

## CHECKING ACQUISITION – A UNIQUE MARKET OPPORTUNITY

The world of consumer checking as we've known it continues to transform – driven by regulatory change, consumer expectations, innovation, and the need to replace lost revenues. As the big banks introduce new checking structures, along with new requirements and fees, consumers are voicing their displeasure.

Not only are consumers seeing their “free checking” accounts disappear, but the past couple years of big bank bailouts and negative press about overdraft fees and debit card interchange has heightened awareness, and created a climate of change.

While much of the uproar will likely subside, and the hassle of moving accounts will result in the usual consumer inertia, there has never been a more opportune time for community-based institutions to acquire new relationships.

**Even in today's world of multi-channel communications, direct mail remains an important tool in new customer acquisition – having the advantages of targeted messaging, one-on-one communication, cost efficiency and measurability.**

Here are some factors to consider in planning a direct mail acquisition campaign:

- Audience Selection
- List Purchase
- Creative
- Printing & Mailing
- Response Tracking & Analysis

## AUDIENCE SELECTION

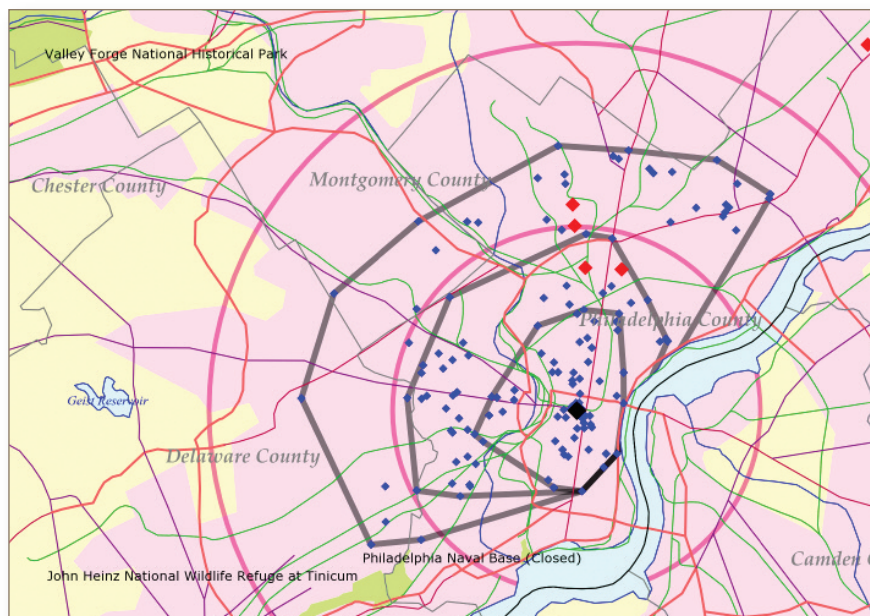
Approaches to audience selection range from simple “saturation” mailings to those that are highly segmented and targeted. The less refined approach is generally less costly, with no front-end analytics, cheaper lists and greater postal discounts, and can potentially generate the greatest volume of responses. Conversely, a more targeted approach will typically result in a higher rate of response as it enables a closer alignment with the desired customer profile.

### Branch Radius Saturation

- Simple and cost efficient
- Highest volume at lowest cost
- All households in carrier routes within defined branch radius are mailed (90%+ of addresses within a postal carrier route)
- Cost-efficient mailing lists (no personalization; no suppression of existing customers)
- Greatest postage cost efficiencies

## Primary Market Area (PMA) Targeting

- More refined method of selecting prospects – reduces waste and encompasses areas not captured in radial mapping
- Typically generates higher response rates
- Branch PMAs are mapped, based on your recently opened checking account customer addresses
- Most heavily penetrated PMA carrier routes are selected
- Mailings may be personalized and existing checking customers suppressed
- Additional targeting criteria and models may be applied (such as demographic characteristics and segmentation)



Source: Altair Customer Intelligence

## LIST PURCHASE

The approach to audience selection – whether saturation or targeted and personalized – will determine the most appropriate type of list.

