



AGENCY POSITION



NEW ACCOUNT “WELCOME” PROGRAM



PRESENTED BY STRATEGIC DIRECT MARKETING, INC.
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SDMI NEW ACCOUNT WELCOME PROGRAM

Opening new accounts is always a welcome activity at any financial institution. The optimism is high that other new accounts will follow.

At SDMI, we believe in pressing the issue: make sure your new account holder knows about all of your various products and services. Motivate them to get more information, and tell you how you can help them get ahead.

The primary tool for this is our Three-Coupon Cross-Sell Program. It has been a huge profit-builder for the many SDMI clients that have implemented it as a monthly program.

The goal of this program is to generate cross-sales of additional products and services on an on-going and consistent basis. There are also several clear-cut objectives within this program:

- ① Identify qualified targets among existing account holders who are most likely to buy specific products and services
- ① Develop and execute direct marketing techniques that will build and cement new and existing account relationships, while maximizing the lifetime value of the account holder.
- ① Segment account holders at the MCIF level by current account status. Determine the 3 products and services they are most likely to buy in the near future, and assign offer codes by account.
- ① Maximize mailing efficiency by laser printing the coupon offers onto a modular form. Each account holder receives custom offers, but all account holder mailings are produced and mailed in one batch.

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This program has worked exceptionally well as an ongoing monthly mailing. Some account holders receive one mailing a quarter; others, which represent the greatest profitability potential, receive monthly mailings. Using your MCIF's built-in profitability / response tracking capability, it's easy to determine segmentation.

There are four clearly-defined phases in our recommended new Account Development Program:

PHASE I.....THANK YOU

PHASE II.....THREE COUPON CROSS-SELL

PHASE III.....CORE ACCOUNT CROSS-SELL

PHASE IVSATISFACTION SURVEY

THANK YOU – PHASE ONE

This mailing often utilizes the Three Coupon Cross-Sell format. The message panel is changed to reflect the new account status.

Another format that is available provides the new account holder with a business card of his or her contact at your institution, plus a Rolodex-style card with the same information. A single coupon is provided, promoting a single hard-hitting offer to open an additional account immediately. Here are some examples:

INITIAL ACCOUNT

UPSELL OFFER

| | |
|------------------------|------------------|
| DDA | CD |
| CD | DDA |
| Savings..... | DDA |
| Home Mortgage | Home Equity Loan |
| Home Equity Loan | DDA |

THREE COUPON CROSS-SELL – PHASE TWO

This program is generally mailed out two to three months after the initial account open date. Here again, the offers can be determined using an MCIF query. Now, we increase the offers from one to three. As this program is mailed month after month, it becomes easy to determine the winning combination based on household demographics and account activity. A simple model will help narrow the focus to increase response and program effectiveness.

The three offers represent the three most likely products or services to be purchased in the household.

Typically, we assign a total of 10 ‘next most likely’ products or services, in order of greatest-to-least likelihood of being opened. This program introduces the first three products / services. As the household opens these accounts, we move to the next in line.

For some institutions, we have over 100 different coupon offers. If your institution serves multiple states, you will need different disclosures on the back of your documents. This is easily achieved when we duplex the coupon form. Because the offers are all database driven, they are as accurate as your MCIF. Unlimited numbers of coupon offers are no problem at SDMI.

What’s more, we laser image the coupon documents as Quark Xpress documents. What does this mean to you? It means that we can change out the graphics easily, using unlimited fonts, logos, signatures, offers, etc. – the sky is the limit in terms of your marketing program. So testing is easy, quick and economical!

CORE ACCOUNT CROSS-SELL – PHASE THREE

After results from Phase II have come in, it can be very beneficial to give added emphasis to the single product that would be of greatest benefit to the new account holder. The purpose of this mailing is to educate the account holder in detail about a selected product or service. We provide them with a full letter and brochure explaining the product and offer in depth.

This program is very beneficial when the target product is ‘long sell’, i.e. first mortgage, home equity loan, etc.

To add lift to this phase of the program, we recommend the addition of a premium incentive item. For a DDA offer, a free leather checkbook cover may be appropriate. For Home Equity, a small appliance or gift item for the home is appropriate, i.e. breadmaker, toaster oven, blender, mantle clock, etc.

ACCOUNT SURVEY – PHASE FOUR

The fourth and final phase of this program is the survey. Here, we attempt to discover how the account holder feels about your institution and the offers they have been given.

This kit is mailed approximately 5 months after account opening and strives to determine what the account holder likes and dislikes about their relationship with you. *This phase is key to account retention.*

Positioning in this kit is critical as the account holder must feel comfortable enough to voice his/her concerns or praises, knowing that these comments will receive action and are not written in vain.

This kit serves as reinforcement of your institution's commitment to quality service. Your staff must be prepared to act on the information provided, and satisfy any pressing needs immediately. Also, it is recommended that they follow-up with personal phone calls or 'thank you' notes on branch letterhead.

To learn more about the SDMI Welcome Program and receive samples and pricing, please call us at 1-800-843-8861 or simply complete and fax the attached Welcome Program Information Request Form.



WELCOME PROGRAM 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

Welcome Program

Other _____

PROGRAM DETAILS

Number of New Accounts Per Month, on Average _____

Total Number of Accounts at Your Institution (Est.) _____

Do You Currently Send Welcome Kits to New Account Holders? _____

If So, Do You Produce In-House Or Use an Outside Vendor? _____

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.