Capitalizing on Trigger Data

SEAN MULVANEY, CFMP, VICE PRESIDENT – PRODUCT DEVELOPMENT

Understanding financial data has come a long way in the past 20 years and continues to grow and get smarter. With millions of different data elements being accessed, compiled, and communicated to on a daily basis, companies are getting smarter about how to aggregate and compile these feeds.

Knowing when customers are experiencing life changing events creates a tremendous opportunity to decrease attrition and increase cross-sell opportunities.

Why Customers Leave

- 29% experience a life event
- 27% are dissatisfied with fees or a product/channel fit
- 44% depart over poor customer service
- Nearly all depart in silence
- Much of this loss is defensible

Using Data

"At WordCom, we have been on the cutting edge of these progressions in data," said Chris Wachtel, President and CEO, "and we have partnered with some of the best in the world to establish an efficient and effective process for our clients for when 'life happens' for their customers."

By monitoring existing customer files, there is a way for a financial institution to know when their customers are going through major life changing events and set up a process to be viewed as a true banking partner.

Awareness Creates Opportunity

Nationally speaking, 15% of a customer base will flag on one of the above-mentioned triggers. Having an engagement process in place to proactively reach out during this time demonstrates commitment to the banking partnership. It also gives customers a heightened sense of customer service and creates differentiation from past banking relationships where this type of service did not exist.

Taking a proactive approach in reaching out also allows employees to discover and resolve possible unknown issues and future issues that may be a direct result of this life-changing event. All of this creates opportunity to reach the main underlying goal of decreasing attrition and creating cross-sell opportunities.

The Process

The process begins with establishing a monthly core or MCIF file transfer

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Turn "Life Events" Into Opportunities
Cross-Sell Opportunities & Retention Opportunities

When a customer…

- Lists their home for sale
- Goes into escrow
- Moves
- Is newly married
- Is newly single
- Has a baby
- Graduates college
- Graduates high school
- Retires
- Has a death in the family

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to a data management company and continues after every monthly update for processing and monitoring. The file should be continually monitored against the defined attrition triggers to detect positive hits, segmenting them for possible marketing opportunities.

Positive hits are then analyzed through a 3rd party proprietary algorithm and appended with a flight risk value score of high, medium, or low to aid in communication interactions.

Positive hits are then split out by branch and should be promptly routed with the high, medium, and low value score appended to branches for immediate action—but the exact trigger that was flagged would not be available to the banker/branch manager to avoid concerns by customers. Branch personnel can facilitate direct outreach to the customer utilizing a prescriptive digital interaction playbook.

Financial Brand Conference 2016

TIM BERGER, SR. VICE PRESIDENT

The Financial Brand Conference is in its third year of existence, so WordCom decided to head to Las Vegas this year and check it out.

We were one of 40 vendors to exhibit at the conference and it gave us an opportunity to visit with several clients and to talk to many banks and credit unions that we have not had the opportunity to speak with. We want to thank all the WordCom friends and attendees that stopped by our booth to say hello.

Sean Mulvaney, WordCom's VP of Product Development explained, "The Financial Brand Conference gives us an opportunity to present our newest product to the country's leading financial marketers. The educational and networking sessions keep us up-to-date with current trends in the banking industry. But the best part is seeing old friends and making new ones!"

Capitalizing on Trigger Data   *Continued from page 1 …*

A monthly mail and e-mail communications program should also be developed to capitalize on cultivation and retention. These communications can take more of a direct approach to the life stage trigger that was flagged.

Finding New Prospects

Not only can these triggers be monitored to create opportunity for current customers, but by analyzing an existing customer file and identifying a branch footprint, these triggers can be monitored for all prospects that fit the customer profile in the branch footprint, creating endless acquisition opportunities.

Equity IQ™

home equity prospects uniquely and strategically identified

Equity loans/lines are still one of the most popular and practical products offered by banks to help consumers meet their financial needs. EquityIQ™ uses a credit score proxy, as well as other variables, to precisely target households that are candidates to open an equity loan and have enough equity in their home to qualify.

Our proprietary process geocodes your database and matches it to our National Consumer file to append demographic and socio-economic indicators. A model is then created to pinpoint and identify what makes your equity customers unique and a scoring system is designed to find new prospects with a high likelihood of being good candidates for an equity loan/line.

INTELLIGENCE: RIGHT ON TARGET

Eliminate the guesswork – increase your ROMI through better targeting. Our MicroModeling methodology is designed to identify new equity customers and leverage their most important characteristics to establish an optimal audience for marketing efforts.