Saturation mailings are supported by national residential mailing lists, such as those provided by Valassis (formerly ADVO), which compiles the most complete national resident occupant list in the U.S. The right list will deliver frequently updated and scrubbed addresses to assure accuracy, deliverability and USPS compliance – and the best postal discounts.

Personalized mailings will require high quality, multi-sourced lists that include the data attributes and analytics needed for targeting desired prospects, and will apply data validation and cleansing processes such as standardization, de-duping and householding.

## CREATIVE

A critical key to successful direct mail is messaging and creative execution.

**The offer:** In addition to an attractive checking account offer, the successful checking acquisition campaign will feature a limited-time promotion. Cash has become the leader in recent months, with offers of up to \$100-\$250 for a new account. Others include points, airline miles and merchandise (often popular electronics). Typically, there will be account requirements that must be met before the gift is awarded – for instance direct deposit, debit transactions, minimum active account timeframe, etc.

**Format:** There are several approaches to format – all of which can be effective in getting the target audience's interest and drawing them into the piece. Oversized postcards and self-mailers can capture the reader's attention most quickly and work well for a simple, compelling checking offer. On the other hand, a personalized letter may be a better-suited approach for a more complex message and more targeted audience. In the case of an envelope package, teaser copy and graphics will help assure it gets opened.

**Messaging:** Simpler is generally better – with an attention-getting headline that speaks to the offer, and clean, easy-to-read copy. Making sure there are clear next-step actions and contact information will help drive results. A more complex message may call for a letter package format with a supplemental brochure featuring the checking plan options.

**Graphics:** In color, on brand and compelling graphics will help quickly engage your audience.

## PRINTING & MAILING

The optimal approach to print production and mailing is driven by a combination of factors:

### **Print Production: Digital vs. Conventional**

- Digital print offers several advantages, most importantly the ability to print variable text and graphics and its cost advantage for low volume mailings.
- Conventional offset print offers high-quality and is most cost-efficient for high volume mailings where variable content is not required – personalization is achieved through post-production letterpress overprinting.

### **Mailing**

- First-Class Mail offers the fastest delivery time, and includes forwarding and mail return services, important in more targeted and personalized mailings.
- Standard Mail, with bulk postage rates, is much less costly, but with slower delivery times and required mail quantities.
- Other mail discounts may apply, for instance for zip code pre-sorting and automated bar coding and sorting.

## CROSS CHANNEL COMMUNICATIONS

The effectiveness of your acquisition campaign can be significantly increased through integrated messaging and support of other media and communication channels. Here are a few considerations:

**Point-of-sale (POS):** Branch merchandising can include displays, posters, counter cards and collateral materials, as well as external signage and promotional window clings – and can aid in building promotional energy and driving greater checking penetration from non-checking households.

**Online:** Consumers seeking a new checking account will often go online to check out prospective institutions – both by visiting their websites, social media links and/or using online search engines to find the best checking accounts and institutions. Making sure that this channel is included in the mix will help you get a better return on your overall campaign.

**Mass Media:** Depending on promotional goals, target market, competition and budget, a fully-integrated campaign may also include media advertising and promotion, including print, billboards and radio.

**Phone:** While not suitable for a pure saturation direct mailing, follow-up calls can be very effective in supporting a more targeted, personalized marketing campaign.

Other electronic channels may also play a role, but generally email and mobile are less well-suited for checking acquisition campaigns.

Additionally, just as marketing channels may be broader than mail-only, multi-channel response options should be available to support your campaign.

## RESPONSE TRACKING & ANALYSIS

Direct mail has many advantages, including the ability to communicate directly with your targeted audience in a cost-efficient manner – and to be able to track results. Although tracking, measuring and reporting can get very sophisticated and complex, it's important to put the basic metrics in place to support tracking and measurement against campaign objectives and determining your Return on Investment (ROI).

## A FINAL WORD

**Direct mail can be a highly effective tool in acquiring new checking households, particularly given the current disenfranchisement with the big banks. Strategically, acquisition is not a simple one-time mailing; it requires persistence and frequency to reach optimum effectiveness. It also requires the full support of well-informed branch staff, complemented by onboarding and cross-sell efforts that will turn new checking account holders into long-term, profitable relationships.**

MindBridge Marketing is a Minneapolis-based marketing company focused on the financial services industry.  
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