



# AGENCY POSITION



# MARKETING TO SENIOR CITIZENS



**PRESENTED BY STRATEGIC DIRECT MARKETING, INC.**  
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## MARKETING TO SENIORS

In our experience at SDMI, we have found three distinct keys to effectively market to the senior citizen audience:

 *Personal Attention*

 *Value*

 *Involvement*

### PERSONAL ATTENTION

It's no secret that seniors represent a significant portion of any institution's deposit base. These people have lived full and rewarding lives, and they have built up a stockpile of cash for their golden years. They don't treat this money in a casual way, however: they guard it like the gold at Fort Knox.

As every banker knows, seniors like to talk. Most are retired, so they have plenty of time on their hands. They schedule their time carefully, and treat appointments and basic transactions as a major event in their day. Many will block out a full hour for a visit to the branch, when their only real business is making a simple deposit.

For this reason, most seniors are ATM-averse. They would rather chat with the teller for 10 minutes than deal with an impersonal machine.

If your institution can find an effective way to show proper attention and/or devote time to seniors, they will devote their time – and savings – to you.

## **MARKETING TO SENIORS (CONTINUED)**

### **VALUE**

Another well-known fact about seniors is that they are thrifty. They recognize a good deal immediately, and they will move their CDs from one institution to another for a 1/4 basis point difference -- or a free toaster.

Among all consumers, nobody likes 'something for nothing' like seniors. They really do steal pens from your lobby, and yes, they will take a stack of deposit envelopes home to store their leftover flower seeds for next year. In the same visit, they may open a \$50,000 CD, or deposit an extra \$3,000 in stock dividends. Go figure.

If you can offer a clear and distinct pricing advantage over your competition, it pays to announce this loudly and clearly to every senior within a 10-mile radius of your branches. Seniors love to explore, and they will visit your branch even if they've banked elsewhere for the past 50 years.

Free gifts and giveaways are another key to gaining market share among seniors. They love free knickknacks, preferably those that can be given as gifts to grandchildren, (but make sure you also have some items that will appeal to seniors who don't have grandchildren).

### **INVOLVEMENT**

One of the major things that seniors are always on the lookout for is ways to get involved with life. Every day is precious to a senior citizen, and they love to be around people, doing things and going places. Your institution can benefit from this by operating a 'Seniors Club'.

Of course, the drawback to such clubs is the cost and the manpower commitment.

## MARKETING TO SENIORS *(CONTINUED)*

In our experience, the most successful institutions that market to seniors have maintained a full-time senior club representative. This person is usually very outgoing and flashy; he or she must have a dynamic personality and the patience of Job. The primary function this individual serves is as a personal liaison to senior account holders.

The 'Seniors' marketing person generally has a wide range of duties:

- Talking on the phone non-stop to seniors
- Discussing investment options and product features
- Sending couriers to pick up checks
- Scheduling bus trips
- Taking potential large depositors to lunch
- Community relations
- Retirement community meetings

By having a specific individual to contact, seniors build a link to your institution. This one individual can help you retain deposits when others are offering better rates. By requiring a minimum activity level for club participation, you can lock-in long-term deposits. These two items, in tandem, are the key to managing a successful senior club program.

Many institutions rely on a packaged club checking account offered by many benefits providers. These programs can be very costly, and once they are in place you can never take them away without losing the customer. We recommend building a local club with local benefits; this way you maintain total control without seeing your profits go out the door.

## DIRECT MAIL AND THE SENIOR MARKET

At SDMI, we believe that direct mail, when properly produced and implemented, can be highly rewarding in the senior marketplace. Here are some of the ways it can be effective:

### PROSPECTING

- 📧 **Club Program Introduction.** Create a local club with local benefits, and market it in conjunction with a DDA packaged account.
- 📧 **CD Sale Notification.** When you have a good rate, promote it across the board to seniors in your area – and beyond.
- 📧 **Financial Forum.** A chatty letter from your senior club representative. Not a true newsletter, more of a personal letter from one senior to another. Seniors love personal letters.
- 📧 **Monthly club program updates** (often in conjunction with an ‘off the shelf’ senior newsletter; several vendors sell these items).
- 📧 **Specific account suggestions.** Here, we use data off the MCIF to monitor specific account activity. Certain trigger indicators tell us which letter version to send, and what recommendations to make.
- 📧 **3-Coupon Cross-Sell.** This program features three laser-printed coupons. Each household receives offers specifically focused on their account relationship. For example, if an account holder has \$10,000 or more in their savings account, we promote a bonus rate on CDs of \$10,000 or more. If they have high or varying checking balances, we might recommend a money market account. The combinations are unlimited, and they’re all driven by the MCIF.

For specific program recommendations for your financial institution, contact SDMI at 1-800-843-8861, or complete and fax the attached response form.



**MARKETING TO SENIORS INFORMATION REQUEST FORM**

Your Name \_\_\_\_\_

Your Title \_\_\_\_\_

Your Phone # (\_\_\_\_\_) \_\_\_\_\_

Your Email Address \_\_\_\_\_ @ \_\_\_\_\_

Institution Name \_\_\_\_\_

Total Assets (estimated) \_\_\_\_\_

Total Number of Households Served (estimated) \_\_\_\_\_

**PROGRAM TYPE**

Seniors Marketing Program

Other: \_\_\_\_\_

**PROGRAM DETAILS**

Do you currently have a Seniors DDA Program at your institution? \_\_\_\_\_

If yes, how many participants do you have? \_\_\_\_\_

Do you offer a Seniors Club Checking product? \_\_\_\_\_

Do you publish a newsletter for Seniors? \_\_\_\_\_

Please complete and FAX to (615) 834-6698, or mail to:  
SDMI, 447 Metroplex Drive, Nashville, TN 37211-3109.  
For more information call 1-800-843-8861.