

# Marketing Minutes

## Build Traffic ... Build Sales

By Ben Clark, Client Services Coordinator

**H**ow would you like to build awareness, boost branch traffic, and increase deposits? One proven campaign with a “kid’s twist” can help.

### Proven TrafficBuilder

The Key/Treasure Chest promotion is a proven winner with over fifteen years of demonstrated performance for WordCom clients. While average bank direct mail gets a 1 to 3% response rate, this program has consistently brought in 10%, 15%, and even over 20% of the target market.

Prospects are mailed letters inviting them to visit the branch and try the real metal key that is affixed to the letter. In

the branch, there are three Treasure Chests complete with brass padlocks, each representing a prize level.

People with non-winning keys have the opportunity to fill out a “Second Chance” coupon, which is used in a drawing for all unclaimed prizes at the end of the promotion. Each mailing also contains several “Bonus Banking” coupons good for specials only at that branch. After the visitor tries their key, branch staff reviews the specials to generate a sale then or in the near future.



The bank gave a prize to every child that tried a key, and there were two grand prizes of \$250 savings bonds.

A bank in Washington state mailed to approximately 15,000 local households with great results. They had nearly 3,000 visitors (20% response rate). Of those 3,000 visitors, 235 of them opened a deposit account with new deposits totaling over \$3 million!

Another recent promotion at Peapack-Gladstone Bank in New Jersey generated \$4.5 million in deposits in just two weeks!

So, if you have a need to build awareness, boost branch traffic, increase deposits ... and show the community and your staff a good time, try a Treasure Chest Key Promotion. Please contact your WordCom representative for more information, details, or a no-obligation proposal.

### Invite Children To Play

The program is very easy for the prospect to grasp, easy to host, and fits in well with many themes. It can be even more interesting by including children in the promotion, like First Midwest Bank in Illinois did with an extra Treasure Chest just for kids.

“It was great, we had whole families coming in to try their keys,” David Horkey, Promotions Director said. “The kids were so excited to win a State Quarter Map!”



### In This Issue

Turn your traffic into deposits ...	1
Get higher responses to your home equity campaign .....	2
How to reach your affluent customers .....	3
The Letter Doctor is in .....	3
Selecting the proper postal program .....	4
FREE Checking direct mail options .....	4

# Maximizing Home Equity Programs

By Vineeta P. Bauer, Vice President

**N**ew techniques can help generate a higher response rate and higher return on investment on your next home equity program. Sophisticated methods to target customers and prospects who are most likely to respond are helping clients get better results by implementing advanced technology.

## Using Modeling Software

Modeling can help target the best customers and prospects for your next home equity campaign. This software applies statistical methods to determine the candidates most likely to respond, which includes product usage. (Demographics such as age and income are also included in the model.)

A bank client in the Midwest provided WordCom with their entire customer base to apply the modeling software and mail to the customers who had the highest scores. The model was also applied to the prospect list where look-a-likes were solicited.

The February loan campaign had a debt consolidation focus and achieved 1,136 booked loans of all types for \$22.5 million, 1.2% of all the people mailed for an impressive return on investment of 1,564%. Modeling usually results in higher response rates for home equity campaigns, which in turn results in a higher return on investment.

## Preapproved Home Equity

Provident Bank in Maryland used credit scoring and modeling to achieve fantastic results on their April campaign.



Modeling software ranked customers based on credit score, loan-to-value, credit balances, and ROI attributes to determine the final mailing list of 27,000 which was supported by newspaper advertising.

“Twelve weeks into the campaign, we have closed 776 home equity loans/lines for \$37 million,” reports Lisa Smith-Strother, vice president, “which is already 123% of our \$30 million goal — with another 600 loans for \$28 million are in accepted and final approved status and we expect them to close within the next few weeks. Bringing our grand total to well over \$50 million!”

## Potential Borrowing Power Program

WordCom has created a computer program that takes customer or prospect data and calculates the amount of money each person could probably borrow – their “Potential Borrowing Power.” This is not a “pre-approved” offer; it just gives the prospect a good idea of the money available to them.

For the customer portion, the institution provides all existing mortgage households with critical home value data, their loan-to-value ratio, and a real estate appreciation factor for the target market.

A bank in Wisconsin got an approximate 5% response rate using this strategy on their October home equity direct mail campaign, which was also supported by newspaper advertising.

To jump-start your home equity program, contact your WordCom representative for a no-obligation proposal.



## On The Web.....

Be sure to stop by [www.wordcom-inc.com](http://www.wordcom-inc.com) for more in-depth information about some of our comprehensive marketing services.

- Customized Creative Development
- Database Analysis
- Market Analysis & Prospect List Selection
- Mailing List Hygiene
- Offset Printing
- Laser Personalization
- Mailshop
- Program Tracking

# The Mailing List: Marketing to the Affluent

**It's true: Rich people are different. So too is marketing to them.**

**By Charles E. Gross, Vice President**

If your sales goals depend on successfully reaching the affluent households in your own database and market area, you need to remember: while many of the basic marketing principles are the same as in retail financial marketing, reaching the affluent requires specialized effort.

The most important element to success is selecting the mailing list(s). Most consumer list companies provide selections based on estimated income, with the top bracket at \$100,000+. Another approach is through estimated Net Worth. List compilers have developed sophisticated statistical models that permit selection based on increasing levels of estimated net worth or Income Producing Assets, from \$250,000 up to \$2 million+.