- MicroModeling analyzes your new equity customers data vs. the general population
- Utilize a distance study with the new equity customer data to determine the primary marketing footprint
- Refine equity data with over 1,000 demographic, behavioral and lifestyle attributes such as:
  - Purchase price/ date
  - Loan to Value
  - Mortgage Amount
  - Home Value
- Identify key differences between existing equity customers and prospects to find out what makes customers unique and score prospects on those variables.

**Identify households that are
6 times more likely
to open an equity product**

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

Additional Key Features

- **Can easily be applied to customer data**
- **Improved response rates through greater targeting**
- **Employ data at the household and Zip+4 level for accurracy that is cost effective**

WordCom™
INTELLIGENT TARGET MARKETING

How To Save Money on Self-Mailers

JANIS WESTON, ACCOUNT MANAGER & PRINT COORDINATOR

When designing the mailing piece for a marketing campaign, it's important to keep in mind that there are certain design elements that could greatly impact how much the postage costs would be to mail it.

The USPS has specific requirements about printed materials that are mass mailed using presorted, automated methods for postage savings. If the mail piece design does not follow the machineable or automation letter-sized self-mailer guidelines, it will be deemed non-machineable. If that happens, a per-piece fee will be incurred at the post office, and any postage discounts would then be lost.
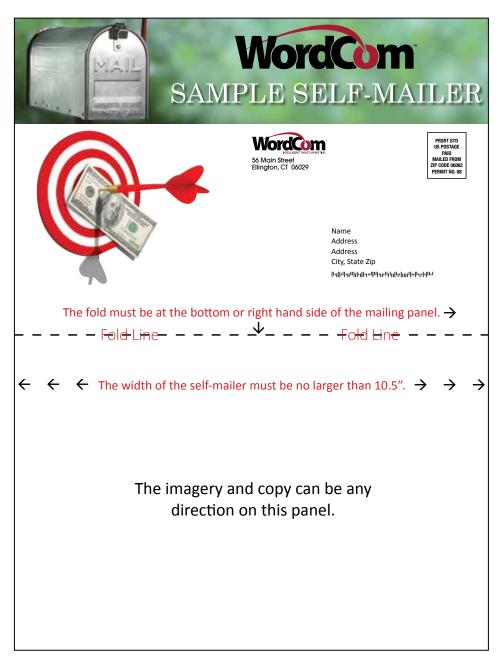
Post Office Rules

The rules and regulations surrounding Direct Mail Marketing can be found on www.usps.gov. Below are just a few of the rules that can be used to help avoid some common design mistakes that could end up unnecessarily eating away at marketing budget dollars.

- External panels created by folding must be equal or nearly equal in size.
- The final folded panel creates the back (non-address) side of the mail piece. The open edge of the back panel must be at the top or within 1 inch of the top or trailing edge of the mail piece.
- For horizontal folded tri-fold or multi-fold pieces, the addressed panel may be the final folded panel if the leading edge is properly sealed.
- The final folded edge must be the bottom of a folded self-mailer unless prepared as an oblong.
- The final folded edge of an oblong folded self-mailer must be the leading (right) edge.
- A machineable or automation letter-sized self-mailer must be:
  ~ Between 5 inches and 10½ inches long
  ~ Between 3½ inches and 6 inches tall
  ~ Rectangular, with an aspect ratio between 1.3 and 2.5 (aspect ratio is length divided by height)

It is also important to keep in mind the size of the mailing panel. The USPS requires specific "clear areas" for the barcode and postal markings, as well as for the mailing address. As a rule, the mailing panel must be at least 2¾ inches tall and wide, and located on the right-hand side of the mailer. However, it is much more aesthetically pleasing if the mailing panel is at least 4 inches wide and 4 inches tall, as it can be difficult to fit long addresses—plus the required intelligent mail barcode—in such a small space.

There are many rules surrounding mail piece design, but the USPS provides the MDA Support Center for its customers, a service that will connect a customer with a Mail Piece Design Analyst, who will assist with questions or evaluate the current mail piece design. The MDA Support Center can be reached by calling (855) 593-6093 or by sending an email to mda@usps.gov.

Source: http://pe.usps.gov/text/dmm300/201.htm#1081962

Four Direct Mail Ideas to Try

SHANNON PITNEY, ACCOUNT MANAGER

While many marketers are moving towards strictly email and digital driven marketing campaigns, many consumers say that mail is more personal than the internet alone and appreciate the genuine touch. Here are four ideas to freshen up this summer's direct mail…

Map It Out

Make the journey personal for the consumer. Maps are a common element used in many direct mail campaigns to show the consumer a location or end point. Increase foot traffic and response rates by including a personalized map on the direct mail piece. Not only will it stand out from ordinary mail, but it visually and immediately communicates the location to the audience, and points out the closest location to their home or office. Personalized maps could be added to any mail piece — letter, postcard or self-mailer.

