages customers
for the long-term at the lowest cost possible.*



Ready yourself for a post-pandemic **paradigm lending shift.**

The upcoming lending boom offers a rare opportunity to acquire customers faster and increase balances

- Consumers will be in recovery mode
- A strong desire to quickly return to pre-pandemic lifestyles

When consumer confidence and spending increases, so will borrowing



Key Lending Strategies

Identify your competitive strength and **be loud** ...

Strategies for **sustained growth**:

- **Embrace** invitation-to-apply programs
- **Remove** the guesswork. Initiate pre-qualification/pre-approval programs
- **Promote** refinance options
- **Be Consistent.** Don't use a "one and done" marketing strategy.

*45% intend to purchase a vehicle as planned,
however 34% intend to explore a more affordable option*

Source: Experian Consumer Sentiment Study April 2020

Industry competition for loans will be fierce

Must-haves to meet the needs of today's "at home" consumer:

- Data-driven/targeted
- Hyper-Personalization
- Digital
- **Direct Mail**
- Convenience
- Frictionless process

LOAN APPLICATION

General Questions

Name:

(Please use capital letters)

Birth Date: Gender: ☐ Male ☐ Female

Address:

Phone number: E-mail:

ID Number: Social Security Number:

Occupation:

Status: ☐ Single ☐ Married ☐ Divorced ☐ Others

Is It Time to Change Channels?

Consumer habits are altered due to COVID. Media usage has increased over pre-pandemic levels.

- **Television?** 41% increased usage
 - Netflix®: 36% increased usage overall, but 44% increase in those under 40
 - YouTube®: 22% increased usage overall, but over 30% increase in those under 40
 - Cable TV: 22% increased usage, but less than 20% in those under 40
- **Radio?** Usage is only up 10%, the lowest of all channels
- **Email?** Fatigued and oversaturated

Consumers are staying local. Strong movement to support local communities and business.

Going to the mailbox is now an “event.”

Direct Mail Is a Critical Acquisition Tool

Direct Mail is an extremely relevant strategy that allows very specific audience selection along with being able to determine ROMI.



75% of households either **read or scan** advertisements in their mail
(USPS)



Mailboxes are empty
Direct mail is down
70%
(CompereMedia)



1 in 7 checking account openers **were influenced by a direct mail piece** from their financial institution
(The Financial Brand)

Key Takeaways

- **Don't Wait** ... start **Yesterday** and be **Consistent**
- **Diversify your Deposit Strategy** between *Existing Customers* and *Prospects*
 - Same offer combined with relevant message
 - Speak to lifestyle benefits rather than product features
 - Tell them how to do business with you
- **Saturate the Looming Lending Market** with *Pre-Qualified/Approved Offers* or *Invitation-to-Apply*
 - Ready to Lend ... and tell them how
 - Either *Own the Rate* or *Be the Most Convenient*
- **Direct Mail Isn't Dead**

Silence is a detriment!

Thank You.

Questions

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