Other sources to consider are "vertical lists" of high-income professionals, like doctors, lawyers, directors of publicly held companies, etc. Consider using more than one list to maximize your marketing results. For one large mid western bank, WordCom selected five different list sources, ranked them in priority order, and merged them into one powerful database.



## Insider Trading Data

You can also select specific and individual data based on insider trade information from the SEC. One company gathers information from thousands of actual securities transactions to provide a unique opportunity to find high net worth prospects in your local area – or to match their records against your customer file to identify affluent households within your own customer database.

Be sure the final database is meticulously scrubbed so that each person's name and address is accurate. Nothing ruins a good mailing faster than a bad looking address and letter salutation.

These mailings should be highly targeted – and sequential. If your list exceeds the top 2-5% of your universe, you are probably mailing too many people. But you should mail to them three or four times during the year to gain awareness and a steady flow of new business leads.

## Free Research Paper

For more information on this subject, send for WordCom's free Marketing White Paper, *How To Market To The Affluent*. Just call, email, or check the box on the Fax-Back Reply.

# The Letter Doctor™

## Want To Improve Your Sales Letters?

Did you just send out thousands of letters promoting a product and get a lower response rate than you had hoped for?

Well, it could have been a result of the list... the offer... the mailing package... or, perhaps it was your letter copy. Everyone thinks they can write a letter; but it is a specialized skill, just like writing good copy for newspaper, radio, or TV.

Send us your letter and WordCom's *Letter Doctor*, George Wachtel, will critique it. Just mail the complete package to: George Wachtel, *The Letter Doctor*, WordCom, Box 308, Ellington, CT 06029. Or email a PDF of the letter to [Letterdoctor@wordcom-inc.com](mailto:Letterdoctor@wordcom-inc.com).

George Wachtel is founder and President of WordCom. He is also a visiting faculty member at the ABA's School of Bank Marketing, was President of the BMA, New England Chapter, and President of the Direct Marketing Association of Connecticut.



# Are You First Class? Postage Options

By Christopher Wachtel, Vice President

**T**he Postal Service again increased most rates effective July 1st. To keep costs to a minimum, it is imperative to select the postal program that meets budget constraints and delivery time frames.

**Straight First Class:** The most expensive at \$.34, does not require a minimum quantity, barcode, or special sorting and should be delivered in 2-3 days.

**First Class Presort:** Minimum of 500 pieces, should be delivered in 2-3 days, and the mailing list must be certified by USPS endorsed software and National Change of Address processing. If the mailer applies the required barcode, automated rates start at \$.28; but the rate decreases based on the number of pieces per zip code.

**Standard Mail (Bulk):** Minimum of 200 pieces and should be delivered in 5-10 days, but delivery time is not

guaranteed. There are two levels: automated and non. Automated starts at \$.20 and requires the mailing list be certified by USPS endorsed software to apply the barcode.

Non-automated starts at \$.253 and does not require a barcode. Additional savings can be achieved for both based on number of pieces per zip.

**Carrier Route:** Minimum quantity required per carrier route and the mail must have a special sort. Rates can get as low as \$.121; but the drawback is an additional endorsement line must be printed above the person's name.

Unless the mail needs to be delivered in a specific time frame, Standard Mail is usually preferable because of the significant savings. Money saved on postage can be used to enhance the mailing program.

**Note:** All classes of mail can use **a live postage stamp** to give the impression of First Class postage.



## FREE Checking – Mailing Options

**W**ith the continuing push for core deposits, promotions by banks around the country for the basic checking account have become frequent.

And to be competitive, many banks are promoting their FREE Checking account as the best way to get the prospect's attention and interest. With profit margins relatively low on this account, the acquisition cost has to be kept low as well; so the mailing package has to be economical.

### 4 Package Options:

**Postcard:** An over-sized, 4-color postcard can quickly highlight the consumer benefits and/or premium being offered.

**Self-Mailer Flier:** Get more room for copy points and comparisons with a 4-color, 4-panel, self-mailing flier on card stock.

**Flier in Envelope:** Create a colorful and informative piece; but rather than a self-mailer, enclose in a personalized envelope from the bank.

**Personalized Letter:** Give the same key information, but present it more upscale with a personalized letter addressed to customers or prospects.

Which mailing package option is right for you? It depends... on your audience, your budget, and your positioning. Contact WordCom for more ideas and suggestions.



Contact your Regional Marketing Consultant today!

- CHARLES E. GROSS, JR. – VICE PRESIDENT & SENIOR DATABASE MARKETING CONSULTANT**  
800-822-0622 Fax 860-872-2713  
Charlie@wordcom-inc.com
- TED B. NEWTON – VICE PRESIDENT & SENIOR DATABASE MARKETING CONSULTANT**  
813-253-5982 Fax 860-872-2713  
Ted@wordcom-inc.com
- VINEETA BAUER – VICE PRESIDENT & SENIOR DATABASE MARKETING CONSULTANT**  
888-275-7920 Fax 813-982-1682  
Vineeta@wordcom-inc.com
- MICHAEL R. WOLFORD – VICE PRESIDENT & SENIOR DATABASE MARKETING CONSULTANT**  
888-596-4491 Fax 407-657-5081  
Michael@wordcom-inc.com

To request more information about our services, you can reach us at:  
WordCom Inc.  
P.O. Box 308, 56 Main Street  
Ellington, CT 06029  
Telephone: 860-875-7373  
Toll Free: 800-822-0622  
Fax: 860-872-2713  
www.wordcom-inc.com