Looking to encourage ATM usage? Point a consumer directly to the ATM closest to them. This adds a useful and personal touch to direct mail pieces.

Call Out the Competition

Before launching a direct marketing campaign, it's important to creatively determine how to differentiate the mailing from the competition in the mailbox. Is the incentive for opening a checking account better? Do you have better customer service and better overall customer satisfaction? A higher quality product? Determine your niche and emphasize your strengths in comparison to your competitors. Consumers will always want to know why they should open an account with you vs. "the other guy."

Think Touchy Feely

Imagine what your piece is going to look like stacked in a home or office mailbox. Consider using an oversized postcard that could almost wrap around everything else delivered that day. If going with a smaller piece, consider the thickness of the stock you use, and if it will hold up against the rest of the competition in the mailbox.

Even if your piece is destined for the garbage can, your customer will at least have to touch it. Incorporating a unique print or paper stock can attract just enough attention to earn that second glance. With a majority of people opening their mail over their trash can, it can seem to be difficult to come out ahead, but with small changes to the mail piece, it can make you stand out in the crowded mailbox!

Help Them Reach You

Make sure you are including multiple contact methods. Some people are more likely to pick up the phone, while others are more likely to use the internet. QR codes offer great options for mobile devices. You can create personalized QR codes so that the content is unique to each person, or generic just for that campaign. This landing page content can be changed and updated as needed, creating an easy way to keep people coming back for new content.

PURLs, or personalized URLs, will also provide a personalized landing page and content as you need it to. Ideally setup with a dynamic format (meaning able to work on both mobile and desktop devices), this can use the same page as the QR code if you are planning on providing both as a means of response. This gives the person the opportunity to choose the way they prefer to contact you! Be sure to include other contact options for those less tech savvy.

Targeting for Deposit Products

HARRY WALTMAN, VICE PRESIDENT

The direction and timing of interest rate changes is always unpredictable and continues to be for this interest rate cycle. Rates have been at historically low levels since the financial crisis, only recently being prompted off their lows by Fed action.

During this time period, many institutions have directed their efforts at building loan portfolios, often with good success. As the loan side of the balance sheet has grown, some institutions have started to turn their attention to deposit acquisition. A combination of interest rates being on the upswing along with addressing funding needs is, in many cases, accelerating the effort to gather deposits.

Checking is King

Checking remains the flagship deposit account of the banking industry. Institutions always look to acquire more checking accounts from prospective and current customers. Interest-bearing checking accounts with attractive rates can help with those efforts.

However, other types of deposit accounts figure prominently when looking to capitalize on higher rates. CDs and Money Market accounts are obvious vehicles for driving deposit balances. The key to a successful marketing strategy for deposit accounts is sophisticated targeting within the marketing universe.

Profiling is Critical

Targeting both prospects and existing customers using profile modeling is a proven approach. Analyzing the profile of an institution's existing account holders by product type will yield powerful targeting information.

Constructing a profile and identifying important characteristics of Money Market and/or CD customers will draw a picture of what an account holder looks like in terms of income, net worth, home value, and age, among many other demographic attributes. More complex profiling can include lifestyle and behavior characteristics.

Once a product profile is established, prospects or existing customers who look like the profile can be targeted in a promotional campaign. This process results in the refinement of the marketing footprint and allows for less communication volume and increased response rates. Plus, this entire effort can be customized to an institution's customers, product offerings and specific marketplace.
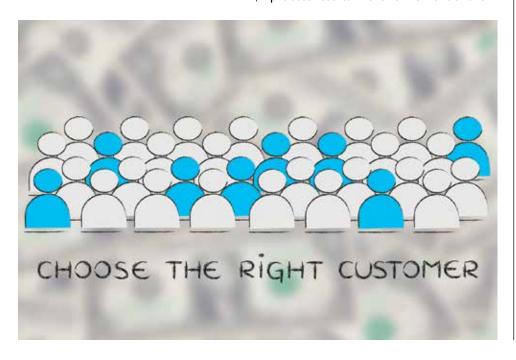
Using Propensity Modeling

The selection process for existing customer cross-sell can be enhanced further by incorporating propensity modeling. This approach looks at a multitude of data points while analyzing product mix, balances, transactions and other variables. It scores customers for their next-most-likely product purchase, allowing for precise targeting of deposit product offers. Coupled with profile modeling, it delivers extremely powerful information to use in selecting the right customers for the right offer.

Messages delivering deposit product offers can be most effective when delivered through channels likely to be preferred by the customer or prospect. For instance, when offering money market accounts, a younger profile may require a focus on email or mobile communication with the messaging pointing to saving for the future.

