



# WordCom™

## INTELLIGENT TARGET MARKETING NEWSLETTER

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### Selling Checking in the Summer

HARRY WALTMAN, VICE PRESIDENT

*Checking accounts remain a prime focus for all institutions when looking to acquire new customers and new accounts, and although many campaigns avoid the summer months, they can be some of the most productive.*

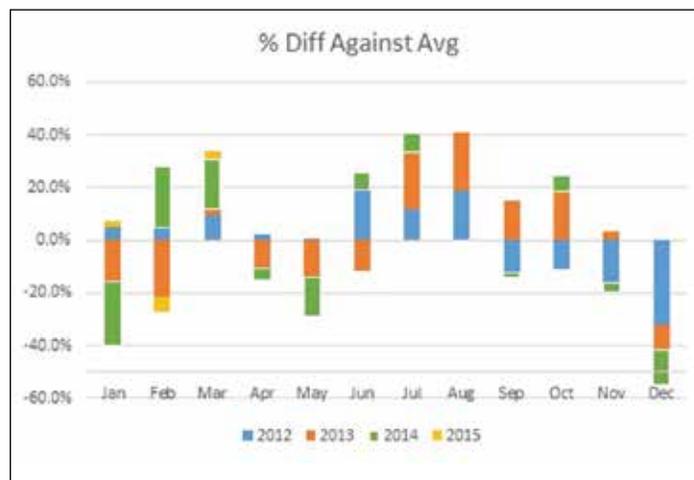
Checking continues to represent the key to a new or deepened household relationship. However, in today's environment, new checking accounts can be increasingly difficult to acquire. With a relative lack of turmoil in the marketplace, "sticky" services attached to existing accounts, and fierce competition for potential new account households, institutions need to fully understand their acquisition efforts.

#### Seasonal marketing

While targeting households for acquisition efforts is critical to the success of any mailing effort, seasonal timing is also a determining factor. Bank marketing executives have long considered the summer months as a poor calendar period for aggressive checking acquisition projects.

With people distracted during the summer by warm weather and vacations, perhaps financial institutions think it's not the best time to court prospects for new checking accounts. However, a look at account opening data from many institutions refutes that proposition.

Researching a customer database for relative product opening frequency can yield important guidance for banks looking to acquire new accounts. Understanding product openings by month compared to a "monthly mean opening rate" for that product will give direction as to seasonality for a given product's demand.



#### Using repetition

Many banks discover from seasonality research that summer months can be a significant timeframe for opening new checking accounts. The most productive checking acquisition programs involve repetitive mailings during the year, and summer can be also targeted with multiple mailing cycles. Emphasizing mailing timing and size will help to budget acquisition marketing dollars most efficiently.

#### Using modeling

In addition to seasonal factors, household targeting is an important component of a successful acquisition program. Identifying prospects within the branch footprint by using a profile model will drive the account opening results. A profile model will help the bank understand who their existing checking customers are through a complex analysis of demographic, statistical, lifestyle and behavioral data. With a profile of existing checking customers established, mailing selections can target prospect households that are look-alikes of existing customers.

#### Fall Follow-up

Summer mailing cycles should be followed by one or two fall repeat mailings before the holidays, if budget allows. Cost-efficient oversize postcards or self-mailers are an effective package.

Research needs to be done to evaluate offers from competing institutions. Significant cash offers and high-end electronic gifts are prevalent in many markets.

With the competition for new accounts being intense in today's environment, all aspects of the promotion—timing, selection targeting, product benefits and offer incentives—should be carefully considered for a successful campaign.



## "Would You Like to Play a Game?"

STEVE MORRIS, VICE PRESIDENT

*That question reminds most people of the movie War Games and a time when games, video games in particular, were beginning to capture everyone's attention. After all, most people love games... whether it's checkers, Monopoly, or a scratch-off lottery ticket.*



### Save to Win

In 2009, a concept was launched in Michigan with credit unions in that state called "Save to Win." It's based on a lottery-type game that has proven to be very beneficial in helping 50,000 low- to moderate-income account holders save almost \$100 million since its inception.

This is a demographic that traditionally finds it difficult to save money. As a matter of fact, statistics show that one out of every four Americans has no savings at all.