Targeting Seniors

Mailing and phone might be more effective for an older profile with the messaging focusing on safe savings for retirement. Understanding the profile of the targeted audience allows for custom message development to accompany detailed targeting.

As interest rates move higher through their cycle, institutions will be presented with opportunities to acquire new accounts, increase core deposits and enlarge the customer share of wallet. Marketers will need to carefully select and message their audience for deposit product offers to realize the most efficiencies.

CHOOSE THE RIGHT CUSTOMER

Recipe For Cross-Sell Strategy

STEVE MORRIS, VICE PRESIDENT & DONNA WOLANIN, MANAGER OF DATA SERVICES

Most chefs rely on a great recipe to make a delicious dish and, like most great recipes, they evolve over time. Experimenting with different flavors and spices helps to make the recipe truly special and unique.

The same holds true when building a cross-sell strategy. As with any recipe, there are basic ingredients that must be included, but there is also room for tweaking and trying to make the strategy (recipe) taste wonderful and provide a great result.

From the Kitchen of Wordcom

Step 1: What's on the menu? (What are the goals of the cross-sell strategy?)

There are a few ways to decide this. Is the goal to move single-service customers to additional services? Are there specific products/services that upper management has deemed important? Regardless, the overall goal should be to retain those customers for the long term.

Step 2: Ingredients (What is added will determine the targeted customers)

This is the part of the recipe where the chef can get creative. The most basic approach (or ingredient) is to use what is commonly referred to as a "business rules" approach (i.e. if customer doesn't have checking, send them a checking offer; if they don't have a credit card, send them a credit card offer, etc.).

However, by adding a few extra ingredients, the recipe can be modified to suit different tastes. For instance, there are a number of predictive models, such as Bank Intelligence Scores (BIS), that can analyze an institution's database and provide insightful detail as to what the next best products may be for a segment of customers. This will provide the dish with a bolder taste as it will be directed at what products the customer may actually "need" versus what the institution wants to "sell."

Step 3: Preparation (Mix and Bake)

Much like a recipe, ensuring all the necessary pieces (ingredients) are added to the program is very important for the outcome. A cross-sell program can be a complicated recipe to execute and many institutions don't have the resources to follow through with it. It's very easy to pull together a list of customers that don't have a specific product for that first communication. However, when it's time for the next communication, selecting the customers time and time again and tracking which customer purchased a specific product or service can become very cumbersome. So when preparing the dish, don't hesitate to reach out to the more advanced chefs as they may have more experience with those complex recipes.

Step 4: Presentation (Dealing With Different Tastes)

It is well known that "presentation is everything." Whether it be a dish or a cross-sell campaign, this is a key part in achieving the best results. Not all customers like the dish presented or prepared in the same manner, so a multi-channeled approach may be best. With digital and email being the current trends due to the fact that they are less expensive to execute, many customers still prefer to get their financial communications through the mail. So the dish should be presented based on customer preference. Doing so may keep them coming back for more.

When it's all said and done, cooking up a marketing strategy should be fun and adventurous. A chef/marketer shouldn't be afraid to try different ingredients and spices to develop a cross-sell dish that customers will rave about.

Meet Michael Bacon

Meet the newest member of the WordCom team, Michael Bacon! Michael joined WordCom in January of 2016 as a Database Research Analyst.

Michael was born and raised in Middletown, CT. He attended UConn here in Storrs, CT where he graduated with a degree in Business Data Analytics.
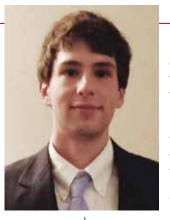
Before joining WordCom, he was employed with Aetna as a Systems Engineer intern for 2 years during his Junior/Senior years of college.

What exactly do you do here at WordCom?

"That's a good question… I take data from SQL Studio and put it in Spotfire, then use it to create charts, graphs, and tables. I look for relationships between seemingly unrelated data to help provide better analytical information to our clients. I write scripts for various data processing functions and also manipulate data for our clients to give them exactly what they need from a dataset."

When you're asked what you like most about your job, what do you say?

"I like my bosses. Chris and Cory are easy to talk to, and they're pretty laid back. They've been very helpful during the learning process."

Do you have any hobbies or things you do for fun when you're outside of work?

"I like to play video games like 'Hearthstone' and 'Rocket League.' I also enjoy playing board games like 'Settlers of Catan' and 'Risk.' For sports, I play hockey, golf, and spike ball."

What is something people would be surprised to know about you?

"I have purple onesie footie pajamas… with Eeyore on them. And I wore them to a party once, just for fun."

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