The Save to Win game requires a new customer to open a 12-month savings account or share certificate and for every \$25 they deposit into that account, it counts towards a drawing for a cash prize at monthly and quarterly intervals. It has proven to be a great vehicle to build brand loyalty, expand wallet-share, and present cross-selling opportunities.

### Limited geography

As of this writing, only 10 states have approved the use of lottery-type games for use by financial institutions and banks cannot employ it at all due to existing regulations, so its growth is limited. However, there are a number of bills in both state and federal legislature to amend or change the law for all institutions.

If an institution is not looking to develop deposits, or the law at this point has not been changed in a given state, or the institution is not a credit union and wants to develop a program like "Save to Win," there are alternatives.

**If you would like more information on Save to Win, please visit [www.savetowin.org](http://www.savetowin.org). For more information on PrizeLink, please call your WordCom Account Executive.**

### Cloud-based PrizeLink

Earlier this year, WordCom introduced PrizeLink. This is a cloud-based game solution that does not conflict with the existing state and federal laws as it does not require a purchase to be made in order to play or win the game.

This program is designed to drive an institution's desired behaviors among existing customers. It's a tool used to build institutional loyalty and cross-sell opportunities through debit card penetration, mobile banking, eStatement sign-up, etc.

One effective feature of this game is that it can be played on any smart phone, tablet, or computer as it features a live link that is sent to the customer every time a desired activity is executed (e.g. a debit card swipe at the grocery store, gas pump, convenience store, etc.). So the more times a customer swipes their debit or credit card, the more chances they have to win.

An additional option for the game would be to also treat all of those recurring activities as entries for a drawing that the bank can hold at the end of each month, or design a big promotional activity with a large drawing at the end of the promotional period for a large prize.

The game is very easy to set up and there are three main choices for the game mechanic to choose from. Here is a link to see one sample format of the game that WordCom built as a demonstration. <https://secure.cataboom.com/direct/wordcomdemo>



Or, scan this QR code for the demo.



JANIS WESTON,  
ACCOUNT MANAGER &  
PRINT COORDINATOR

## Marketing in 3-D

*When looking for a more unique and intriguing way to market to a specific group of prospects, one method used effectively is 3-D marketing. Rather than sending a letter in an envelope, a postcard, or any other typical piece of paper that might easily get lost within the rest of the mail, consider sending an item in a box, or some other type of packaging... something 3-Dimensional.*

The 3-D item can really be anything; perhaps it's something that ties into a marketing theme or simply a useful tchotchke with a company logo on it. The most important thing is that it grabs the recipient's attention and the package gets opened and looked at. The more useful or fun the object is, the better. If the item stays in the office and is seen or used frequently, it helps keep the company name in the forefront of their mind.

These types of mailings are obviously more expensive to execute than standard direct mail efforts, which is why they should be utilized with much smaller targeted groups, such as businesses or high-value prospects.

When developing an effective 3-D marketing campaign, below are some important steps:

- Determine who the audience is
- Determine what the messaging is



- Determine whether or not the item will directly relate to the marketing message or simply bear the company brand
- Determine the overall budget
  - ~ Can the chosen item be mailed to the entire audience while remaining within budget? (Item, message, packaging materials, postage costs)
- Determine the frequency of the campaign
  - ~ Is this a one-time mailing or will the prospects be mailed several times?
- Determine the best time to mail the package
  - ~ Is it a popular vacation month, or close to the holidays?
  - ~ Will the sales team be able to follow-up via phone or email within a couple of days after confirmation of delivery of the package? (Postal tracking numbers are important to have for this reason.)

No matter what the item or the message is, quick follow-up is key. Since the prime objective of such a targeted mailing is to start a sales conversation, it is important to keep in mind that the success of the campaign is gauged on how many conversations are had in the end, not how many sales are made as a result of the campaign.



## Four Reasons Why Direct Mail Works

SHANNON GRIFFIN, ACCOUNT MANAGER

*While there are additional costs to direct mail that do not exist with programs like email and social media, when used wisely and analyzed carefully, direct mail can outperform many other tactics.*

With the increasing number of methods available to reach customers and prospects, marketers can get caught up in the frenzy of the next greatest trend—the hottest social networking outlet or flashy online marketing tool. Many of these new marketing tools are easy for customers to ignore or gloss over, whether it's to delete an email they view as spam or switch off a radio advertisement, there are reasons direct mail campaigns still remain an effective piece of an overall marketing campaign:

**1) Attention Getting** – A good direct mail piece will stand out even in a crowded mailbox, grab the customer's attention, and incite them to act. Unlike a website or social networking outlet, direct mail is an active format that allows for a tap on the shoulder of prospective customers that online-only activities don't allow.

While emails share the same concept as direct mail, they can often get overlooked in an inbox or get caught in a spam filter, with fewer techniques to get them to stand out. Prospects are less likely to open emails from unknown senders, for fear of viruses and other online scams that are ever-present.

Using a multi-channel approach, with both email and direct mail, programs targeting different audiences but utilizing common themes to create a congruous experience would allow marketers to reach the right person with the right offer through the right channel. Use email to pre-announce mailings, or to remind customers of an expiring offer.

**2) Highly Targeted** – Direct mail marketing gives the advantage of



being able to target to modeled prospects or customers, allowing for the customization of messages or packages.

Using a social media outlet forces the option of creating a general marketing statement that will have to appeal to all groups of people, no matter age, zip code or need for the product. There are also numerous mail format options; depending on what you are asking the prospect to do, a postcard, self-mailer or even a 3-D package can get results.

**3) Extremely Measurable** – One of the key reasons why direct mail has remained a viable marketing channel is that marketing results can be measured. The ability to match mailing lists to new account openings helps gauge the mailing's success and allows for analyzing of overall product success. Exploring different direct mail formats and/or testing certain groups with certain packages is also an added benefit of utilizing direct mail vs. strictly an online campaign.

**4) Easily Integrated** – While there is no arguing that direct mail is still an effective marketing tool, it also shouldn't be the only factor in an overall marketing strategy.

Get creative with integration by producing an offer that requires a Facebook response or that asks recipients to sign up for an offer online—anything that pushes a response. Several channels working together is powerful, and one channel should never replace the

other, but instead would work together to form a unified campaign.

As the cost of postage grows, the need to mail highly efficient, targeted and relevant messages becomes increasingly more important. In retail, the ability to touch and experience the product increases the likelihood of a sale. The same can be applied to direct mail; even if it's not the actual product in the recipient's hands, a mail piece still activates the tactile senses.

## Meet Stacy Mascheck

*With the retirement of Linda Poyerd (Assistant VP of Finance) after 30+ years working with WordCom, Stacy Mascheck was brought in to carry on her job of managing the company's Human Resources and Financial Management functions.*



Born in Hartford, Connecticut, Stacy graduated from Central Connecticut State University with a degree in business communications and immediately got a job as the office manager at a Connecticut tool company. After 9 years there, she went to work for a large athletic club, managing their financial and HR functions.

### Big vs. small

After a couple of other stops, she joined WordCom last year. "One of the biggest differences working for

WordCom and some of the larger companies I have worked for," Stacy commented, "is the sense of *family* that I feel working here. We are all interconnected both in work and life... and that is good."

"When I worked for the larger companies, even though the jobs interacted with each other, people were often working in their own "silos" with no real human involvement. Here there are much better opportunities for relationship building. And I like this environment much better."

While her department is primarily backroom support for all the other company functions, their main interaction with WordCom clients comes in the form of invoicing. "The company's philosophy is that there should be no surprises when the client receives the final invoice; so our job is to be detail-oriented as the last line of accuracy-checking to make sure that what was originally proposed to the client is, in fact, what is being invoiced."

### Family life

Stacy has been married for 17 years and she and her husband are busy raising four children,



from age 16 down to age 4. "Life is a whirlwind of after-school activities; in the fall it's football and in the spring it's with our three oldest all actively involved playing lacrosse," she said.

What little spare time she does have is spent reading fiction. Some of her favorite authors are Susan Collins (*The Hunger Games* series), James Patterson, and Nicholas Sparks. "And occasionally, I try to fit in a date night with my husband."

"Stacy brings a rare combination of solid experience and fresh enthusiasm to the job," says Chris Wachtel, WordCom's President & CEO. "She will definitely fit in with our family culture and will be an asset."



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"One of the biggest differences working for WordCom... is the sense of *family* that I feel working here..."

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## Customer Profiles: What to Do with Them

CHRIS WACHTEL, PRESIDENT & CEO

*Marketing experts in every industry know that gathering more information on customers will help grow business and lead to more profitability. But there are not many articles on what to do with the information and how it will lead to "better" business.*

The place to start is by compiling the data and creating customer profiles to make the data actionable. Then the action steps of what to do with these customer profiles follows.

### Acquiring more customers and deepening relationships with existing customers

The most widely used reason for customer profiling is to sell additional products. When it is known what existing customers with that product look like, it is much easier to find more potential customers that look similar and may have a higher propensity to purchase that same product.

But it's extremely important to make sure the profiles contain many different data points so it can be determined which data points are actually predictive of purchase of a particular product. It is not enough to say "60% of my checking customers are 35-55, so I will market to that group." If 60% of the entire marketplace is also 35-55, then that piece of information is not useful in predicting purchase.

### Customer-centric marketing

Customer-centric marketing has been talked about for a long time, but most financial institutions are just starting to really implement it. Instead of analyzing a product and determining who else might want that product, they analyze the customers and determine what product the customers might want. Building accurate customer profiles or personas allows for offers to be made that are relevant to the customers, as opposed to relevant to the institution.



Another aspect of customer-centric marketing is making sure communications resonate with the customer and are delivered through channels that are preferred by the customer.

A very basic example of this would be how a money market offer is communicated. A younger profile may dictate heavier communication by email and mobile discussing saving for the future while an older profile may be weighted more toward mail and phone with a message about safe saving for retirement. Accurate profiles are imperative to making sure the right message gets to the right person through the most appropriate channel.

### Product refinement

As the checking environment remains competitive, it's more important than ever to make sure the product offering is as competitive as possible. If the customer profiles of certain checking products skew toward online offerings, it may be essential to add strong mobile banking capabilities or offer an e-checking account. If the profiles show higher balance customers, adding a bonus CD rate to a preferred checking account may help in acquiring and retaining checking customers.

### How to implement

With household level data available from a variety of sources, appending the exact data that is relevant to custom segmentation is more affordable than ever, so the data can be more accurate and can be refreshed more frequently than some "off-the-shelf" offerings. Plus, when using WordCom or a similar company to build the profiles and segmentation, it can be customized to a bank's customers, product offerings, and the specific marketplace.

Another benefit to custom segmentation is that analysis can be done to determine which variables are strongest in the profile (i.e. most predictive) and scoring systems can be developed to rank purchase potential of existing customers as well as prospects in the marketplace.

Finally, strategies can be developed to address each segment. Some segments may get very few communications while others will have higher demand for additional products and require more communication. The goal is to develop a strategy to speak to each segment in a way that is most relevant to the customer and most cost-effective for the institution.



CustomerIQ is a cost-effective way to develop detailed profiles of customers who own each individual product, and find the key factors that differentiate them from customers who have other products. These differences can be very important... whether it is to find more customers with potential for the product, acquire new customers, or add relevant product features.

- Are your equity loan customers over 35, and do they have an income over \$100,000 and like fishing?
- Do your auto loan customers have a home value greater than \$150,000 and love NASCAR?

This information is available in CustomerIQ and can help you create a marketing strategy using the best communication channel, offers, and themes that will best achieve program goals.

In a survey of financial institutions, these are the biggest challenges when trying to engage a customer:

- **34%** - having enough information about the customer
- **35%** - having accurate information about the customer

Don't just build your customer portfolio.  
Build it **intelligently**.

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"At its core, banking is not simply about profit, but about personal relationships."

- Felix Rohatyn

Do you *really* know who your customers are?

## INTELLIGENCE: RIGHT ON TARGET

WordCom's proprietary process geocodes your customer base and matches it to our National Consumer file to append demographic and socio-economic indicators as well as lifestyle attributes. We then build a custom profile of **your** customers who have each of **your** products. The end result is individual reports for each product that can help you:

- Compare attribute differences for each product and the market as a whole
- Identify specific attributes to use in targeting for your message
- Develop communications plans that resonate with your customers
- Choose marketing channels that best suit the customers or prospects being targeted
- Improve response rates with better targeting

### Additional Benefits

- Demographics can be provided back for internal use
- Model scores are available for each product
- Scoring can be used to cross-sell existing customers or to acquire new customers





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